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铁货 IRC

IRC Limited 鐵江現貨有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1029)

IRC: K&S Successful First Iron Ore Concentrate Production Construction On Schedule for Maiden Commercial Production

Tuesday, 31 May 2016: IRC Limited ("IRC" or the "Company", together with its subsidiaries, the "Group"; Stock Code 1029) is pleased to announce a successful trial production with the first test run of the processing plant facilities – a significant step towards the completion of the full hot commissioning of K&S, and a major milestone before K&S's maiden commercial production.

KEY HIGHLIGHTS

- Successful test run of the new Processing Plant – the first trial product produced through the processing cycle.
- The test run yielded 65.5% Fe grade wet concentrate – in line with the original design estimates, on track to produce 65.8% Fe high grade premium product.
- K&S operational plant remains on schedule to be handed over to IRC by end of the first half year, and drying unit in the third quarter.
- K&S is expected to fully ramp up and deliver first commercial iron ore concentrate to customers in Q3 2016.

The introduction of the first ore into the processing plant for trial production has been concluded with success. It is the first time that the ore went through the whole processing cycle, and produced a maiden concentrate with 65.5% Fe content. The remaining steps for K&S to be fully operational are the completion of the automation systems' tests and fine-tuning of some technological processes to allow the production of final commercial products which are expected to be completed approximately within a month's time.

Commenting on the news, Yury Makarov, Chief Executive Officer of IRC said: *"We are excited about the good progress for the test runs as it means that our goal of producing 3.2 million tonnes of premium iron ore concentrate per year will become reality soon.*

CNEEC has been increasing the number of personnel on site while K&S is getting ready for its maiden commercial production. CNEEC reiterates that the operational plant is on schedule to be handed over to K&S, after which commercial production will commence. Production is expected to ramp-up to the design throughput of 3.2 million tonnes per annum in Q3 2016."

Iron ore concentrate on vacuum filter after processing.

Wet iron ore concentrate after going through all stages of processing.

K&S aerial view showing with annotations of hot commissioning milestones:

- 1CS – First stage crushing & screening (commissioned)
- 2CS – Second stage crushing & screening (commissioned)
- R – Railway (commissioned)
- PP – Processing plant (by 30 June 2016)

(DU – Drying unit is not essential for production until winter)

By Order of the Board
IRC Limited
Yury Makarov
Chief Executive Officer

Hong Kong, People's Republic of China
Tuesday, 31 May 2016

As at the date of this announcement, the Executive Directors of the Company are Mr Yury Makarov and Mr Danila Kotlyarov. The Non-Executive Directors are Mr George Jay Hambro, Mr Cai Sui Xin, Mr Liu Qingchun and Mr Raymond Kar Tung Woo. The Independent Non-Executive Directors are Mr Daniel Bradshaw, Mr Simon Murray, CBE, Chevalier de la Légion d'Honneur, Mr Chuang-Fei Li and Mr Jonathan Martin Smith.

IRC Limited
6H, 9 Queen's Road Central
Hong Kong
Tel: +852 2772 0007
Email: ir@ircgroup.com.hk
Website: www.ircgroup.com.hk

For further information please visit www.ircgroup.com.hk or contact:

Shirly Chan
Manager – Communications & Investor Relations
Telephone: +852 2772 0007
Mobile: +852 9688 8293
Email: sc@ircgroup.com.hk