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ASX ANNOUNCEMENT

Iron Road Limited (Iron Road, ASX:IRD)

AUSTRALIAN ENERGY REGULATOR APPROVES NEW TRANSMISSION LINE FOR EYRE PENINSULA

Underpins strategy to source efficient grid based CEIP power solution

Iron Road Limited (Iron Road or Company, ASX: IRD) welcomes the Australian Energy Regulator's (AER) approval of a new transmission line on Eyre Peninsula. The $240 million upgrade proposal by transmission specialist, ElectraNet, includes replacing the existing single-circuit 132kV line constructed in 1967 with a new double-circuit 132kV transmission line on the east coast of the Peninsula.

The design incorporates the ability to upgrade the Cultana to Yadnarie section to 275kV at a later date, through an upgrade of the Yadnarie West substation, to accommodate the electrical power supply requirements of the Central Eyre Iron Project.

Next steps include detailed project delivery planning and implementation, with construction works anticipated to commence during 2020 and completion by the end of 2021.

Power to the Central Eyre Iron Project (CEIP) will primarily be contracted to a base load power generator, supplied through the regulated high voltage (HV) power transmission network from Yadnarie. Construction of a powerline joining the mine site to the grid at Yadnarie and an upgrade to the Yadnarie West substation are key project components. The cost of these supplementary works is included in Iron Road's recently revised CEIP capital expenditure requirements as released to the ASX on 25 February 2019 (*Revised CEIP Development Strategy Reduces Project Capex Requirements by 56%*).

Electrical power requirements for the CEIP coincide with the commencement of overburden mining operations, initially utilising site based temporary generators and transitioning to grid power as construction progresses. Significant electrical power demand however largely follows the ore processing facility ramp-up, over a two year period, prior to ultimately reaching steady state demand of 212MW.

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