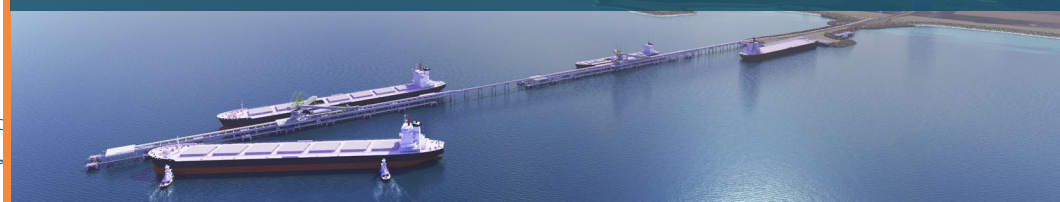




# QUARTERLY ACTIVITIES REPORT

For the period ended 30 September 2022



## SEPTEMBER QUARTER REVIEW

### Central Eyre Iron Project (CEIP)

Iron Road Ltd (ASX:IRD, Company, Iron Road) continues to engage with potential strategic partners and will host further site visits during Q4 2022 to the proposed Central Eyre Iron Project (CEIP) mine and Cape Hardy port site in addition to mining, beneficiation and infrastructure scope reviews in Iron Road's Adelaide office. Complementing this will be parallel CEIP marketing activities throughout Asia that incorporate reciprocal invitations to mining, ore beneficiation and steel making operations (including pellet and sinter operations).

Volatility in global steel and iron ore market conditions remain a dominant feature with downward iron ore pricing pressure characterising the last 18 months and benchmark prices for 62% Fe Fines recently slipping below the US\$100/dmt mark. Over the course of this 18-month period, all major spot iron ore price indices have now retraced more than 50% from record pricing highs, in nominal and real terms. In a global industry environment contending with high inflationary pressures, recent US dollar strength / Australian dollar weakness, is mitigating to some degree, the contraction in operating margins for Australian iron ore producers.

The CEIP holds Australia's largest magnetite Ore Reserve and stands out as one of the most advanced, long-life, high product grade development opportunities globally in a low-risk jurisdiction. With the project's key differentiating attributes maintaining the attention of potential strategic partners, the CEIP remains well positioned to attract commercial partnership interest notwithstanding uncertainties associated with the short-term global macroeconomic outlook.

### Cape Hardy Green Hydrogen

Following a successful market sounding in Q2 2022, gauging potential commercial interest in the Cape Hardy green hydrogen development proposition, a more detailed Expression of Interest (EoI) was issued to market on 14 September 2022, by WSP Australia, on Iron Road's behalf. A total of 16 globally significant organisations have been issued the documents with responses expected by 28 October 2022.

The EoI commencement coincided with the *Investing in Green Hydrogen 2022* conference held in Singapore which attracted over 700 delegates. Iron Road was represented by Mr. Noel Second, General Manager – Projects with the Company kindly invited by Invest SA to be part of their delegation and share the conference booth. Invest SA, an initiative of the South Australian Government focusing on project facilitation and supporting new investment in South Australia, fits within the wider Department for Trade and Investment (DTI). This conference allowed Iron Road to showcase the Cape Hardy opportunity to a diverse audience beyond those directly engaged via the EoI, with much interest shown from a variety of conference delegates.

Invest SA also arranged a meeting with Singaporean government officials (Prime Minister's Office, National Climate Change Secretariat), which provided an opportunity to present both South Australia's hydrogen plans and individual companies ambitions for future projects within the state.

Austrade arranged a networking session at the Australian High Commissioner's residence on the evening before the conference began, which afforded a useful and valuable introduction to the conference activities.

Also, during September 2022, Iron Road, at the invitation of the Department for Trade and Investment, participated in a roundtable meeting to discuss the implications of the heavy industry transition on electrical and future hydrogen infrastructure in South Australia. Included in the discussion was Prof. Dr. Christian Sattler, Advisor to the German government and Dr Jaquelin Cochran, international leader in Renewable Grids. Topics discussed included Port Bonython, Cape Hardy, Hydrogen Jobs Plan and hydrogen regulations.



Iron Road was part of the Invest SA team at the *Investing in Green Hydrogen 2022* conference held in Singapore during September 2022; supported by the Department for Trade and Investment and the South Australian government

## Cape Hardy Stage I grain-led port proposal

Iron Road, Eyre Peninsula Co-operative Bulk Handling (EPCBH) and Macquarie Capital (Macquarie) are parties to a September 2020 Joint Development Agreement (JDA) based on advancement of the originally proposed Cape Hardy Stage I multi-user, multi-commodity (grain-led) port facility.

As previously advised, short-term activities will centre on monitoring of existing supply chain / logistics performance associated with the upcoming 2022 harvest. Exceptionally favourable conditions for growers this year are expected to result in the pending harvest approaching or exceeding record grain tonnage for the Eyre Peninsula.

## Corporate

At quarter end, the Company held cash reserves of \$0.9 million and no debt. Subsequent to the end of the quarter, Iron Road received \$625,000 under a Subscription Agreement with Bulk Commodity Holdings LLC, a US based investor, for a private placement of Iron Road shares. The new funds were received in October 2022 and receipt of an additional \$625,000 is anticipated in January 2023, from the same investor, for a further private placement of Iron Road shares.

Iron Road's Appendix 5B includes amounts in item 6.1 representing the payment of Director fees during the September quarter. Total cash expended of \$1.0 million for the quarter was higher than typical of recent quarterly outgoings, due primarily to the Company settling, in advance, approximately 75% of annual CEIP Mining Lease Rental obligations (circa \$340,000) through to May 2023. For the 6-month period to end Q1 2023, the Company's cash outgoings are currently budgeted at circa \$1.4 million.

## Tenement Schedule – 30 September 2022

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](mailto: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 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(341)	(341)
(b) development	-	-
(c) production	-	-
(d) staff costs	(386)	(386)
(e) administration and corporate costs	(215)	(215)
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(942)</b>	<b>(942)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(102)	(102)
(e) investments	-	-
(f) other non-current assets	-	-

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(102)</b>	<b>(102)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	(3)	(3)
3.5	Proceeds from borrowings	-	-
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>(3)</b>	<b>(3)</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	<b>1,939</b>	<b>1,939</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(942)	(942)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(102)	(102)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	(3)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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>892</b>	<b>892</b>

<b>5.</b>	<b>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	847	1,894
5.2	Call deposits	45	45
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>892</b>	<b>1,939</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	140
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. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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)	1,250	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		1,250
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.	<p>Subscription Agreement with Bulk Commodity Holdings, LLC, an US based investor, for a private placement of shares with a subscription price of \$1,250,000. The funds are expected to be received from October 2022. See ASX announcements dated 16 Dec 2021 and 28 Mar 2022.</p>	

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(942)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(102)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,044)
8.4 Cash and cash equivalents at quarter end (item 4.6)	892
8.5 Unused finance facilities available at quarter end (item 7.5)	1,250
8.6 Total available funding (item 8.4 + item 8.5)	2,142
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.1
<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: 25 October 2022

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.