



ASX ANNOUNCEMENT

Iron Road Limited (Iron Road, ASX:IRD)

MINE REVIEW DRIVES FURTHER VALUE ACCRETION OPPORTUNITIES AT THE CEIP

Lower upfront capital requirements and accelerated ore extraction profile

Highlights

- Thiess-RWE mine plan and schedule review identifies additional upfront capital efficiencies that further enhance Central Eyre Iron Project (CEIP) value.
- Adoption of early stage selective mining strategies in combination with the application of in-pit crushing and conveying (IPCC) technology have rapidly advanced the ore production ramp-up profile and high quality iron concentrate production (66.5% Fe), commencing two years earlier.
- Upfront mine capital cost estimate (excluding pre-strip) reduced by US\$130 million to US\$965 million. Importantly, this outcome combined with lower early pre-strip volumes and accelerated ore production result in a modest upward revision to life-of-mine average FOB operating costs of less than US\$1.50/dmt.
- Further detailed input will be sought from suitably experienced mining contractor candidates as part of a pending update to CEIP economic metrics. Thiess-RWE's preliminary assessment indicates that the revised mine schedule and cost structures could potentially deliver a significant CEIP NPV improvement.
- Tier 1 mining contractor candidates have signalled high-value heavy mobile equipment provision opportunities in return for a long-term operating engagement as the preferred mining services contractor for the CEIP. This would further reduce the overall project funding requirement and boost CEIP economic metrics.

Iron Road Limited (Iron Road, ASX: IRD) is pleased to advise that Thiess-RWE, a leading expert in continuous mining systems, such as in-pit crushing and conveying, has concluded a review of the CEIP mine plan. The review focussed on opportunities relating to early ore access and mine establishment costs whilst leveraging efficiencies offered by the application and flexibility of proven, continuous mining systems.

RWE currently undertakes an engagement with Vale S.A. to support their S11D project in Brazil. The engagement includes mine planning, equipment scheduling as well as operational training and assistance for the implementation of the integrated mining solutions, similar to those proposed for the CEIP.

Targeted objectives of the CEIP mine plan review included:

- reducing upfront capital requirements
- extracting ore reserves earlier to accelerate the ramp-up profile of iron concentrate output
- decreasing the upfront pre-strip/waste mining period
- identifying other efficiencies.

Figure 1 illustrates the material benefits arising from the latest review of the mine plan and schedule. By targeting initial areas of the orebody to optimise rapid ore delivery, this ensures the process plant can ramp-up output of the CEIP high quality iron concentrate much earlier than the 2015 Optimisation Study timetable.

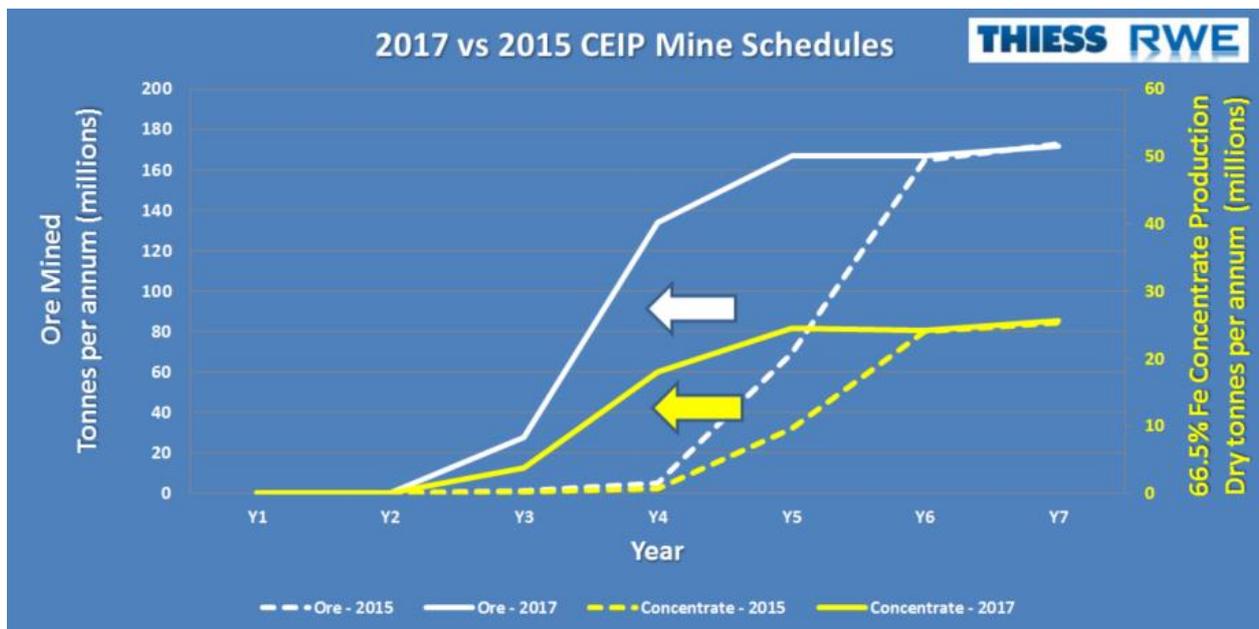


Figure 1- Ore and iron concentrate production profiles for Years 1-7, CEIP Mine

Iron Road is now planning to commence a sole-source Early Contractor Involvement (ECI) process with the mining contractor displaying greatest appetite for exposure to a high-value, long-term mining services contract. The ECI process will be designed to ensure both Iron Road and the selected contractor focus their full collective abilities toward generating a best-for-project outcome, with built-in and agreed stretch target objectives to meet all of Iron Road’s operational and financial objectives for the CEIP.

The Optimisation study referenced in this announcement was released on 13 October 2015 as “Optimisation Studies Complete at CEIP” and updated on 20 April 2016 as “Continuing Cost Reductions at Central Eyre Iron Project” and 3 July 2017 as “CEIP Capital Cost Estimate Reduction”. The Company has provided an update to material assumptions and is not aware of any other new information or data that materially affects the information included in this announcement.

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About Thiess-RWE

Thiess-RWE joint venture combines RWE’s world-leading technical and operational expertise in open-cast continuous mining systems with Thiess’ proven delivery of large scale mine infrastructure and contract mining. Continuous mining systems such as bucket wheel excavators, and in-pit crushing and conveying (IPCC) systems, provide the most cost-effective solutions for high-capacity mine operations with long strips or deep pits. The joint venture provides the full suite of in-house mine planning, engineering, operations and maintenance services.



About Iron Road Limited

Iron Road Limited is the developer of the Central Eyre Iron Project (CEIP), located on the Eyre Peninsula in South Australia which is now at the final stage of planning and pre-construction activities, moving to a Final Investment Decision (FID).

The CEIP is a long life proposal, which will produce a high grade, low impurity iron concentrate for export to Asia for an initial mine life of over 25 years. The product will attract a quality premium over reference iron ore prices, and is expected to have substantial benefits for steel mill customers in pollution reduction and operating costs.

Iron Road is building a consortium of aligned organisations with interests in iron concentrate offtake, mining and mineral processing, electricity supply, rail, port export logistics and related activities. Regional Development Australia Whyalla and Eyre Peninsula recently completed a successful Expressions of Interest process identifying third parties with a view to utilising the project’s infrastructure.

