



## Highlights

- Iron Road entered into a Heads of Agreement and Project Development Accord with the Hydrogen Utility (H2U) to develop a green manufacturing precinct at the Cape Hardy port site.
- H2U to build large-scale green hydrogen production facility, complementing existing partnership between Iron Road and Eyre Peninsula Cooperative Bulk Handling (EPCBH) to export grains from freight advantaged location for the region's growers.
- Underscores the strategic value of the Cape Hardy site to unlock regional growth opportunities currently constrained by the lack of modern and efficient port infrastructure in South Australia.
- Minister for Energy and stakeholders toured the proposed Cape Hardy port site.
- Engagement with potential CEIP investors on the recently revised and lower risk iron ore project delivery model continues. Lower capital hurdle and more efficient mine plan has driven greater value and optionality for an advanced, high grade iron concentrate development opportunity.



Stakeholder visit to Cape Hardy port precinct – (left to right) Peter Treloar State Member for Flinders, Dan van Holst Pellekaan Minister for Energy and Mining (South Australia), Bryan Trigg Chair of Regional Development Australia (Whyalla and Eyre Peninsula), Larry Ingle General Manager Iron Road

# Central Eyre Iron Project (CEIP)

## Project Commercialisation

### Cape Hardy Development

Iron Road entered into a Heads of Agreement and Project Development Accord with the Hydrogen Utility™ (H2U), an Australian hydrogen infrastructure developer and renewable energy integrator. Iron Road and H2U will work collectively to plan and develop the green manufacturing precinct at Cape Hardy.

With support from the South Australian Government's Renewable Technology Fund (RTF), H2U expects to commence site development of the 'Green Hydrogen and Ammonia Supply Chain Demonstrator', a distributed electrolysis and ammonia production facility early next year at nearby Port Lincoln. Cape Hardy was identified by H2U as the preferred location for future development of a larger green hydrogen production and export hub. In addition to technical investigations to be undertaken by H2U, the new 200 hectare green manufacturing precinct will now be incorporated into the Master Plan for the 1100 hectare Cape Hardy site. H2U and Iron Road will also jointly develop a commercialisation pathway and engage with synergistic investors.

The Agreement with H2U is complementary to the existing agreement with famers' cooperative, EPCBH, where the parties are working together to develop a new grain supply chain network utilising the facilities at Cape Hardy. The rapidly changing nature of grain consolidation and collection in the region has once again highlighted the importance of an alternative grains export pathway.

A stakeholders' meeting was held in Tumby Bay to brief State and Federal politicians on the Cape Hardy port development, including the significant regional development characteristics and the unique cooperation of mining, agriculture, manufacturing and indigenous businesses. The meeting was followed by a tour of the Cape Hardy port precinct and surrounds. Attendees included:

- Dan van Holst Pellekaan, Minister for Energy and Mining (South Australia)
- Rowan Ramsey, Federal Member for Grey
- Peter Treloar, State Member for Flinders
- Regional Development Australia (Whyalla and Eyre Peninsula)
- District Council of Tumby Bay
- Barngarla Traditional Owners
- Iron Road
- Eyre Peninsula Co-operative Bulk Handling (EPCBH)
- The Hydrogen Utility (H2U)

### New Mine Plan and Delivery Model Option for CEIP

Iron Road continued to work with potential investors, both at the project and company level. The revised strategy and associated economic metrics<sup>1</sup>, together with a buoyant and strengthening iron ore market backdrop, has driven wider investment interest and value recognition that better reflects an approved, well understood, coarse-grained magnetite development.

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<sup>1</sup> Refer to ASX announcement *Revised CEIP Development Strategy*, dated 25 February 2019, for more detail

## Community & Stakeholder Engagement

Several stakeholders' meetings occurred, including EPCBH, Regional Development Australia (Whyalla and Eyre Peninsula), Wudinna District Council, District Council of Tumby Bay, local community groups as well as various Ministers, local members and Government agency representatives. Updates on the project and *Grain First* strategy have been discussed at various briefings, supplemented by interviews and local media.

## Corporate

On 30 April 2019 Iron Road announced that the maturity of the \$5.4 million loan facility from Sentient Global Resources Fund IV, L.P. had been extended to 31 January 2020. The facility has also been expanded to \$6.5 million, securing Iron Road's cash requirements into early 2020. The loan bears a zero rate of interest and does not attract any fees. Investors in the Sentient Global Resources Funds comprise a global spread of university endowment funds, foundations, sovereign wealth funds, corporate and public pension funds and family offices.

## Tenement Schedule

Following is the schedule of Iron Road Limited tenements as at 30 June 2019.

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

Iron Road confirms that all material assumptions underpinning the production target and forecast financial information derived from the production target announced as "Revised CEIP Development strategy" on 25 February 2019 continue to apply and have not materially changed.

-Ends-

### For further information, please contact:

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Iron Road Limited

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Iron Road Limited

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## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

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

### Name of entity

Iron Road Limited

### ABN

51 128 698 108

### Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(138)	(1,192)
(b) development	-	-
(c) production	-	-
(d) staff costs	(228)	(941)
(e) administration and corporate costs	(73)	(585)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(439)</b>	<b>(2,717)</b>

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	20	20
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>20</b>	<b>20</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	1,210
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(32)
3.5	Proceeds from borrowings	600	2,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>600</b>	<b>3,178</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	552	252
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(439)	(2,717)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	20	20
4.4	Net cash from / (used in) financing activities (item 3.10 above)	600	3,178
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>733</b>	<b>733</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	688	507
5.2 Call deposits	45	45
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>733</b>	<b>552</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	93
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

N/A

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

N/A

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	6,500	6,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The loan facility in 8.1 is an unsecured loan from the Company's major shareholder, the Sentient Global Resources Fund IV, L.P. It attracts nil interest and matures on 31 January 2020. This loan has been increased to \$A6,500,000 during the quarter and is available for drawdown to this amount.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	230
9.2 Development	-
9.3 Production	-
9.4 Staff costs	185
9.5 Administration and corporate costs	190
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>605</b>

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

**Compliance statement**

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

Sign here:

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Company Secretary

Date: 30 July 2019

Print name: Jaroslaw (Jarek) Kopias

**Notes**

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