



## ASX ANNOUNCEMENT

Iron Road Limited (Iron Road, ASX:IRD)

# IRON ROAD RECEIVES SHORT TERM FUNDING SUPPORT

**Funding for CEIP into early 2016 as Iron Road Continues Partnership Discussions and Development Approvals**

### HIGHLIGHTS

- Short term debt financing of \$2 million received from major shareholder The Sentient Group, providing financial support into early 2016.
- Financing provided free of interest and facility fees.
- Iron Road expected to refinance short term financing following future corporate transaction.

**Iron Road Limited** (Iron Road, ASX: IRD) is pleased to announce that it has received \$2 million in short term debt finance from its major shareholder, The Sentient Group. The funding will be applied to support the ongoing working capital requirements and operations of the Company as Iron Road continues to progress the Central Eyre Iron Project (CEIP).

CEIP is a long life project, planned to produce high grade, low impurity magnetite based iron concentrate for export to Asia. The product is expected to attract a premium over reference iron ore prices, and have substantial benefits for steel mill customers in pollution reduction and operating costs.

Preliminary feedback from bulk testing programs undertaken by Chinese steel mills has confirmed the ability to successfully utilise CEIP concentrates in sinter feed blends with a resultant decrease in fuel consumption. These preliminary findings are in accordance with those expectations from earlier test work programmes undertaken on behalf of Iron Road Limited by the China Iron and Steel Research Institute Group (CISRI).

As disclosed to the ASX in announcements dated 9 September 2015 and 11 September 2015, Iron Road has signed non-binding Memoranda of Understanding with five leading Chinese steel mills, including Shandong Iron and Steel, and a non-binding infrastructure funding MoU with AIXI Investments which has established relationships with a number of the world's most experienced infrastructure investors. Discussions on these fronts are advancing. On 6 November 2015, the Company announced that it had lodged its Mining Lease Proposal and Environmental Impact Statement with South Australian State Government agencies for assessment.

Iron Road Managing Director, Mr Andrew Stocks, said that the support of major shareholder The Sentient Group was invaluable.

“Iron Road has made significant progress in developing the Central Eyre Iron Project over the course of 2015, delivering improved unit operating costs and a reduction in capital intensity through the optimisation study. Lower long-term power tariffs, more reflective of charges incurred by Australian energy intensive manufacturing industries, are also now being pursued to further reduce the optimisation study OPEX and breakeven price assessments.

“The funds secured through this facility will allow us to continue progress into 2016, as we continue through the government approvals process along with the partnership and financing discussions,” Mr Stocks said.

Iron Road is currently considering options to refinance the short term financing facility, and expects that it will do so through a corporate transaction in early 2016. The facility, which is due to be repaid mid-February 2016, attracts a zero rate of interest and does not bear any fees.

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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](mailto:admin@ironroadlimited.com.au)

Shane Murphy  
FTI Consulting  
Tel: +61 8 9485 8888  
Email: [shane.murphy@fticonsulting.com](mailto:shane.murphy@fticonsulting.com)

**Or visit [www.ironroadlimited.com.au](http://www.ironroadlimited.com.au)**