



QUARTERLY ACTIVITIES REPORT

For the period ended 30 September 2021

SEPTEMBER QUARTER REVIEW

Cape Hardy port

Iron Road Ltd (**IRD or Company**), Eyre Peninsula Co-operative Bulk Handling (**EPCBH**) and Macquarie Capital (**Macquarie**) are parties to a Joint Development Agreement (JDA) based on advancement of the proposed Cape Hardy Stage I multi-user, multi-commodity (grain-led) port facility.

During the quarter, EPCBH was approached by an agri-commodities trading group with global operations across most jurisdictions, to investigate grain aggregation opportunities on the Eyre Peninsula. Ongoing engagement with EPCBH evolved into wider and more direct Cape Hardy grain handling and export interest with a number of operating models proposed, featuring a reduced Stage I capex estimate and reliance on strategic grower-owned upcountry grain storage. Collaboration between the Joint Developers has enabled several Stage I delivery scenarios to be assessed this year to determine the optimal development pathway for Cape Hardy. The current agreed position has been for Iron Road, to progress in parallel, early stage works for the larger Stage II project that will cater for both high-grade iron concentrate from the Central Eyre Iron Project (CEIP) as well as grain exports and additional import/export opportunities.

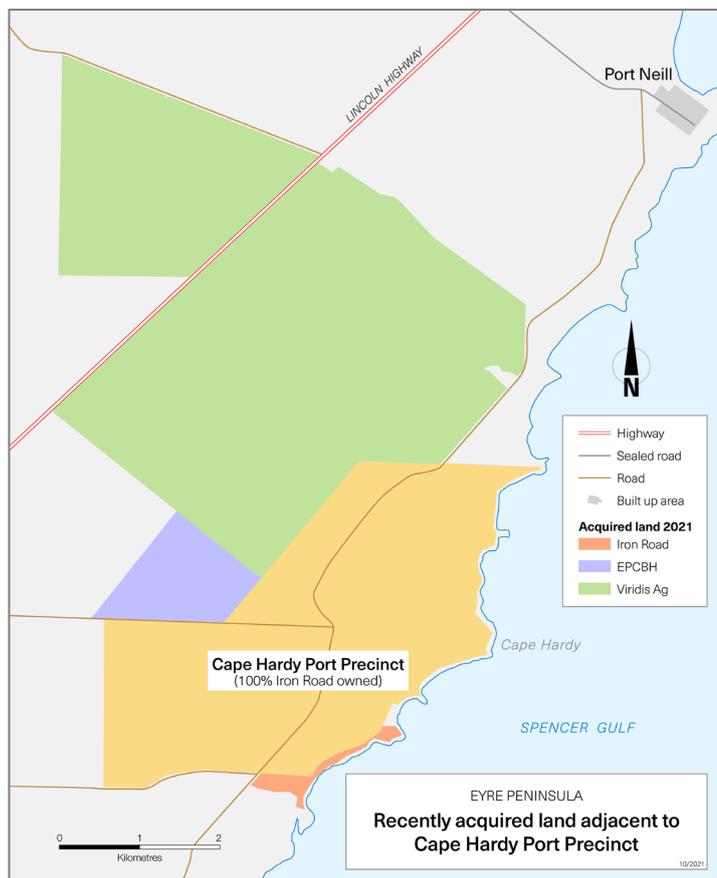
Accelerating political and industry momentum surrounding the green hydrogen thematic (both domestically and internationally) positions the 1100+ hectare, unconstrained greenfield Cape Hardy site as a credible long-term and large-scale green hydrogen / green ammonia export gateway for South Australia. The State Government's 2020 Hydrogen Export Prospectus recognises the ideal location of Cape Hardy on the Eyre Peninsula and potential to leverage proximate, large-scale renewable energy resources. This builds further on the tangible recognition and support of the Cape Hardy project from Infrastructure Australia and the Federal Government.



Modified extract from SA Hydrogen Export Prospectus indicating Cape Hardy's identified potential for green hydrogen production, liquefaction/conversion, desalination plant, storage and export terminal.

Iron Road notes from publicly available information that significant land acquisition activity, around the Company's Cape Hardy port precinct, has occurred year to date. In addition to Iron Road's July 2021 purchase of 24 hectares of gulf front land for a total consideration of approximately \$1 million (inclusive of transaction costs), EPCBH during September 2021 executed contracts to acquire 162 hectares of land immediately adjacent to the western boundary of the Cape Hardy port precinct.

Between May and June 2021 Viridis Ag acquired circa 2,200 hectares of land adjacent to the north and northwest boundary of the Cape Hardy port precinct. Viridis Ag is a corporate farmer dedicated to owning and operating broadacre cropping farms across Australia and advises it has purchased approximately 4,300 hectares this year approximately 70km northeast of Port Lincoln (<https://viridisag.com/jamalka>).



Recent land acquisition activity adjacent to Cape Hardy port precinct.

Iron ore

The September quarter was characterised by a sharp retracement of all iron ore price indices from unsustainable levels reached in the June quarter that included record high iron ore index pricing in both nominal and real terms.

Crude steel output in China, the key driver of seaborne iron ore prices, witnessed an approximate 14% year-on-year decline during the period which was partially offset by a strong recovery of nearly 13% year-on-year in crude steel output ex-China. High grade iron ore price premiums remained resilient reflecting ongoing steel industry efforts to curb pollution and carbon dioxide emissions.

For producers selling products below benchmark grade, the erosion in realised pricing was further exacerbated as price penalties widened for low iron, high silica, high alumina, etc content. A steep rise in ocean shipping rates flattered headline CFR China prices and had a compounding effect of causing some marginal producers to either halt operations or flag pending cuts in lower quality / lower margin products.

Ongoing CEIP and Gawler partnership discussions were constrained during the quarter due to a combination of interstate Coronavirus lockdowns, travel restrictions and a paucity of inbound international visas being granted. Iron Road retains conviction that the CEIP remains well placed as the most advanced high grade iron concentrate project in Australia that is not yet in construction, hosting Australia's largest magnetite Ore Reserve with a Definitive Feasibility Study (DFS) and post DFS optimisation studies complete.

Approvals

During the quarter Iron Road contracted JBS&G Australia to undertake a gap analysis between the existing authorised operations for ML 6467 (CEIP Mine) and the proposed changes to support a reduced tonnage operation with corresponding change in mining method as previously announced to the ASX. The gap analysis is the first step required for a future Change in Operations application under the updated legislative provisions in the Mining Act 1971 which came into effect from 1 January 2021.

A complete review of the information provided in Iron Road's Mining Lease Proposal dated 5 November 2015 and the conditions of ML approval dated 3 May 2017 has been undertaken by JBS&G and a summary report provided to Iron Road. The report informs the Company with recommended next steps, particularly in relation to updated impact assessments which may be required to support a Change in Operations application. Iron Road is currently reviewing the documentation.

Community and stakeholder engagement

Iron Road engaged directly with various South Australian state government agencies including representatives from Growth and Low Carbon Division at Department of Energy and Mines (DEM), Department of Infrastructure and Transport (DIT) and the Department of Trade and Investment (DTI). The Company also continued engagement with AusTrade representatives, facilitated by DTI, located within Australia and Southeast Asia.

Corporate

Following shareholder approval at a general meeting held on 24 August 2021 the Company issued 2,311,014 ordinary shares to Sentient Executive GP IV, Limited (Sentient) as settlement of total amounts owing of approximately \$497,000. The amounts owing to Sentient represent repayment in full of \$343,119 under an unsecured loan facility and \$153,500 in accrued director fees payable to Sentient in relation to Mr Glen Chipman's role as a Director from 1 April 2018 to 31 March 2021.

At quarter end, the company held cash reserves of \$3.2 million and no debt. Iron Road's Appendix 5B includes amounts in item 6.1 representing the settlement of accrued director fees as outlined above together with executive director salary payments. The Company's quarterly cashflow report includes expenditure on exploration and evaluation activities of \$1,086k (\$969k capitalised) relating to development of the Cape Hardy port facility, the acquisition of additional Cape Hardy gulf front land and maintaining the Company's Mining Lease and exploration licences.

Tenement Schedule - 30 September 2021

South Australia	Tenement Reference	Interest
Warrambo	ML6467	100%
Warrambo	EL5934	100%
Lock	EL6425	100%
Mulgathing	EL6012	100% interest in iron ore rights
	EL6173	
	EL6502	
	EL6532	
	EL5767	
Mulgathing	EL5998	90% interest in iron ore rights
	EL6569	

Authorised for release by the board of Iron Road Ltd

For further information, please contact:

Larry Ingle, Chief Executive Officer
Iron Road Ltd
Tel: +61 8 8214 4400

Jarek Kopias, Company Secretary
Iron Road Ltd

ASX: IRD

admin@ironroadlimited.com.au

<https://ironroadlimited.com.au>

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Iron Road Ltd

ABN

51 128 698 108

Quarter ended ("current quarter")

30 September 2021

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	(117)	(117)
(b) development	-	-
(c) production	-	-
(d) staff costs	(364)	(364)
(e) administration and corporate costs	(314)	(314)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(795)	(795)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(903)	(903)
(d) exploration & evaluation	(66)	(66)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	(969)	(969)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	497	497
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(4)	(4)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(343)	(343)
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	150	150

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,793	4,793
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(795)	(795)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(969)	(969)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	150	150

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,179	3,179

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	3,134	4,748
5.2	Call deposits	45	45
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)	3,179	4,793

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	188
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(795)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(66)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(861)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,179
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,179
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 28 October 2021

Authorised by: the Board of the Company
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.