



ASX ANNOUNCEMENT

Iron Road Ltd (Iron Road, ASX: IRD)

INSTITUTIONAL SHARE PLACEMENT

Iron Road Ltd (Iron Road or Company, ASX: IRD) is pleased to announce a placement of ordinary shares in the Company (**Shares**) raising up to \$5 million for an aggregate subscription of up to \$5.175 million. Proceeds from the placement, along with existing cash reserves, will be used to further advance the Company's assets and fund general working capital requirements, while it continues to engage with potential partners for its 100% owned Central Eyre Iron Project (CEIP).

The placement involves three investments by Bulk Commodity Holdings, LLC (the **Investor**), a US-based institutional investor, with each investment being made by way of a prepayment of Shares (**Subscription Shares**) to be issued by the Company. The initial investment will raise \$1,250,000 for \$1,337,500 worth of Subscription Shares and its funding is expected to occur next week. The second investment will raise \$1,250,000 for \$1,337,500 worth of Subscription Shares and its funding is expected to occur within the next ten months. The second investment is at the discretion of the Company and will only be completed if the Company exercises its option to do so within four months of the initial investment. A third investment raising up to \$2,500,000 may be conducted by mutual consent of the Investor and the Company.

The bespoke terms of the placement effectively defer the issuance of Shares to the Investor across three separate investments (by up to 12 months for each of the first & second investments) and are specifically targeted to minimise the dilutionary impact for current IRD shareholders. Retaining flexibility with respect to the second investment puts the Company in a strong position as it pursues its primary objective of satisfactorily transacting at the CEIP asset level during 2022.

Material Terms of Placement

The Company will issue Subscription Shares, at the Investor's request, within twelve months of the date of the related prepayment. The number of shares so issued by the Company will be determined by dividing the subscription amount by the Purchase Price, but subject to the Floor Price (both detailed below).

The Purchase Price of the Subscription Shares will initially be equal to \$0.40 per share, representing a premium of approximately 111% to the closing price of the Company's shares on 15 December 2021. Subject to the Floor Price described below, the Purchase Price will reset after thirty days to the average of the five daily volume-weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor's notice to issue shares, less a 7.5% discount (or a 10% discount if the Subscription Shares are issued later than nine months after the initial investment). The Purchase Price will nevertheless be the subject of the Floor Price of \$0.15. If the Purchase Price formula results in a price that is less than the Floor Price, the Company may forego issuing shares and instead opt to repay the applicable subscription amount in cash (with a 5% premium), subject to the Investor's right to receive Subscription Shares at the Floor Price in lieu of such cash repayment. The Purchase Price will not be the subject of a cap / ceiling price.

The Company will also have the right (but no obligation) to forego issuing shares in relation to the Investor's request for issuance and instead opt to repay the subscription amount by making a payment to the Investor equal to the market value of the shares that would have otherwise been issued.

The Company will make an initial issuance of 580,000 Subscription Shares to the Investor at the time of the funding of the initial investment, which counts towards the ultimate number of Subscription Shares to be issued. Alternatively, in lieu of applying these shares towards the aggregate number of the Subscription Shares to be issued by the Company, the Investor may make a further payment to the Company equal to the value of these shares determined using the Purchase Price (incorporating a 7.5% discount).

Neither the Investor nor the Company have any obligation in relation to the second investment unless the Company exercises its option to put the investment to the Investor in the next four months. In order to exercise this option, the Company must have sufficient placement capacity to conduct the second investment at the time of exercise of the option. The Company will determine whether to exercise the option prior to the deadline for its exercise, based on its funding requirements, the macroeconomic conditions, its share price and its capacity under Listing Rule 7.1.

The Company has agreed to issue 337,771 shares in satisfaction of a fee payable to the Investor.

All shares issued and agreed to be issued under the placement will be issued under the Company's existing placement capacity under Listing Rule 7.1.

Authorised for release by the board of Iron Road Ltd

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