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**IRC Limited 鐵江現貨有限公司**  
*(Incorporated in Hong Kong with limited liability)*  
**(Stock code: 1029)**

## **K&S PRODUCTION UPDATE**

### **K&S Plant Successfully Operated at 105% of The Designed Capacity Full Capacity Increase is on Plan Additional Mining Fleet on Site to Increase Mining Volume to Full Capacity**

**Friday, 22 June 2018: IRC Limited (“IRC” or the “Company”, together with its subsidiaries, the “Group”; Stock Code 1029)** is pleased to announce that recently K&S has successfully operated at 105% of its designed capacity, a significant milestone in the ramping up programme of the plant. In addition, the mining contractor has brought additional mining fleet to site to support the ramping up of K&S.

K&S continues to fine tune its production process and iron out the remaining ramping up issues. In the month of May, during a 24-hour production run, the plant managed to produce approximately 9,200 tonnes of iron ore concentrate, equivalent to 105% of the plant’s designed capacity. This achievement demonstrates the plant’s potential capability to produce more than 3.2 million tonnes of iron ore concentrate per annum. K&S is currently operating at an average capacity of 78% and is on track to ramp up to full capacity later this year.

To match with the increasing production volume, the mining contractor of K&S has brought three new 90-tonne-capacity haul trucks to site in June. Another new haul truck, a 7 m<sup>3</sup> excavator and a bulldozer are about to be delivered to K&S. With this additional mining fleet, the mining contractor can increase its mining volume to approximately 1.4 million cubic metres of rock mass per month. This level of mining volume can provide the necessary feedstock for K&S to operate at higher than its designed capacity of 3.2 million tonnes per annum.

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

*“IRC had a good track record of operating an iron ore mine at higher than its designed capacity at our Kuranakh mine. I am pleased that K&S is demonstrating the capability to do the same. Although it would take time and effort to operate at this exceptionally high level on a continuous basis, this new production record not only proves our abilities but also gives us encouragement. We are also pleased to see that our mining contractor is stepping up its mining activities by introducing new Komatsu trucks and mining equipment to the site.*

*Due to the stricter environmental protection policy from the Chinese government, high grade iron ores, such as K&S' products, are in high demands. We are also pleased to note the recent strong price premium of more than 30% for 65% iron ore over the benchmark 62% one. K&S continues to focus on ramping up its production capacity and maximising the revenue stream."*



Komatsu HD785 haul truck & PC1250 excavator

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

Hong Kong, People's Republic of China  
Friday, 22 June 2018

*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. Benjamin Tze For Ng 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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