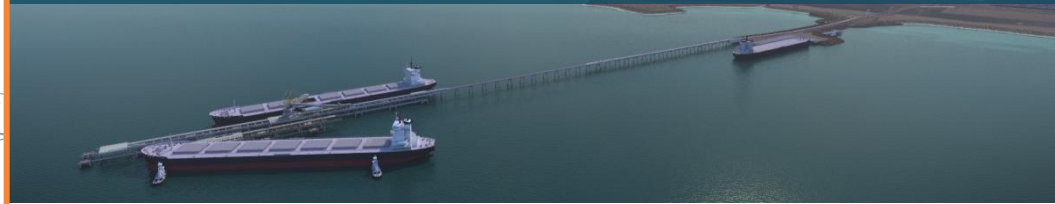




QUARTERLY ACTIVITIES REPORT

For the period ended 30 September 2018



About Iron Road

Adelaide based Iron Road Limited is the developer of the Central Eyre Iron Project (CEIP), located on the Eyre Peninsula in South Australia.

The CEIP is a long life proposal, which will produce a high grade, low impurity iron concentrate for export to Asia. The product will attract a quality premium over reference iron ore prices, and is expected to have substantial benefits for steel mill customers in pollution reduction and operating efficiencies.

The iron ore market continues its evolution towards premium products with a strong preference for low impurity steel inputs, such as the CEIP concentrate. High quality ores enable steel mills to improve production and reduce coke usage.

A definitive feasibility study supported by an optimisation study, has credibly demonstrated a highly industry competitive operating cost profile for a mining, beneficiation and infrastructure solution producing +20 million tonnes per annum of premium iron concentrates for export over an initial mine life of 30 years.

Primary State and Federal approvals and Indigenous Land Use Agreement are in place. Infrastructure Australia has declared the CEIP infrastructure (rail and port) a Priority Project for the nation.

The Company has a multi-disciplinary Board and management team that are experienced in the areas of exploration, project development, mining, steel making and finance.

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Highlights

- Continued engagement with potential partners and investors that have an interest in the Company and CEIP.
- Agreed the basis and principles for 'grain first' development and operating agreements.
- Commenced assessment of reduced CEIP capital options through staged and scalable mining development.
- Successful completion of non-renounceable entitlement offer raises \$1.21 million to maintain the CEIP Mining Lease and cover corporate expenses and costs of the offer.
- Benchmark iron ore prices continue to strengthen, particularly in the premium iron ore sector, with 65% Fe pricing consistently above US\$90/dmt with a >30% average premium to the 62% Fe index price.



Demand for higher quality iron ores and concentrates continues to strengthen

Central Eyre Iron Project (CEIP)

Project Commercialisation

Iron Road and CREC representatives continue to explore mechanisms to deliver company and project equity financing arrangements acceptable to both parties. Numerous options are under discussion including the introduction of other project equity partners.

Despite ongoing discussions with CREC, progress continues to remain slow. As previously advised, Iron Road is actively exploring other avenues to unlock value in the CEIP, through engagement with entities that may have interest in supplementary or alternative partner roles.

Grain First Strategy

Third party access is an integral feature of the CEIP infrastructure design philosophy, particularly the port precinct at Cape Hardy. During the Quarter Iron Road continued to work with Eyre Peninsula Cooperative Bulk Handling (EPCBH) on the 'grain first' strategy for the proposed deep-sea port. In addition, the basis for a 'grain first' development and operating principles were agreed.

The strategy contemplates the staged construction and commissioning of a globally competitive grain terminal and export facility, which is expected to improve the short and long-term resilience of the Eyre Peninsula grain industry. Iron Road is in discussion with several other parties that have expressed an interest in utilising the port precinct, planned to be linked to a light industrial park situated at nearby Tumby Bay.

The design and costs for a grain jetty and wharf have been independently assessed by a leader in port construction using Actual Outturn Costs (AOC) achieved on a recent comparative port development. The assessment indicated that current costings are within the accepted risk contingency envelope, with an opportunity for lower costs due to a heavier structure in the comparative data than would be required at Cape Hardy.

Community & Stakeholder Engagement

The plan for a staged development at the proposed Cape Hardy port continues to enjoy significant support from various stakeholders, including those involved in grain production and supply chain.

Numerous stakeholders were engaged during the Quarter including EPCBH, Eyre Peninsula District Councils' AGM and Conference, Regional Development Australia Whyalla and Eyre Peninsula, Wudinna District Council, District Council of Tumby Bay, Free Eyre as well as various Ministers, local members and Government agency representatives.

Iron Ore Market

Iron ore prices continued to strengthen during the Quarter, particularly in the premium segment of the market, as a result of strong demand for quality, low impurity blast furnace feedstocks being driven by increasing pollution control and energy efficiency standards. Higher and lower quality product pricing continues to diverge from the bench mark (62% iron) index price (Figure 1).

IRON ORE BENCHMARKS

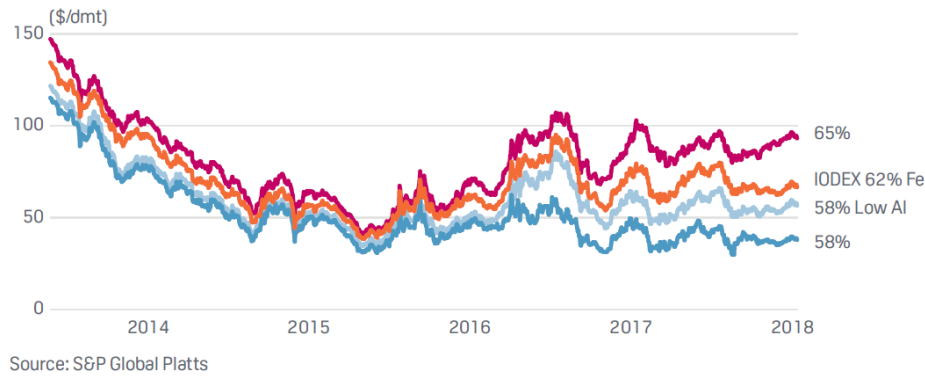


Figure 1: Iron Ore benchmark pricing for 58-65% Fe indicating divergence over time.

Quality differentials for various impurities have responded differently to market conditions over time, with alumina content most recently showing a rapid increase in penalties (Figure 2).

PLATTS QUALITY DIFFERENTIALS

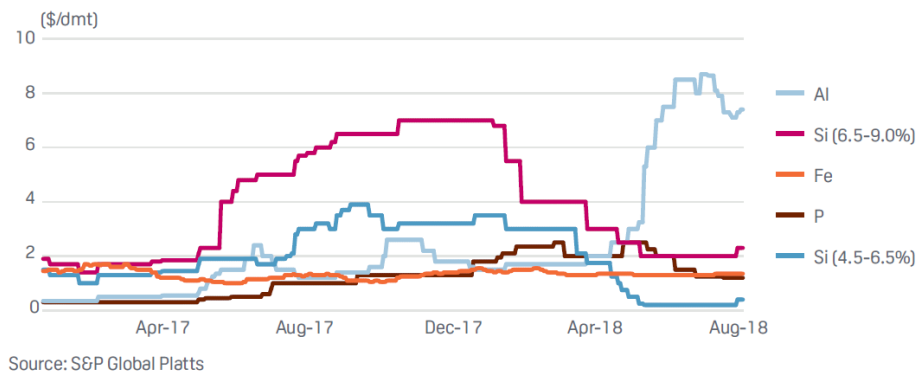


Figure 2: Iron Ore quality differentials (penalties) payable for various deleterious elements over time.

CEIP iron concentrate is well positioned to displace lower quality and lower grade products in what is increasingly acknowledged as a structural change in the iron ore market. The high quality CEIP product (Table 1), is low in impurities and with a coarseness of $-106\mu\text{m}$, is an attractive feedstock alternative for sinter plants.

Iron (Fe)	Silica (SiO_2)	Alumina (Al_2O_3)	Phosphorous (P)
66.7%	3.36%	1.90%	0.009%

Table 1 – CEIP Indicative Concentrate Specification – 106 micron (p80)*

* The concentrate specifications given here are based on current data from metallurgical test work, bulk samples and simulation modelling designed specifically to emulate the proposed CEIP beneficiation plant.

Corporate

On 5 September 2018 Iron Road announced a non-renounceable entitlement offer (Offer) of new Iron Road shares at an offer price of \$0.075 per share. The proceeds will be used to maintain the CEIP Mining Lease and cover corporate expenses and costs of the offer. Iron Road's largest shareholder, Sentient Fund IV, participated fully in the Offer. The Offer closed on 9 October 2018 with \$1.21 million being raised (of a maximum possible of \$1.69 million). During the Quarter there was an \$0.8 million drawdown on the \$5.4 million loan facility from Iron Road's major shareholder, Sentient Global Resources Fund IV. The facility is drawn to \$4.8 million.

Iron Road is assessing further reduced CEIP capital options through staged and scalable mining development, providing an alternative funding pathway for the production and export of over half a billion tonnes of iron concentrate (66.7% Fe) as defined in the CEIP life-of-mine schedule (previously disclosed to the market in October 2015). This work is inclusive of the 'grain first' strategy relating to the early establishment of an industrial and grain export precinct at Cape Hardy.

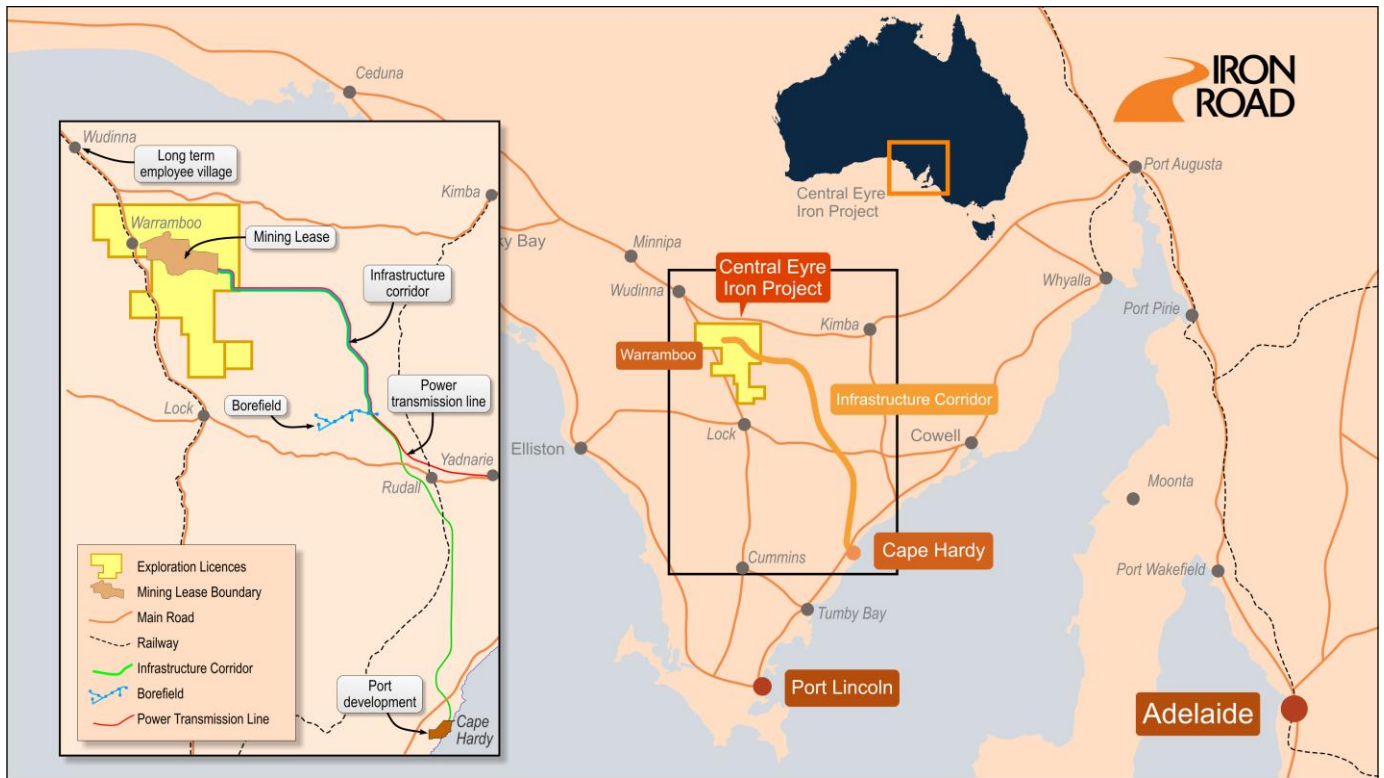
Tenement Schedule

Following is the schedule of Iron Road Limited tenements as at 30 September 2018.

South Australia	Tenement Reference	Interest
Warrambo	ML6467	100%
Warrambo	EL5934	100%
Lock	EL5496	100%
Mulgathing	EL6012	90% Iron Ore rights
	EL5298	90% Iron Ore rights
	EL5661	90% Iron Ore rights
	EL5720	90% Iron Ore rights
	EL5767	90% Iron Ore rights
	EL5998	81% Iron Ore rights
	EL5732	81% Iron Ore rights

This report includes results that have previously been released under JORC 2012 by the Company on 2 May 2016. The Company is not aware of any new information or data that materially affects the information included in this announcement and all material assumptions and technical parameters underpinning the Ore Reserve continue to apply and have not materially changed.

-Ends-



For further information, please contact:
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 Iron Road Limited

Jarek Kopias, Company Secretary
 Iron Road Limited

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Iron Road Limited

ABN

51 128 698 108

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(159)	(159)
(b) development	-	-
(c) production	-	-
(d) staff costs	(258)	(258)
(e) administration and corporate costs	(216)	(216)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(632)	(632)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(11)	(11)
3.5	Proceeds from borrowings	800	800
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	789	789

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	252	252
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(632)	(632)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	789	789
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	409	409

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	364	162
5.2 Call deposits	45	90
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	409	252

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	96
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

N/A

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	1
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	5,400	4,800
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A


9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	730
9.2 Development	-
9.3 Production	-
9.4 Staff costs	220
9.5 Administration and corporate costs	80
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,030

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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Company Secretary

Date: 26 October 2018

Print name: Jaroslaw (Jarek) Kopias

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.