



Iron Road Ltd

Entitlement Offer

Iron Road Ltd ACN 128 698 108

Details of a 1 for 7 non-renounceable pro-rata entitlement offer of Iron Road Ltd ordinary shares and Shortfall Shares (**New Shares**) at an issue price of \$0.14 for each New Share
Offer closes 5pm (AEDT) on Friday, 11 December 2020

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form for you to subscribe for New Shares in Iron Road. Please read this document carefully and call your professional adviser if you have any queries.

Contents

Important notices	3
Enquiries	3
Board letter	4
Key offer dates	6
Introduction to offer details	7
1 Iron Road's resources and use of proceeds	8
2 Details of the Entitlement Offer	9
3 How to apply	13
4 Risk factors	17
5 Important information	24
6 Foreign jurisdictions	27
7 Glossary	30

Corporate directory

Head Office

Level 3, 63 Pirie Street
Adelaide 5000
South Australia

Registered Office

Level 3, 63 Pirie Street
Adelaide 5000
South Australia

Postal Address

GPO Box 1164
Adelaide 5001
South Australia

Share Registry

Automic
GPO Box 5193
Sydney, NSW 2001

Email: admin@ironroadlimited.com.au

Phone: (+61 8) 8214 4400

ASX Code

IRD

Important notices

Forward-looking statements

*This booklet contains forward-looking statements, opinions and estimates including statements regarding the future development of Iron Road's projects, the outcome and use of proceeds of the Entitlement Offer and Shortfall Offer and the future performance of Iron Road. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Iron Road, its directors and management, and which may cause actual results to differ materially from those expressed in the statements contained in this booklet and the attached materials. A number of risks and uncertainties could cause actual results or performance to differ materially from the forward-looking statements. Some of these risks and uncertainties are described in **section 4** of this booklet and you should consider the forward-looking statements contained in this booklet in light of those disclosures. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to Iron Road as of the date of this booklet. Except as required by law or regulation (including the ASX Listing Rules) Iron Road undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earning or financial position or performance are also forward-looking statements.*

Enquiries

If you have any questions, please consult your stockbroker, accountant or other professional adviser.

Board Letter

5 November 2020

Dear Shareholder

Iron Road Ltd capital raising – Entitlement Offer

On behalf of Iron Road Ltd (**Iron Road**), I am pleased to invite you to participate in a 1 for 7 non-renounceable pro-rata entitlement offer of Iron Road shares (**New Shares**) at an issue price of 14.0 cents (\$0.14) for each New Share (**Entitlement Offer**). Shareholders are able to participate in any Shortfall under the Entitlement Offer. The Entitlement Offer will not be underwritten.

Iron Road has continued to build the case for the Cape Hardy Stage I port development. Through our well-established relationships with stakeholders on the Eyre Peninsula and our foundation Stage I port partner, Eyre Peninsula Cooperative Bulk Handling (**EPCBH**), Iron Road validated the viability of establishing a grain terminal and multi-user, multi-commodity export facilities ahead of Central Eyre Iron Project (**CEIP**) mining and beneficiation operations.

On 23 September 2020, following six months of extensive due diligence and commercial negotiations with potential investors, a Joint Development Agreement was executed between Iron Road, EPCBH and Macquarie Capital. The agreement sets out the relationship between the parties to achieve Financial Close during the third quarter of 2021 and commence construction of the \$250 million Cape Hardy Stage I port – supported by a \$25 million Federal Government grant commitment.

Development of the port facilities ahead of mining operations highlight the strategic value of the proposed Cape Hardy port to potential CEIP investors. The CEIP remains an advanced, long-life iron ore development opportunity with high quality iron concentrate bulk test work demonstrating it will assist steel mill customers lift productivity and better manage tightening environmental standards. The preferred 12Mtpa start-up option for the CEIP is characterised by significantly reduced capital requirements, less reliance on electrical power and a lower development risk profile, whilst maintaining product quality and project optionality. Sustained robust market demand for premium iron ore products illustrates the potential for attractive CEIP margins with the 65% Fe Index averaging more than US\$100/dmt CFR China over the last three years and currently priced at around US\$130/dmt.

The Board has determined that an Entitlement Offer is the best mechanism to raise the capital needed by the Company to continue its work, building upon the strong development support for the Cape Hardy port and further leveraging investment attraction activity for broader regional growth opportunities including the CEIP.

The Company intends to apply the funds raised from the Entitlement Offer and Shortfall Offer as set out in section 1 of this booklet. The Issue Price of 14.0 cents per New

Share allows existing shareholders to subscribe for New Shares at a discount of approximately 20.6% to the 30-day volume weighted average price of the Company's shares on the ASX for the period ending 2 November 2020 (18.0% discount to the 15-day volume weighted average price).

You will find enclosed the following important information:

- summary of important dates;
- key terms for the Entitlement Offer and Shortfall Offer;
- risk factors associated with the Company, Entitlement Offer and Shortfall Offer;
- instructions on how to apply setting out how to accept all or part of your Entitlement under the Entitlement Offer and apply for any Shortfall; and
- a personalised Entitlement and Acceptance Form which details your entitlement, to be completed in accordance with the instructions provided.

The Entitlement Offer and Shortfall Offer provide an avenue for all Shareholders to participate, and minimise dilutionary impacts and, as further discussed in section 1.1 of this booklet, are expected to raise at least \$9.0 million in gross proceeds (before costs). Proceeds will enable the Company to return to a strong net cash position by repaying a large part of the existing loan facility provided by the major shareholder, Sentient Global Resources Fund IV, L.P. and fund the Company's share of Cape Hardy Stage I Port development costs prior to a final investment decision.

An executive who is not a nominee of a Sentient Shareholder (being CEO Larry Ingle) has taken primary responsibility for the structure of the Entitlement Offer. The Independent Directors believe that the Entitlement Offer is in the best interests of Shareholders.

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your continued support as an Iron Road Shareholder.

Yours sincerely

Dr Peter Cassidy

Chairman

Key offer dates

Entitlement Offer announced and Appendix 3B lodged with ASX	Thursday, 5 November 2020
Ex-date	Wednesday, 11 November 2020
Record Date (7pm AEDT)	Thursday, 12 November 2020
Dispatch of Offer booklet and Entitlement and Acceptance Forms	Tuesday, 17 November 2020
Entitlement Offer opens	Tuesday, 17 November 2020
Entitlement Offer closes (5pm AEDT) applications for any Shortfall also due	Friday, 11 December 2020
New Shares commence deferred settlement trading	Monday, 14 December 2020
Results of Offer announced	Tuesday, 15 December 2020
Entitlement Offer New Shares issued	Thursday, 17 December 2020
Deferred settlement trading ends	

Applicants are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Entitlement Offer opens. The timetable above is indicative only and is subject to change. Iron Road reserves the right, subject to requirements of the Corporations Act, ASX Listing Rules and other applicable laws to vary the dates of the Entitlement Offer or Shortfall Offer, including extending the Closing Date or accepting late applications, either generally or in particular cases, without notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares. Cooling off rights do not apply to an investment in New Shares and you cannot, in most circumstances, withdraw your application once it has been accepted.

Introduction to Offer details

This booklet relates to the Entitlement Offer and contains a number of important parts and documents, including:

- an ASX announcement regarding the Entitlement Offer and Shortfall Offer, which was released to ASX on 5 November 2020;
- instructions on “How to Apply” setting out how to accept all or part of your Entitlement under the Entitlement Offer and Shortfall Offer; and
- important legal information.

With this booklet you will also find your Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions provided on the form and the instructions on “How to Apply”.

The Entitlement Offer and Shortfall Offer close at 5pm (AEDT) on the Closing Date. To participate, you need to ensure that you have paid your Application Monies via BPAY or Electronic Funds Transfer (EFT) pursuant to the instructions that are set out on the Entitlement and Acceptance Form. Please refer to the instructions on “How to Apply” that accompany this letter for further information.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable.

You should obtain any professional advice you require to evaluate whether to participate in the Entitlement Offer. For further information regarding the Entitlement Offer please visit our website at www.ironroadlimited.com.au.

1 Iron Road's resources and use of proceeds

1.1 Proceeds of Entitlement Offer

The proceeds of the Entitlement Offer will be used to:

- (a) Fund the Company's share of Cape Hardy Stage I Port development costs prior to a final investment decision;
- (b) Enable the Company to return to a strong net cash position by repaying a large part of the existing loan facility held with the major shareholder;
- (c) Maintain the mining lease in good standing for the Central Eyre Iron Project (**CEIP**); and
- (d) meet other working capital requirements of Iron Road.

The maximum possible gross proceeds of the Entitlement Offer is approximately \$13.9 million, assuming that all Eligible Shareholders fully participate in the Entitlement Offer. However, the proceeds of the Entitlement Offer may be less than \$13.9 million subject to the Shortfall that may be subscribed for under the Shortfall Offer.

The Company's largest Shareholder, Sentient Fund IV, has indicated to the Board that it presently intends to fully participate in the Entitlement Offer, which will result in gross proceeds of approximately \$8.66 million. Directors and Shareholders of the Company, Peter Cassidy, Ian Hume, Jerry Ellis and Glen Chipman, have also confirmed that they presently intend to participate in the Entitlement Offer for their full Entitlement. This means that commitments for a total of approximately \$9.0 million of Entitlements have been received from Eligible Shareholders, in effect ensuring that at least approximately 65% of all Entitlements under the Entitlement Offer will be taken up.

The proceeds from the Entitlement Offer and Shortfall Offer will be used as set out in the table below. For the purposes illustrated in the table below, the Company has assumed the Entitlement Offer is subscribed in full (or any Shortfall is subscribed for in full via the Shortfall Offer) such that the gross proceeds will be approximately \$13.9 million.

Activity	Amount \$ million
Retirement of debt owing to major shareholder	\$8.66
Fund the Company's share of Cape Hardy Stage I port development costs prior to a Final Investment Decision	\$2.40
Mining lease rental fees payable to the South Australian Government	\$0.57
Corporate costs (including salaries, rent and outgoings, regulatory and listing fees and legal and tax services)	\$2.20
Costs of the Entitlement Offer	\$0.04
TOTAL	\$13.87

The funds to be raised will enable the Company to meet its share of Cape Hardy Stage I port development costs, greatly reduce debt, maintain the CEIP mining lease and continue to engage with potential partners and investors with an interest in the CEIP.

Shareholders should be aware that substantial further funding contributions may be needed by the Company to meet its share of Cape Hardy Stage I port construction costs as well as for the CEIP and should refer to the risk factors in **section 4.1(e)** of this booklet for a further discussion of Iron Road's future capital requirements.

2 Details of the Entitlement Offer and Shortfall Offer

2.1 Overview of Entitlement Offer

The Entitlement Offer is an offer to Eligible Shareholders of 1 for 7 Shares (with fractions rounded down) at \$0.14 for each New Share, which is targeted to raise gross proceeds of approximately \$13.9 million (before costs).

2.2 Shortfall Shares

If you wish to accept your Entitlement in full and apply for Shortfall Shares, complete the Entitlement and Acceptance Form accompanying this Entitlement Offer and also fill in the number of Shortfall Shares you wish to apply for in the space provided on the accompanying Entitlement and Acceptance Form. You must pay the appropriate application monies (at 14 cents per New Share subscribed) as provided in section 3.3 below.

Shareholders must have regard to and comply with the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold), when applying for Shortfall Shares. The Company expressly disclaims any responsibility for monitoring such applications or ensuring that individual Shareholders do not breach section 606 as a result of participation in the Entitlement Offer.

Investors that may be at risk of exceeding the 20% voting power threshold in section 606 or increasing their voting power from a position above 20% as a result of application for Shortfall Shares should seek professional advice before applying for Shortfall Shares.

The Directors reserve the right to reject any application for Shortfall Shares or to allot a lesser number of Shortfall Shares than applied for. Application monies received but not applied towards subscriptions for Shortfall Shares will be refunded as soon as practicable. No interest will be paid on application monies held and returned.

Iron Road will not issue Shortfall Shares where the Company is aware that to do so would result in a breach of the Corporations Act or the ASX Listing Rules. Shareholders wishing to apply for Shortfall Shares must consider whether the issue of the Shortfall Shares applied for would breach the Corporations Act or the ASX Listing Rules having regard to their own circumstances (including the existence of any associates).

2.3 Shortfall allocation policy

New Shares in excess of Entitlements will only be allocated to Eligible Shareholders if and to the extent that the Company so determines in its absolute discretion based on the allocation policy outlined below, and limited (in aggregate) to the number of New Shares the subject of Entitlements not fully taken up by Eligible Shareholders.

The allocation policy is that each Eligible Shareholder who:

- (a) has fully taken up their Entitlement; and
- (b) applies for Shortfall Shares under the Shortfall Offer,

may be allocated that number Shortfall Shares, subject to the following:

- (a) the Company may scale back applications for Shortfall Shares having regard to the pro rata holdings at the Record Date of Eligible Shareholders who apply for Shortfall Shares;
- (b) in applying this allocation policy (including when assessing whether an Eligible Shareholder has fully taken up their Entitlement), the Company may 'look through' any trust or custody arrangements of which it is aware and apply this allocation policy to the underlying investors as though they were Eligible Shareholders. The Company does not undertake to do so in a particular case, or in cases generally;
- (c) the Company will not issue New Shares under the Shortfall Offer where it is aware that to do so would be likely to result in a breach of its constitution, the Corporations Act (including section 606 as described in section 2.2 above) or the ASX Listing Rules;
- (d) without limiting paragraph (b), the Company will not issue Shortfall Shares to the Sentient Funds, directors and other related parties, or any other person referred to in ASX Listing Rule 10.11; and

- (e) there is no guarantee that any Application for New Shares under the Shortfall Offer will be successful and the Directors reserve the right to issue any shortfall by way of the Shortfall Offer or by other means.

2.4 Ranking of New Shares

New Shares issued under the Entitlement Offer and Shortfall Offer will rank equally with existing Shares.

2.5 No cooling off rights

Cooling off rights do not apply to an investment in New Shares under the Entitlement Offer or Shortfall Offer. You cannot withdraw your Application or payment once it has been accepted.

2.6 No Entitlements trading

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements that they do not take up. Furthermore you cannot, in most circumstances, withdraw the Application once it has been accepted.

2.7 Quotation and trading

Iron Road will apply to ASX for the official quotation of the New Shares in accordance with the ASX Listing Rules. Subject to approval being granted by ASX, it is expected that normal trading of New Shares issued under the Entitlement Offer will commence on Friday 18 December 2020.

2.8 Potential effect on control and capital structure

If all Eligible Shareholders take up their Entitlements, each Eligible Shareholder's percentage interest in the total issued share capital of Iron Road will remain unchanged.

To the extent that Eligible Shareholders do not take up their Entitlements, following the close of the Entitlement Offer, the percentage shareholding of those Eligible Shareholders will be diluted.

Based on Shareholdings as at the date of this booklet, no Shareholder will increase their voting power in Iron Road from below 20% to above 20% as a result of the Entitlement Offer or the Shortfall Offer.

(a) Potential effect on control

There are three shareholders in Iron Road advised by Sentient Equity Partners, being Sentient Executive GP II, Limited, Sentient Executive GP III, Limited, and Sentient Executive GP IV, Limited (being the **Sentient Shareholders**). The Sentient Shareholders hold their Shares on behalf of the Sentient Global Resources Trust II, Sentient Fund II, Sentient Fund III, SGRF III Parallel I, L.P. and Sentient Global Resources Fund IV, L.P. respectively (being the Sentient Funds).

The Sentient Shareholders holds their Shares as a fiduciary of the relevant Sentient Fund.

At the date of this Entitlement Offer, the Sentient Shareholders hold 74.03% of the Shares. The Sentient Funds currently have the capacity to control the Company because collectively the Sentient Funds have sufficient voting power to pass resolutions to remove or appoint Directors and therefore have the capacity to determine the composition of the Board and to control the financial and operating policies of the Company.

Each of Sentient Global Resources Trust II, Sentient Fund II, Sentient Fund III and SGRF III Parallel I, L.P. has indicated to the Company that it presently does not intend to take up its Entitlement under the Entitlement Offer. The Sentient Funds will not be eligible to participate in the Shortfall Offer.

Sentient Fund IV has indicated to the Board that it presently intends to fully take up its Entitlement under the Entitlement Offer, which will result in gross proceeds of approximately \$8.66 million. The Company will utilise approximately \$8.66 million of these funds to retire the majority of the \$9.0 million debt that the Company owes to Sentient Fund IV under the Short Term Debt Facility. After the retirement of that debt, the Company will continue to owe Sentient Fund IV a debt of approximately \$343,000 under the Short Term Debt Facility.

Following the close of the Entitlement Offer, as a result of New Shares which will be issued to Sentient Fund IV, the voting power of the Sentient Funds in the Company may increase.

The table below illustrates the possible effects of the Entitlement Offer on the voting power of the Sentient Funds. The figures in the table have been calculated on the basis that: (a) neither Sentient Fund II nor Sentient Fund III take up their Entitlements; (b) Sentient Fund IV, will fully take its Entitlements to \$8.66 million.

Based on the assumptions set out above, the acquisition of New Shares under the Entitlement Offer by Sentient Fund IV will not cause the voting power of the Sentient Funds to be more than 3 percentage points higher than they were 6 months before such acquisition.

Impact on the Sentient Funds' voting power	
Shares held by Sentient Funds prior to Entitlement Offer	513,533,703
% voting power of Sentient Funds prior to Entitlement Offer	74.03%
Maximum number of New Shares which may be issued under the Entitlement Offer	Approximately 99.09 million
% voting power of the Sentient Funds following the Entitlement Offer assuming no other funds are raised (only Sentient Fund IV will be participating in the Entitlement Offer)	Approximately 76.16%

% voting power of the Sentient Funds following the Entitlement Offer assuming the maximum is raised by other holders including full shortfall (no other Sentient Funds participating)	Approximately 72.58%
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As set out in the table above, the maximum increase in the voting power of the Sentient Funds will occur where no Eligible Shareholders (other than Sentient Fund IV) take up their Entitlements. This would result in the aggregate voting power of the Sentient Funds increasing by an incremental 2.13% (i.e. from 74.03% to approximately 76.16%). However, given participation commitments already received by the Company from other Eligible Shareholders, the Company expects that the Sentient Funds' voting power will increase no more than 1.90%.

(b) Capital structure

The capital structure of Iron Road following the issue of New Shares, assuming (unless otherwise specified) that the maximum number of New Shares are issued under the Entitlement Offer, will be as follows:

Capital structure	Number
Shares on issue as at date of this offer booklet	693,683,634
Maximum number of New Shares to be issued under the Entitlement Offer (if fully subscribed)	99,097,662
Maximum number of Shares on issue after completion of the Entitlement Offer (if fully subscribed)	792,781,296

3 How to apply

3.1 Please read this offer booklet carefully

The Entitlement Offer is being made in line with the Corporations Act which allows rights issues to be offered by providing certain confirmations to the market without the need for a prospectus. Consequently, before accepting your Entitlement of New Shares, you should carefully read and understand the publicly available information on Iron Road and the Entitlement Offer, including the materials in this booklet, Iron Road's interim and annual reports and other announcements that have been made available at www.asx.com.au.

3.2 Consider the Entitlement Offer in light of your particular investment objectives and circumstances

If you have any queries or are uncertain about any aspects of the Entitlement Offer, consult with your stockbroker, accountant or other professional adviser. Please ensure that you review carefully the risk factors in **section 4** of this booklet which describe some of the key risks in relation to an investment in Iron Road.

3.3 Entitlement and Acceptance Form

If you decide to take up all or part of your Entitlement and any Shortfall, pay your Application Monies via BPAY or EFT pursuant to the instructions that are set out on the Entitlement and Acceptance Form.

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of those Entitlements they do not take up and their percentage shareholding in Iron Road will be reduced following the issue of all New Shares under the Entitlement Offer.

Your Entitlement is set out on the accompanying Iron Road Entitlement and Acceptance Form and has been calculated based on the number of Shares you held as at the Record Date. If you have more than one holding of Shares you will receive more than one Entitlement and Acceptance Form and you will have separate Entitlements for each holding.

Iron Road will treat you as applying for as many New Shares as your payment will pay for in full (see **section 3.4**). If you are paying by BPAY, please make sure to use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you are paying by EFT, please make sure to use the unique reference number (**URN**) on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN or URN specific to the Entitlement on that Form.

If you accept and pay for all or part of your Entitlement, and funds are received, before the close of the Entitlement Offer and Shortfall Offer at 5pm (AEDT) on the Closing Date, you will be allotted your New Shares on Thursday, 17 December 2020 based on the current timetable.

If you take no action you will not be allocated any New Shares and your Entitlement will lapse.

3.4 Acceptance of the Entitlement Offer

By making a payment by BPAY or EFT, you:

- (a) agree to be bound by the terms of this booklet and the provisions of Iron Road's constitution;
- (b) authorise Iron Road to register you as the holder(s) of the New Shares allotted to you;
- (c) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;

- (d) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer and Shortfall Offer;
- (e) acknowledge that once Iron Road receives the Entitlement and Acceptance Form or your payment by BPAY or EFT, you may not withdraw it except as allowed by law;
- (f) agree to apply for, and be issued with up to, the number of New Shares that you apply for at the Issue Price for each New Share;
- (g) authorise Iron Road and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of Iron Road's Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (h) declare that you were the registered holder(s) at 7pm (AEDT) on the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledge that the information contained in this booklet is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (j) represent and warrant that the law of any place does not prohibit you from being given this booklet or making an application for New Shares; and
- (k) represent and warrant that you are an Eligible Shareholder and have read and understood this booklet and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this booklet and the Entitlement and Acceptance Form.

Payment by BPAY or EFT:

- please follow the instructions on the Entitlement and Acceptance Form. Your BPAY or EFT payment must be received by no later than 5pm (AEDT) on the Closing Date. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY or EFT are received by this time;
- for payment by BPAY or EFT, you do not need to lodge your Entitlement and Acceptance Form, however, by making a payment through BPAY or EFT, you will be deemed to have made the declarations set out in this booklet and in the Entitlement and Acceptance Form; and
- Iron Road will treat you as applying for as many New Shares as your BPAY or EFT payment will pay for. Any amount received by Iron Road in excess of your final allocation of New Shares will be refunded and no interest will be paid on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

3.5 Mail or delivery

To participate in the Entitlement Offer or the Shortfall Offer, your payment must be received no later than 5pm (AEDT) on the Closing Date. Iron Road is only accepting BPAY or EFT payments under the Offer.

3.6 Shortfall Shares

The Shortfall Offer is a separate offer and closes on the Closing Date.

Any Entitlement not taken up pursuant to the Entitlement Offer will form part of the Shortfall Offer. Eligible Shareholders may apply for Shortfall Shares in addition to their Entitlement.

Shortfall Shares will only be issued if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

The Directors intend to issue the Shortfall Shares in accordance with the policy set out in section 2.3.

Application money received under the Shortfall Offer will be held on trust until the New Shares are issued or the application moneys are returned (without interest) to the applicants.

3.7 Allotment of New Shares

It is expected that allotment of your New Shares will take place as soon as practicable after the Closing Date. It is expected that the New Shares will be allotted and that transaction confirmation statements will be dispatched, on or before Thursday, 17 December 2020. However, if the Closing Date is extended, the date for allotment and dispatch may also be extended.

No allotment of New Shares will be made until permission is granted for their quotation by ASX. If quotation for the New Shares is not granted, Iron Road will not allot any New Shares and will refund all Application Monies without interest.

It is your responsibility to confirm your holding before trading in those New Shares. If you sell your New Shares before receiving confirmation of your holding in the form of the transaction confirmation statement, you will do so at your own risk. Iron Road and the Share Registry disclaim all liability, whether in negligence or otherwise, if you trade in New Shares before receiving your transaction confirmation statement.

3.8 Withdrawal of Entitlement Offer and Shortfall Offer

The Directors may at any time prior to allotment of New Shares decide to withdraw this booklet and the offers made under the Entitlement Offer and Shortfall Offer, in which case Iron Road will return all Application Monies (without interest) to you as soon as practicable.

4 Risk factors

Prior to deciding whether to apply for New Shares, you should read this booklet in its entirety and review all announcements made to the ASX in order to gain an understanding of Iron Road, its activities, operations, financial position and prospects.

You should be aware that there are risks associated with an investment in Iron Road. These can be categorised as specific risks (that is, matters that relate directly to Iron Road's business) and general risks (those that relate to the business in general). Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many are outside the control of Iron Road and cannot be mitigated.

The New Shares carry no guarantee in respect of profitability, return of capital or the price at which they will trade on ASX. An investment in Iron Road is speculative.

The following is not an exhaustive summary but identifies the areas the Board regards as the major risks specific to an investment in Iron Road.

4.1 Specific risk factors

(a) Exploration, development, mining and processing risks

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore resources;
- (ii) successful conclusions to project feasibility, optimisation studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining, processing and infrastructure facilities (including port facilities) within capital expenditure budgets;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration, mining and port construction activities;
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of fixed and mobile plant, appropriately skilled and experienced employees, contractors, and consultants; and
- (viii) adverse weather conditions over a prolonged period, which may adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from development of tenements depends on the successful establishment of mining, beneficiation and infrastructure operations. Factors including costs, actual mineralisation, consistency and

reliability of ore grades and commodity prices affect successful project development and mining operations.

(b) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable product;
- (ii) developing an economic process route to produce a saleable product; and
- (iii) changes in mineralogy in the orebody may result in inconsistent ore grades and recovery rates, affecting the economic viability of the project.

(c) Cape Hardy Stage I Port Development

Iron Road is progressing the Cape Hardy Stage I port development in partnership with Macquarie Capital and Eyre Peninsula Co-operative Bulk Handling (EPCBH). The progress of the port development to a final investment decision, financial close and construction activities is dependent upon the completion of various agreements and conditions precedent to achieve full equity and debt funding. The process contains elements of significant risk such as:

- (i) completion of final due diligence processes and project evaluation;
- (ii) satisfactory negotiation of final joint development terms across numerous legal agreements;
- (iii) obtaining consents and approvals necessary for port construction activities at Cape Hardy;
- (iv) access to adequate aggregate equity and debt capital to achieve financial close;
- (v) access to competent operational management and prudent financial administration, including the availability and reliability of fixed and mobile plant, appropriately skilled and experienced employees, contractors, and consultants; and
- (vi) adverse weather conditions over a prolonged period, which may adversely affect geotechnical investigations and construction, in particular the marine component.

(d) Operational and technical risks

The current and future operations of Iron Road, including exploration, appraisal, production and export activities may be affected by a range of factors, including:

- (i) geological, geotechnical and hydrogeological conditions;
- (ii) variability in required grain tonnages due to seasonal weather patterns or other factors;

- (iii) limitations on operational activities due to seasonal weather patterns;
- (iv) degree and nature of competitor response
- (v) alterations to joint venture programs and budgets;
- (vi) unanticipated operational and technical difficulties encountered in survey, drilling, production, and export activities;
- (vii) electrical and mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- (viii) the supply and cost of skilled labour;
- (ix) unexpected shortages or increases in the costs of power, water, consumables, diesel fuel, tyres, spare parts and plant and equipment; and
- (x) prevention or restriction of access by reason of inability to obtain consents or approvals.

(e) Future funding requirements

The funds raised from the Entitlement Offer and Shortfall Offer will be deployed to, among other things:

- (i) Fund the Company's share of Cape Hardy Stage I Port development costs prior to a final investment decision;
- (ii) Enable the Company to return to a strong net cash position by repaying a large part of the existing loan facility held with the major shareholder;
- (iii) Maintain the mining lease in good standing for the Central Eyre Iron Project (CEIP); and
- (iv) Meet other working capital requirements of Iron Road.

Based on the targeted gross proceeds of \$13.9 million, the funds to be raised are expected to meet Iron Road's working capital requirements through to October 2021.

Following completion of the Entitlement Offer, Iron Road will be continuing to seek appropriate partnership and financing arrangements, so that alternate sources of funds become available to meet its ongoing needs. This will include funding to fully repay the balance of the Short Term Debt Facility with the major shareholder, meet any residual share of Cape Hardy Stage I port construction equity funding as well as the targeted CEIP development trajectory.

If Iron Road is successful in raising sufficient capital and progressing negotiations with potential investors and CEIP development partners, it will still be required to raise significant amounts of additional capital or seek further development partners to assist funding the development of the CEIP.

Any failure by Iron Road to raise capital if and when needed could delay or suspend Iron Road's work programs and could have a material adverse effect on Iron Road's projects and business operations.

If Iron Road is unable to use debt or equity to fund its work program after the substantial exhaustion of the net proceeds of the Entitlement Offer and Shortfall Offer and existing working capital, there can be no assurance that Iron Road will have sufficient capital resources to achieve its business strategy with respect to the CEIP, or for any other purposes, or that it will be able to obtain additional funding on terms acceptable to Iron Road or otherwise.

Any additional equity financing may be dilutive to Iron Road's existing Shareholders and any debt financing (if available) may involve restrictive covenants, which limit Iron Road's operations and business strategy.

(f) Title, tenure and access

Generally, mining tenements which Iron Road (or any of its Related Bodies Corporate) holds or may acquire either by application, sale and purchase or farm-in are regulated by the applicable mining legislation. There is no guarantee that any secondary applications for the proposed CEIP mining and associated operations will be granted as applied. Various conditions may also be imposed as a condition of grant.

Additionally, there is no guarantee that Iron Road (or its relevant Related Body Corporate) will be able to secure access rights to any "exempt land" (as defined by the *Mining Act 1971 (SA)*) within the boundary of any proposed mining lease area. Access to such land may be obtained by agreement with the relevant landowner or the determination of the appropriate court. Such access will be necessary to conduct any proposed mining operations.

Renewal of mining tenements titles or licences is made by way of application to the relevant minister. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable mining legislation.

In addition, the relevant minister may impose conditions on any renewal, including relinquishment of ground.

(g) Global credit and investment markets

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of Iron Road and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including ASX). This may impact the price at which Iron Road's securities trade regardless of operating performance and affect Iron Road's ability to raise additional equity and/or debt to achieve its objectives.

(h) Commodity price risk

Commodity prices fluctuate and are affected by numerous factors beyond the control of Iron Road. These factors include world demand for iron ore (particularly from China), forward selling by producers, speculative positioning

in maturing derivatives markets and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates, currencies and global and regional demand for, and supply of, the commodity as well as general global economic conditions.

Strong price performance across all key iron indices and robust price premiums for high quality iron concentrates and pellet feed, such as CEIP concentrate, remains a positive market trend. However, possible future price declines of iron ore could cause Iron Road's CEIP to become uneconomic prior to or during production. There is a risk that a decreasing iron ore price may result in a depreciation or write down of Iron Road's assets in the future. Prior to production, a decline in iron ore prices may result in Iron Road's projects being suspended or not being able to be completed, including because obtaining further project development funding or securing development partners for Iron Road's projects may be restricted.

In the event that Iron Road successfully begins iron ore production, the revenue it will derive through the sale of commodities exposes the potential income of Iron Road to commodity price risks.

These factors may have an adverse effect on Iron Road's exploration, development and production activities, as well as on its ability to fund those activities.

(i) General environmental risks

Mining is an industry which has become subject to increasing environmental responsibility and liability and the potential for liability is an ever-present risk. International scrutiny, particularly in relation to the construction and use of tailings dams has increased. Iron Road's CEIP however, will be designed in a way that eliminates the requirement for a tailings dam thereby greatly reducing future environmental risk. Instead of a conventional tailings dam, the dewatering of process plant coarse and fine tailings will be co-located with waste rock from the mine to form an integrated waste landform. The design of the integrated waste landform has received a South Australian State Government award for environmental excellence.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing mining operations to cease or be curtailed, and may require Iron Road to implement corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

(j) Resource and reserve estimates

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on geological interpretations, as well as various economic, commercial, technical, environmental and legal assumptions which may prove to be inaccurate.

Should Iron Road encounter mineralisation or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect Iron Road's operations.

(k) Taxation and government regulations

Changes in taxation and government legislation in a range of areas (for example, the Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 (including the Foreign Investment Policy), accounting standards, and taxation law) can have a significant influence on the outlook for companies and the returns to investors.

The recoupment of taxation losses accrued by Iron Road from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which Iron Road operates. There is no guarantee that Iron Road will satisfy all these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cash flows of Iron Road.

(l) Reliance on key personnel

Iron Road is reliant on its management. The loss of one or more of these individuals could adversely affect Iron Road. In addition, Iron Road's ability to manage growth effectively will require it to continue to implement and improve its management systems and to recruit and train new employees and consultants. Although Iron Road expects to be able to do so in the future, there can be no assurance that Iron Road will be able to attract and retain skilled and experienced personnel and consultants.

(m) Joint venture parties, contractors and agents

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which Iron Road is, or may become a party; or insolvency or other managerial failure by any of the contractors used by Iron Road in any of its activities; or insolvency or other managerial failure by any of the other service providers used by Iron Road for any activity.

(n) Insurance

Iron Road will evaluate obtaining insurance cover for operational and other risks where appropriate, taking into consideration the availability of cover and premium costs and where required under its contractual commitments. There can be no assurance, however, that Iron Road will be able to obtain or maintain such insurance coverage at reasonable rates (or at all), or that any coverage it has or obtains will be adequate and available to cover any such claims.

(o) Share liquidity and ASX listing

Due to the size and nature of Iron Road, the liquidity of its Shares traded on the ASX can be low. This could impact your ability to sell the Shares that you acquire or the prices at which you can sell your Shares.

Under the ASX Listing Rules a listed company must maintain a spread of holdings which, in ASX's opinion, is sufficient to ensure that there is an orderly and liquid market in its securities. If a company is unable to maintain the required level of spread, ASX may suspend and eventually delist that company, which would materially adversely affect the ability of Shareholders to buy and sell shares.

4.2 General risk factors

(a) Economic conditions

The performance of Iron Road may be significantly affected by changes in both domestic and world economic conditions. Relevant factors include interest, inflation and exchange rates, changes in fiscal, monetary and regulatory policies and sovereign or political risk in each of the regions in which Iron Road operates.

(b) Share market conditions

As Iron Road is a listed company, the price at which its securities trade will be subject to the numerous influences that may affect both the broad trend in the share market and the share prices of individual companies and sectors. Investors should recognise that the price of New Shares may fall as well as rise.

(c) Capital availability

Current economic conditions can impact on the availability of debt and equity funding that may be required to support the cash flow of a business. Iron Road's development may be affected by availability of funding which would impact on its ability to establish business operations in the expected time frame and/or at its current levels.

(d) Impact of COVID-19

The global impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, is continuously developing. The global economic outlook is facing uncertainty due to the COVID-19 pandemic which has had and may continue to have a significant impact on capital markets and share prices. The Company's Directors are closely monitoring the situation and considering the impact on the Company's business from both a financial and operational perspective.

To date, COVID-19 has affected equity markets, governmental action, regulatory policy, quarantining, self-isolations and travel restrictions. These impacts are creating risks for the Company's business and operations in the short to medium term. The Company has in place plans and procedures developed to manage the keys risks, such as COVID-19, that may cause a disruption to the Company's business and operations.

5 Important information

This booklet has been prepared by Iron Road. You should read it carefully and in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors outlined in **section 4** of this booklet.

5.1 Eligible Shareholders

This booklet contains an offer of New Shares to Eligible Shareholders.

Eligible Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 7pm (AEDT) on the Record Date; and
- have a registered address in Australia or New Zealand or in any other jurisdiction that Iron Road has determined (in its absolute discretion) is eligible to participate in the Entitlement Offer.

Based on Iron Road's understanding of the locations of its Shareholders as at the date before the date of announcement of the Entitlement Offer, Iron Road expects that all Shareholders will be eligible to participate.

5.2 Not investment advice

The Entitlement Offer and Shortfall Offer to which this booklet relates complies with the requirements of section 708AA of the Corporations Act as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73.

This booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances, or particular needs. Iron Road is not licensed to provide financial product advice in respect of the New Shares.

The information in this booklet is not investment or financial product advice. This booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares and does not take into account the investment objectives, financial situation or needs of you or any particular investor. You should conduct your own independent review, investigation and analysis of Shares which are the subject of the Entitlement Offer and Shortfall Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in Iron Road before making any investment decision based on your investment objectives.

5.3 Information about Iron Road

The information included in this booklet provides information about Iron Road's activities current as at 5 November 2020. It is information in a summary form and does not purport to be complete. It should be read in conjunction with Iron Road's other periodic and continuous disclosure announcements including Iron Road's announcement to the ASX on Thursday 5 November 2020 regarding

the Entitlement Offer and Iron Road's other announcements to the ASX available at www.asx.com.au.

5.4 Future performance

The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan” and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

An investment in Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Iron Road. Iron Road does not guarantee any particular rate of return or the performance of Iron Road nor does it guarantee the repayment of capital from Iron Road or any particular tax treatment.

5.5 Past performance

Past performance information given in this booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

5.6 Taxation

Taxation implications will vary depending upon the individual circumstances of individual Eligible Shareholders. Eligible Shareholders should obtain their own professional advice before deciding whether to invest.

5.7 Governing law

This booklet, the Entitlement Offer and Shortfall Offer, and the contracts formed on acceptance of an application for New Shares are governed by the laws applicable in South Australia. Each Shareholder who applies for New Shares submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in South Australia.

5.8 Financial data

All dollar values in this booklet are in Australian dollars (A\$).

5.9 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer or Shortfall Offer that is not contained in this booklet.

Any information or representation that is not in this booklet may not be taken as having been authorised by Iron Road, or its Related Bodies Corporate in connection with the Entitlement Offer or Shortfall Offer. Except as required by law, and only to the extent so required, none of Iron Road, or any other person,

warrants or guarantees the future performance of Iron Road or any return on any investment made pursuant to this booklet.

5.10 Privacy

Any personal information included on an Entitlement and Acceptance Form is used for the purposes of processing the Entitlement and Acceptance Form and to administer your holding of New Shares. By submitting an Entitlement and Acceptance Form, you agree that Iron Road may use the information provided on the form for the purposes set out in this privacy statement and may disclose it for those purposes to the Share Registry and Iron Road's Related Bodies Corporate, agents and contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act requires Iron Road to include information about each Shareholder (including name, address and details of the Shares held) on the Register. The information contained on the Register must remain there even if you cease to be a Shareholder. Information contained on the Register is also used to facilitate payments and corporate communications (including Iron Road's financial results, annual reports and other information that Iron Road wishes to communicate to its security holders) and compliance by Iron Road with legal and regulatory requirements.

5.11 Defined terms

Some capitalised words and expressions used in this booklet are defined in the glossary in **section 7**.

6 Foreign jurisdictions

The distribution of this booklet in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this document outside Australia and New Zealand should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

It is the responsibility of any Applicant to ensure their compliance with any laws of the country relevant to their Application. Return of a duly completed Entitlement and Acceptance Form and/or BPAY or EFT payment of Application Money will be taken by Iron Road to constitute a representation that there has been no breach by such Applicants of such laws. Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of the New Shares only in the Province of British Columbia (the "Province") and only to existing shareholders of the Company in a rights issue. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Cayman Islands

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands.

European Economic Area - Belgium, Germany and Liechtenstein

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID");

- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company or any underwriter for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

The New Shares are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

7 Glossary

AEDT	Australian Eastern Daylight Time
Applicant	An Eligible Shareholder who has applied to subscribe for New Shares by arranging payment through BPAY or EFT in accordance with the instructions on the Entitlement and Acceptance Form
Application	An application to subscribe by arranging for payment of the relevant Application Monies through BPAY or EFT in accordance with the instructions on the Entitlement and Acceptance Form
Application Monies	Monies payable by Applicants in respect of Applications
ASIC	The Australian Securities and Investments Commission
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as applicable
ASX Listing Rules	The official listing rules of ASX, as amended or waived by ASX from time to time
Board	The board of Directors of Iron Road
CEIP	The Central Eyre Iron Ore Project, Iron Road's principal iron ore mining project located on the Eyre Peninsula in South Australia
Closing Date	5pm (AEDT) on Friday, 11 December 2020, the date the Entitlement Offer and Shortfall Offer close (unless extended)
Company	Iron Road
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Director	A director of Iron Road
Eligible Shareholder	A Shareholder who falls within the description set out in section 5.1
Entitlement	The entitlement of an Eligible Shareholder to subscribe for 1 New Share for every 7 Shares that the Eligible Shareholder holds at 7pm (AEDT) on the Record Date (with any resulting fraction rounded down to the nearest whole number). The Entitlement of each Eligible Shareholder is shown on the Entitlement and Acceptance Form
Entitlement and Acceptance Form	The Entitlement and Acceptance Form accompanying this booklet

Entitlement Offer	The pro rata non-renounceable offer of 1 New Share for every 7 Shares held by an Eligible Shareholder at 7pm (AEDT) on the Record Date at the Issue Price
Independent Directors	Peter Cassidy, Jerry Ellis and Ian Hume
Ineligible Shareholder	A Shareholder which is not an Eligible Shareholder
Iron Road	Iron Road Ltd ACN 128 698 108
Issue Price	\$0.14 for each New Share
New Shares	All shares to be allotted and issued under the Entitlement Offer or Shortfall Offer
Record Date	7pm (AEDT) on Thursday, 12 November 2020
Register	The register of Shareholders required to be kept under the Corporations Act
Related Body Corporate	A 'related body corporate' as defined in the Corporations Act
Related Party	A 'related party' as defined in the ASX Listing Rules
Sentient Fund IV	Sentient Executive GP IV, Limited as general partner of Sentient GP IV, L.P., which in turn acts as general partner of Sentient Global Resources Fund IV, L.P.
Sentient Funds	Sentient Global Resources Trust II, Sentient Fund II, Sentient Fund III, SGRF III Parallel I, L.P. and Sentient Global Resources Fund IV, L.P.
Sentient Shareholders	Sentient Executive GP II, Limited, Sentient Executive GP III, Limited, and Sentient Executive GP IV, Limited being the registered holders of Shares in Iron Road
Share	A fully paid ordinary share in Iron Road
Share Registry	Automic Pty Ltd ACN 152 260 814
Shareholder	A holder of Shares in Iron Road
Short Term Debt Facility	The Promissory Note for AU\$9,000,000 entered into between the Company (as borrower) and Sentient Global Resources Fund IV, L.P (as lender).

Shortfall or Shortfall Shares	Those New Shares forming Entitlements or part of Entitlements not accepted under the Entitlement Offer.
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Shortfall Offer	The offer of Shortfall on the terms and conditions set out in this document.
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