



ASX AND MEDIA ANNOUNCEMENT

Iron Road Limited (Iron Road, ASX:IRD)



IRON ROAD ANNOUNCES SUCCESSFUL COMPLETION OF CAPITAL RAISING

On 16 June 2016, Iron Road Limited (**Iron Road**, ASX: **IRD**) announced a 1 for 9 non-renounceable entitlement offer of new shares, an institutional placement of \$1.05 million and, subject to shareholder approval, an institutional placement of \$3.75 million to Iron Road's largest shareholder, Sentient Global Resources Fund IV, L.P. (the **Sentient Placement**) all to be conducted at the same offer price of \$0.10/share.

The entitlement offer closed with gross proceeds of \$4.76 million, comfortably exceeding minimum expectations of \$4.43 million. Retail shareholder demand for additional new shares (beyond respective entitlements) through the shortfall facility was strong, reflected in the requirement to scale back the shortfall shares allocation to comply with a 50% shortfall cap stipulated in the entitlement offer. Related parties of Iron Road were not entitled to submit applications for shares under the shortfall facility and were permitted to take up entitlement shares only.

The Sentient Placement was approved by Iron Road shareholders at the extraordinary general meeting held on 25 July 2016.

Iron Road is pleased to announce that the settlement of the Sentient Placement has now taken place. New Shares issued under the Sentient Placement are expected to commence trading on Wednesday, 27 July 2016.

Together with the cumulative \$4.80 million raised from the institutional placements, total gross proceeds from the capital raising of \$9.56 million (before costs) now place Iron Road in a strong and debt free position to take the CEIP to a Final Investment Decision with project development partner China Railway Group Limited. The funds raised provide for environmental and engineering studies required to obtain governmental approvals for the CEIP, iron ore marketing and related activities to finalise offtake arrangements and also to support due diligence work with other potential project equity partners. Proceeds will also be directed toward continued stakeholder engagement activities, fully repaying the \$4 million Short Term Debt Facility with Sentient Global Resources Fund IV, L.P. and for general corporate purposes through June 2017.

Iron Road Managing Director Andrew Stocks said that the finalisation of the placement has concluded the financing process designed to take the Company through to a Final Investment Decision (FID) on the Central Eyre Iron Project (CEIP), together with project partner China Railway Group.

“Iron Road is in a strong and debt free position, as we maintain development momentum at CEIP. We’ve recently announced that the project commercialisation programme at CEIP is being accelerated, with our partner expressing the view that a credible whole-of-project financing solution could reasonably be finalised to enable construction to commence by the end of 2017, pending a positive FID. This is a demonstration of our determination to take the CEIP forward and take advantage of expected strong future demand for high grade and low impurity iron products,” Mr Stocks said.

“As the CEIP is a large-scale, long-life, value-adding resource and infrastructure development, a key driver for a positive FID outcome will be confidence in the long-term outlook for competitive pricing of electrical power in South Australia. We are encouraged that current levels of volatility in market pricing of power is attracting close attention at both State and Federal government levels,” Mr Stocks added.

“I’d like to thank our shareholders who have supported our strategy through participation in the financing process, and look forward to the results we can deliver at CEIP,” Mr Stocks said.

The New Shares issued as a result of the Sentient Placement will rank equally with existing shares in Iron Road.

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