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IRC Limited 鐵江現貨有限公司

(Incorporated in the Hong Kong with limited liability)

(Stock code: 1029)

K&S Mining Fleet Upgraded Reaching Full Scale Mining Soon to Boost Productivity IRC to Benefit from Belt-And-Road Initiatives

Friday, 2 June 2017: IRC Limited (“IRC” or the “Company”, together with its subsidiaries, the “Group”; Stock Code 1029) is pleased to announce that the mining contractor of K&S has successfully upgraded its mining fleet and is aiming to reach full-scale mining in June. IRC continues to aim at operating K&S at full-capacity in the second half of 2017.

While K&S is producing premium quality iron ore concentrate at a steady capacity of c. 50% on a continuous basis and is making positive cash contribution to IRC, as announced in the previous quarterly trading update, K&S’ ramp-up progress has been affected by the work scale of the mining contractor. The mining contractor has now successfully resolved this issue as the necessary mining equipment has finally arrived on site, including additional drill rig, shovel excavators and haul trucks fleet. It is expected that the contractor will be able to mine at full scale in June and start catching up with the previous mining volumes lag. With the new mining equipment in operation, the contractor will be able to increase the mining work capacity to 700,000 – 800,000 m³ of rock mass per month. This will allow K&S to improve the blend of ore that will better suits for processing and production for improved efficiency and production volume.

In addition, during the Belt-And-Road Forum held in Beijing in May, the Far East of Russia was once again being emphasised as one of the strategic points of development for the Sino-Russian economic cooperation. According to recent media reports, Russian President Vladimir Putin presented plans for prospective economic development in Eurasia, one of which includes the development of the Russian Far East, where Chinese interests have already been established in recent years, such as the Amur River Bridge project near K&S. With more joint projects in the future between the two countries in the region, it is expected to see a boost in demand for infrastructure and base metals, including iron ore. As K&S is located at the crescent of the Eurasian New Silk Road, IRC is well-situated to take advantage of the situation.

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

“I am pleased to report that K&S’ mining fleet has been upgraded and is catching up with the mining progress. The increase in stripping work will allow K&S to boost its productivity when the newly mined ore is used to produce a suitable blend of ore for processing.

On the other hand, as the Sino-Russian governments are having more concrete plans to develop economic activities in and around the Russian Far East region, K&S and IRC’s shareholders are expected to benefit from it soon. One of the immediate benefits of K&S would be the Amur River Bridge which is expected to complete by June 2018. We believe that K&S could support the One Belt, One Road initiative and will also benefit from it.”



Open pit mining at K&S



The construction of Amur River Bridge is expected to be completed by June 2018

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

Hong Kong, People’s Republic of China
Friday, 2 June 2017

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 Benjamin Ng as his alternate), Mr Raymond Kar Tung Woo and Mr Cheng Chi Kin. 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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