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ASX ANNOUNCEMENT

Iron Road Limited (Iron Road, ASX:IRD)

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IRON ROAD SIGNS AGREEMENTS WITH FIVE CHINESE STEEL MILLS

Agreements will see Iron Road progress towards long term product sales and collaboratively study the benefits of high grade Central Eyre Iron Project (CEIP) concentrate on steel mill performance

Highlights

- **Separate non-binding Memorandum of Understandings (MoUs) signed with five globally significant Chinese steel companies**
- **The MoUs will see Iron Road and the Chinese parties work together to evaluate both the commercial and technical benefits of using high quality CEIP product in Chinese steel mills**
- **Following a positive evaluation, major steel producer Shandong Iron & Steel Group Co Ltd and Iron Road Limited enter into a further agreement towards signing a Letter of Intent over the purchase of premium iron products from the CEIP to support the project's development**
- **Signing occurred alongside the *Shandong-South Australia Friendly Cooperation Action Plan (2015-2018)* in a ceremony observed by South Australian Premier the Hon Jay Weatherill and Secretary, Shandong Provincial Committee of the Communist Party of China, Mr Jiang Yikang**

Iron Road Limited (Iron Road, ASX: IRD) is pleased to announce significant progress towards forming the long term off-take agreements that will underpin development of the CEIP. Iron Road has now signed five separate non-binding Memorandum of Understandings (MoUs) with leading, globally significant Chinese steel companies, aimed at progressing long-term iron ore supply agreements for the CEIP. Under the MoUs, the steel companies will conduct technical evaluations of CEIP iron concentrate, to verify the commercial and technical merits (including Value in Use) of the high quality product as a precursor to entering discussions towards a Letter of Intent for the long term supply of CEIP concentrate.

At this stage, four of the Chinese companies counterparty to the MoUs have requested anonymity for reasons of commercial confidentiality. Iron Road is confident of their commitment to undertake the activities contemplated in the MoUs and ultimately, to use significant quantities of CEIP product in their operations.

GPO Box 1164, Adelaide 5001 South Australia | T +61 (8) 8214 4400 | F +61 (8) 8214 4440
admin@ironroadlimited.com.au | ironroadlimited.com.au | ABN: 51 128 698 108

Iron Road Chairman Dr Peter Cassidy and Shan Steel Chairman Mr Ren Hao (with dignitaries including South Australian Premier the Hon Jay Weatherill, Secretary, Shandong Provincial Committee of the Communist Party of China, Mr Jiang Yikang and Minister for Trade, Hon Martin Hamilton-Smith) during the signing ceremony held last night at a welcome dinner for China's largest trade delegation to South Australia.

One of the MoU parties, Shandong Iron & Steel Group Co Ltd (ShanSteel), has signed a further agreement, progressing its intention to enter into a Letter of Intent with Iron Road (ShanSteel Agreement). The proposed Letter of Intent will cover the supply of premium iron products to ShanSteel from the CEIP. ShanSteel is the seventh largest producer of steel in China.

The ShanSteel Agreement also proposes that ShanSteel and Iron Road will collaborate to seek a project funding solution to enable Iron Road to reach a final investment decision, in order to commence construction during 2017.

The ShanSteel Agreement was signed at a ceremony alongside the *Shandong-South Australia Friendly Cooperation Action Plan (2015-2018)* and observed by South Australian Premier the Hon Jay Weatherill and Secretary, Shandong Provincial Committee of the Communist Party of China, Mr Jiang Yikang together with other honoured guests. ShanSteel is head quartered at Jinan, within Shandong Province and is a state-owned entity.

Iron Road Managing Director, Mr Andrew Stocks, said the agreements were a major milestone for Iron Road as it progresses towards development of the CEIP.

"Our high quality product from the CEIP offers significant advantages for steel mills intent on running the most efficient and environmentally compliant operations, hence the strong interest we have received from a number of parties," Mr Stocks said.

"The MoUs are aimed at establishing a detailed understanding of the commercial and technical benefits the CEIP product will deliver for steel mills, prior to entering a Letter of Intent for the long term supply of iron ore product from the CEIP.

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"We are very happy that ShanSteel wishes to strengthen our relationship and continue its evaluation of the CEIP. We also look forward to collaborating further with ShanSteel on enabling the successful completion of our final preparations prior to funding and construction of the Central Eyre Iron Project," Mr Stocks said.

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For further information, please contact:

Andrew Stocks, Managing Director
Iron Road Limited
Tel: +61 8 8214 4400
Email: admin@ironroadlimited.com.au

Shane Murphy
FTI Consulting
Tel: +61 8 9485 8888
Email: shane.murphy@fticonsulting.com

Or visit www.ironroadlimited.com.au

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