

5 September 2018

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Dear Shareholder

## Non-Renounceable Entitlement Offer

On Wednesday, 5 September 2018, Iron Road Limited (Iron Road or the Company) announced a 1 for 30 non-renounceable entitlement offer of ordinary shares in the Company (New Shares) at an issue price of \$0.075 (7.5 cents) per share (Entitlement Offer).

The Entitlement Offer seeks to raise \$1.7 million (before issue costs) through the issue of up to a maximum of 22,585,142 New Shares. Fractions of shares will be rounded down to the nearest whole number.

Iron Road invites shareholders who are registered as shareholders of the Company at 5.00pm (AEST) on Monday, 10 September 2018 (Record Date) to participate in the Entitlement Offer. The Company's largest Shareholder, Sentient Fund IV, has undertaken to fully participate in the Entitlement Offer to an amount of \$1.0 million. Directors and Shareholders of the Company, Peter Cassidy, Ian Hume, Leigh Hall and Jerry Ellis, have also confirmed that they will participate in the Entitlement Offer.

The iron ore market continues to apply greater value to premium iron products, with higher and lower quality products experiencing marked divergence from the 62% iron benchmark price. High grade iron products with low impurity content are currently commanding strong prices in the seaborne market (>US\$90/dmt CFR China – 65% Fe Index) whereas sub-benchmark grade iron products are realising large pricing discounts, in part due to rising impurity penalties. This positive market trend is increasingly being acknowledged as sustainable and attributable to a structural and environmentally-driven Chinese steel industry shift. Iron Road notes that high quality index prices are currently well above long term market consensus.

Certain aspects of the work with China Railway Group have been drawn-out and progress overall has been unacceptably slow. As a consequence, Iron Road is exploring other avenues to unlock value in the CEIP through continued engagement with alternative potential partners and investors. This includes a re-examination of further reduced capital options through staged and scalable development, providing a more probable funding pathway and production of well over half a billion tonnes of concentrate (66.7% iron) defined in the CEIP life-of-mine schedule (previously disclosed to the market October 2015).

Full details of the Entitlement Offer are contained in the offer booklet lodged with ASX on Wednesday, 5 September 2018 (Offer Booklet). The Offer Booklet together with the Entitlement and Acceptance Form will be mailed to all Eligible Shareholders on Wednesday, 12 September 2018. A copy of the Offer Booklet is available on the Iron Road website. Pursuant to section 708AA of the Corporations Act, the Company is not required to prepare a disclosure document for the Entitlement Offer.

**Key dates which shareholders should note are:**

<b>Date</b>	<b>Event</b>
Friday, 7 September 2018	Entitlements Issue 'ex' date
Monday, 10 September 2018	Entitlements Issue Record Date
Wednesday, 12 September 2018	Entitlements Issue opens and Offer Booklet dispatched
Tuesday, 9 October 2018	Entitlements Issue offer closes at 5.00 pm (AEST)
Wednesday, 10 October 2018	New Shares quoted deferred settlement basis
Friday, 12 October 2018	Entitlements Issue shortfall notified to ASX
Monday, 15 October 2018	Entitlements Issue shares issued Deferred settlement trading ends
Tuesday, 16 October 2018	Trading of New Shares commences

The above dates are indicative and may be subject to change. The Company reserves the right to amend this timetable subject to requirements of the Corporations Act and the ASX Listing Rules.

**From 5 September 2018, the Offer Document will be available to download from both the ASX website (at [www.asx.com.au](http://www.asx.com.au)) and the Company's website (at [www.ironroadlimited.com.au](http://www.ironroadlimited.com.au)) and will subsequently be mailed to eligible shareholders on 12 September 2018.**

**Use of funds**

The proceeds of the Entitlement Offer will be used to maintain the Central Eyre Iron Project Mining Lease, corporate expenses and costs of the Offer. Details of the use of funds are contained in the Offer Booklet.

Yours faithfully

  
**Peter Cassidy**  
Chairman