IRC Limited 鐵江現貨有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1029)

K&S OPERATED AT 97% CAPACITY IN THE FIRST HALF OF MAY VANADIUM JOINT VENTURE RECOMMENCED OPERATION

Tuesday, 11 June 2019: IRC Limited ("**IRC**" or the "**Company**", together with its subsidiaries, the "**Group**"; Stock Code 1029) is pleased to announce that its K&S mine operated at close to full capacity of c.97% in the first half of May 2019. Meanwhile, IRC's vanadium joint venture with Jianlong has recommenced operation, providing a diversification to the product mix of the Group.

Iron Ore

K&S has made good progress in its ramp-up programme, and its production volume has increased, as most of the bottlenecks have been removed. The mine and beneficiation plant successfully operated at an average capacity of c.97% in the first half of May, demonstrating the ability to operate at its full capacity on a continuous basis; and May's monthly production was another record of c.86% capacity. Production in the second half of the month was lower than the first half because a design fault in the gearbox in one of the crusher's feeder, which caused a breakage and resulted in a daily production drop to c.50% for a period of a few days. The damage was swiftly rectified, and the production levels returned to >90% in the beginning of June after the rectification of the defect.

Vanadium Pentoxide

Having successfully sourced feedstock from China, IRC's vanadium joint venture (46%) with Jianlong Steel has recommenced operation and this diversifies the product mix of the Group. The joint venture had been moved to care and maintenance in 2017 as the operation of this steel-slag reprocessing plant was suspended, due to a lack of feedstock.

Commenting on the news above, Yury Makarov, Chief Executive Officer of IRC said:

"I am pleased that K&S had a positive period of operation, with the mine and beneficiation plant running at close to full capacity in the first half of May. It was annoying that the problem with the crush feeder affected our production volume in the second half of the month, but the good news is that it has been resolved. K&S achieved a monthly production record of approximately 86% of the design capacity, and it is encouraging that the good operating result coincides with a strong iron ore price environment.

Recently, the 62% iron ore benchmark price has increased to its five-year high of over US$100/t, due to significant supply disruptions around the globe. At the same time iron ore stockpiles at the Chinese ports have fallen to their lowest level since 2017, thanks to near-record production rates at the Chinese Steelmakers. It is hopeful that these drivers will continue to provide support to the iron ore price.

I am also pleased to report that the vanadium joint venture is back in production. We are working with Jianlong Steel, our joint venture partner to bring the plant up to speed, so as to provide a positive contribution to both parties."

Vanadium JV-Smelting and packing facilities

Vanadium Pentoxide

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

Hong Kong, People's Republic of China
Tuesday, 11 June 2019

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 Peter Hambro and Mr Chi Kin Cheng. The Independent Non-Executive Directors are Mr Daniel Bradshaw, Mr Chuang-Fei Li, Mr Simon Murray, CBE, Chevalier de la Légion d'Honneur, Mr Jonathan Martin Smith and Mr Raymond Kar Tung Woo.

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