



## ASX ANNOUNCEMENT

Iron Road Limited (Iron Road, ASX:IRD)

# IRON ROAD TO UNDERTAKE NON-RENOUNCEABLE ENTITLEMENT OFFER

**Iron Road Limited** (Iron Road, ASX: IRD, **Company**) is pleased to announce a non-renounceable entitlement offer (Entitlement Offer or Offer) of new Iron Road shares (New Shares) at an Offer price of \$0.075 (7.5 cents) per New Share.

The Entitlement Offer will be an offer of approximately 22,585,142 new fully paid ordinary shares in Iron Road (New Shares) on the basis of 1 New Share for every 30 existing shares held by eligible shareholders on the Record Date (Entitlement). The offer price is a discount of approximately 13.7% to the 30-day volume weighted average price of Iron Road shares on the ASX for the period ending 4 September 2018, and a discount of 7.4% to the closing price of Iron Road's shares on 4 September 2018.

The Offer Booklet will be lodged with the ASX on Wednesday, 5 September 2018 and will be sent to eligible shareholders together with a personalised Entitlement and Acceptance Form on Wednesday, 12 September 2018.

Iron Road's largest shareholder, Sentient Fund IV, has undertaken to participate fully in the Entitlement Offer. Under the Entitlement Offer, Sentient Fund IV is entitled to take up to 13,962,713 New Shares, with the aggregate amount to be received by Iron Road from Sentient Fund IV under these arrangements being approximately \$1.0 million.

The Entitlement Offer is not underwritten. There is no shortfall facility as part of the Offer. Neither eligible shareholders nor any other parties may apply for shortfall shares.

The iron ore market continues to apply greater value to premium iron products, with higher and lower quality products experiencing marked divergence from the 62% iron benchmark price. High grade iron products with low impurity content are currently commanding strong prices in the seaborne market (>US\$90/dmt CFR China – 65% Fe Index) whereas sub-benchmark grade iron products are realising large pricing discounts, in part due to rising impurity penalties. This positive market trend is increasingly being acknowledged as sustainable and attributable to a structural and environmentally-driven Chinese steel industry shift. Iron Road notes that high quality index prices are currently well above long term market consensus.

Certain aspects of the work with China Railway Group have been drawn-out and progress overall has been unacceptably slow. As a consequence, Iron Road is exploring other avenues to unlock value in the CEIP through continued engagement with alternative potential partners and investors. This includes a re-examination of further

reduced capital options through staged and scalable development, providing a more probable funding pathway and production of well over half a billion tonnes of concentrate (66.7% iron) defined in the CEIP life-of-mine schedule (previously disclosed to the market October 2015).

### Use of Proceeds

The proceeds of the Entitlement Offer will be used to maintain the Central Eyre Iron Project Mining Lease, corporate expenses and costs of the Offer. Details of the use of funds are contained in the Offer Booklet.

### Indicative Timetable

The proposed timetable for the Entitlement Offer is set out in the table below. All dates are indicative only and the Company reserves the right to vary them (subject to requirements of the Corporations Act and the ASX Listing Rules).

Table 1 Indicative Timetable

Date	Event
Friday, 7 September 2018	Entitlements Issue 'ex' Date
Monday, 10 September 2018	Entitlements Issue Record Date
Wednesday, 12 September 2018	Entitlements Issue opens and Offer Booklet dispatched
Tuesday, 9 October 2018	Entitlements Issue offer closes at 5.00 pm (AEST)
Wednesday, 10 October 2018	New Shares quoted deferred settlement basis
Friday, 12 October 2018	Entitlements Issue shortfall notified to ASX
Monday, 15 October 2018	Entitlements Issue shares issued Deferred settlement trading ends
Tuesday, 16 October 2018	Trading of New Shares commences

Important notice: The indicative timetable above is subject to change without notice. Iron Road reserves the right to amend any or all of these dates and times, subject to requirements of the Corporations Act, the ASX Listing Rules and other applicable laws.

### For further information, please contact:

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