



ASX ANNOUNCEMENT

Iron Road Ltd (Iron Road, ASX: IRD)

COMPANY UPDATE

Iron Road Ltd (Iron Road or Company, ASX:IRD) provides the following update after the Company's recent 12 April 2023 ASX announcement, *Amp Energy Selected as Lead Developer for Cape Hardy Green Hydrogen Project*.

Cape Hardy Green Hydrogen

Having entered a Strategic Framework Agreement and commenced a nine-month exclusivity period with Amp Energy in April 2023, preliminary master planning activities are now well underway for certain areas of Iron Road's wholly owned 1,207-hectare Cape Hardy site. Amp Energy has already progressed approximately 24 months of focused South Australian work in the green hydrogen asset class and has earmarked the Cape Hardy project as a marquee site for their select number of green hydrogen projects globally. Both Iron Road and Amp Energy are aligned in their commitment to maximise the technical efficiency and scale of the opportunity to position the full-value chain project for commercial success.

The Amp Energy team including their external advisor who has been involved in more than 50% of ammonia plants built globally over the last seven decades are working collaboratively with Iron Road and the Company's experienced consultants. This foundation work relates to relevant data, drawings, designs, studies and geographic information system (GIS) requests that are associated with the documented and approved Central Eyre Iron Project (CEIP) Environmental Impact Statement (EIS).

The primary outworking of this initial master planning activity will be to expedite the identification of Amp Energy's preferred 410ha green hydrogen and ammonia development footprint on the Cape Hardy precinct prior to entering an option to lease agreement with Iron Road. Concurrently, the Company has commenced the introduction of Amp Energy to key stakeholders on the Eyre Peninsula.

Iron Road expects to provide the market with regular updates on all material developments associated with the Cape Hardy green hydrogen project and Strategic Framework Agreement over the course of the nine-month exclusivity period with Amp Energy.



Iron Road wholly owns 1,207 hectares of gulf-side land at Cape Hardy.

Northern Water Supply project (NWS)

Technical engagement and Cape Hardy related dialogue between Iron Road and the NWS project team has accelerated during Q2 2023, building upon the formal relationship that was established and earlier communicated in the Company's 1 December 2022 ASX announcement, *Infrastructure SA Commences Water Supply Collaboration with Iron Road*.

Iron Road's asset development and partnership strategy complements a broader vision for the Cape Hardy precinct by facilitating water security for regional industry development across the Eyre Peninsula. The Company notes that the Business Case for the Northern Water Supply project is now complete and has been submitted to the South Australian Government.

With respect to next steps, NWS has advised publicly via their May 2023 Stakeholder engagement summary report that *"The South Australian Government is now reviewing the Business Case to decide if and how to proceed with the project. All aspects of the project are being carefully considered before a decision is made to proceed with the project including site options, and governance and procurement process. Potential demand from Green Hydrogen is being factored into the planning. A decision on a location for detailed investigations and planning towards a desalination plant will be taken soon. Any site selected will be subject to detailed environmental assessments and ongoing community and stakeholder engagement."*

Central Eyre Iron Project (CEIP)

Iron Road and Amp Energy share the vision that a large-scale green hydrogen endeavour at Cape Hardy will be complementary to value-add opportunities associated with the large-scale, long life CEIP magnetite Ore Reserve (green pellets & longer-term green steel manufacturing). The CEIP will also benefit directly from proximate, large-scale renewable energy generation and transmission that can serve as a catalyst for a long-life, industry competitive operating cost structure for high quality steelmaking feedstock. Value adding to the CEIP orebody further strengthens the conviction for multi-commodity export opportunities at Cape Hardy, including grain.

Iron Road continues to engage with potential strategic partners and the Company's focus remains on steel makers possessing a production growth agenda with associated plans to transition up the quality curve to match feedstock requirements and benefit commercially from expected strong future global trade for high grade iron concentrate and price premiums for quality green pellets.

Increasingly, discussions centre around direct-reduced iron (DRI) ore products to be mined and beneficiated from the CEIP Ore Reserve. The global iron ore mining and steelmaking industry expects that DRI is likely to remain the most viable mid-term solution for progressively reducing Scope 3 industry emissions.

Australian Government Grant Update

As communicated by Iron Road in October 2022, the Australian Government had tasked the Department of Infrastructure, Transport, Regional Development, Communication and the Arts with finalising an executed funding agreement with the Company by 28 April 2023 in order for the \$25 million Cape Hardy grant commitment to be honoured under the previous Australian Government's Community Development Grants (CDG) program.

The CDG program is progressively being unwound by the Australian Government and due to the requisite funding agreement not being able to be executed by the previously advised date, the Company has now received notice that the funding offer from the legacy CDG program has been withdrawn.

Since early 2023, Iron Road has been seeking assistance from the South Australian Government to determine whether the Cape Hardy grant commitment may potentially be substituted with a more industry appropriate and relevant Australian Government grant program given the evolution of the Cape Hardy project and its increasing strategic importance to the South Australian Government. This engagement is continuing.

The Company notes at the recent 9-11 May 2023 World Hydrogen Summit held in Rotterdam, the Honourable Peter Malinauskas MP Premier of South Australia delivered a keynote address to delegates highlighting that the Australian Government is committed to the development of a deep-sea port at Cape Hardy, benefiting future green hydrogen and ammonia production as well as mineral and grain exports.



The Honourable Peter Malinauskas MP Premier of South Australia addressing the recent World Hydrogen Summit in Rotterdam about South Australia's world-leading plans for green hydrogen.

Iron Road confirms that the previous \$25 million Australian Government grant commitment had not been valued or recognised in any form on the Company's balance sheet and audited financial reports. This will remain the case, irrespective of any potential reinstatement via a replacement grant program, given the intent and strict requirement for any government funds to be used solely for Cape Hardy development and construction activities.

Authorised for release by the board of Iron Road Ltd

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