



ASX ANNOUNCEMENT

Iron Road Ltd (Iron Road, ASX: IRD)



REGIONAL INFRASTRUCTURE UPGRADE SUPPORTIVE OF CENTRAL EYRE IRON PROJECT POWER DEMAND

Iron Road Ltd (Iron Road or Company, ASX: IRD) welcomes the recent 20 May 2021 announcement by ElectraNet, owners and managers of South Australia's high voltage transmission network, that major works to construct a new 270km, high voltage transmission line across the Eyre Peninsula are underway.

ElectraNet has advised that the \$300 million project, called *Eyre Peninsula Link*, would take about 18 months to complete, with the new line expected to be energised by the end of 2022. The current transmission line powering the region is over 50 years old with ElectraNet noting it has spent considerable time planning for its replacement to ensure it will meet the region's current and future needs, while also keeping costs as low as possible.

As well as a more secure and reliable power supply for homes and businesses across the Eyre Peninsula, other benefits of the new transmission line, according to ElectraNet, include:

- Increased capacity to connect more users to the electricity network
- Enabling new renewable energy and mining projects to connect in the future
- An opportunity to extend the network in future; and
- Contractors supporting the local economies they work within

The new 270km transmission line will extend from Cultana (near Whyalla) to Port Lincoln via Yadnarie. Comprising double circuit 132kV, the Cultana to Yadnarie section is 275kV capable when required. Upgrades to substations at Cultana, Yadnarie, Port Lincoln Terminal, Wudinna and Middleback are also part of the project.

Iron Road also notes the 31 May 2021 announcement by the Australian Energy Regulator (AER) approving the expenditure required to deliver the proposed SA-NSW interconnector, *Project EnergyConnect*. The AER determination allows capital expenditure of \$2.28 billion to deliver the project efficiently, including \$457.4 million for ElectraNet to construct the South Australian section of the project. TransGrid, responsible for the New South Wales section of the project, has approved a final investment decision to proceed.

ElectraNet commented that the AER and TransGrid decisions were a significant milestone for *Project EnergyConnect*, which they regard as a project of national significance and a priority project for the national electricity grid.

According to ElectraNet, independent analysis shows *Project EnergyConnect* will drive competition in the wholesale electricity market by connecting more, low-cost generation to the grid and support the ongoing transition to a lower carbon emissions future.



As a large-scale, long-life proposed mining and beneficiation operation, the Company's Central Eyre Iron Project (CEIP) will be a significant consumer of power and a stable demand anchor located at the south-western end of the National Electricity Market (NEM). This presents a clear opportunity for development proponents of proximate, low-cost renewable energy resources on the Eyre Peninsula with a viable connection to an upgraded grid that further supports take-up of low carbon emission generation into the NEM.

Following an independent review by a power industry expert as part of ongoing due diligence activities, CEIP mean power demand requirements of 167MW from "pit-to-port" are illustrated in the table below. Previous CEIP mean power demand guidance of 212MW was incorrectly classified, referring closer to installed and peak power demand requirements. The independent review has determined that the Company's estimate of annual power consumption (MWh terms) for the 12Mtpa (dry tonnes) iron concentrate delivery model remains essentially unchanged.

| CEIP Power Load Summary | |
|---------------------------|-------------------------|
| Load Source | Mean Daily Demand MW |
| Mine | 24 |
| Processing Plant | 125 |
| Process Plant Ancillaries | 12 |
| Total Mine Site | 161 |
| Port | 5 |
| Borefield | 1 |
| Pit-to-Port Total | 167 |

The information included in this announcement has been obtained from the "CEIP Study Confirms Compelling Commercial Case" announcement dated 26 February 2014 and as updated by "Revised CEIP Development Strategy" dated 25 February 2019 and Iron Road confirms that all material assumptions and technical parameters underpinning the forecast financial information derived from the Ore Reserve and Mineral Resource continue to apply and have not materially changed.

Authorised for release by the board of Iron Road Ltd

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