铁货 IRC

IRC Limited 鐵江現貨有限公司

(Incorporated in the Hong Kong with limited liability)

(Stock code: 1029)

K&S Commissioning Update:
All Trial Products Sold & Sales Proceeds Received

Thursday, 6 October 2016: IRC Limited ("IRC" or the "Company", together with its subsidiaries, the "Group"; Stock Code 1029) is pleased to announce that the iron ore concentrates of K&S produced during the previous trial runs have all been sold successfully. Sales proceeds have been received, bringing maiden cashflow stream to the Group.

Further to the second shipment made to its customer in North East of China in mid-September, K&S has successfully completed another shipment recently, which sold out all the remaining products produced during the previous trial production. Accumulatively, the iron ore concentrates produced and sold during the trial production of the K&S processing plant amounted to c. 23,000 tonnes.

K&S's trial operation is now halted for planned maintenance, which is a normal check-up procedure designed to fine tune the equipment and to ensure that all processing units are operating correctly and efficiently. During this downtime, K&S continues to resolve the remaining teething issues identified during the trial runs of the plant. Some equipment breakdowns will be also fixed during this period of downtime. It is expected that the trial production of the plant will recommence in two to three weeks' time, in preparation of a more continuous production with gradual ramp up of capacity.

The commissioning process of the Drying Unit is gathering pace and is on track to be operational before the cold winter weather.

Commenting on the news above, Yury Makarov, Chief Executive Officer of IRC said *"Although the sales proceeds of the trial production may not be of significant amount, it signifies our first step towards continuous revenue stream when the plant is up and running. The fact that all our trial products have been sold in a short period of time implies good demand for our K&S product. We are talking to a number of potential customers for offtake arrangements. During the trial production period, it is normal to see minor teething problems occurring and being resolved. We can see lights at the end of the tunnel, and our stakeholders will soon be rewarded for their patience with a continuous, fully operating K&S."*

Shipment of K&S iron ore concentrates
to customer in North East China

Aerial view of K&S

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

Hong Kong, People's Republic of China
Thursday, 6 October 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 (Benjamin Ng as his alternate) 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.

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