



QUARTERLY ACTIVITIES REPORT

For the period ended 30 June 2023



JUNE QUARTER REVIEW

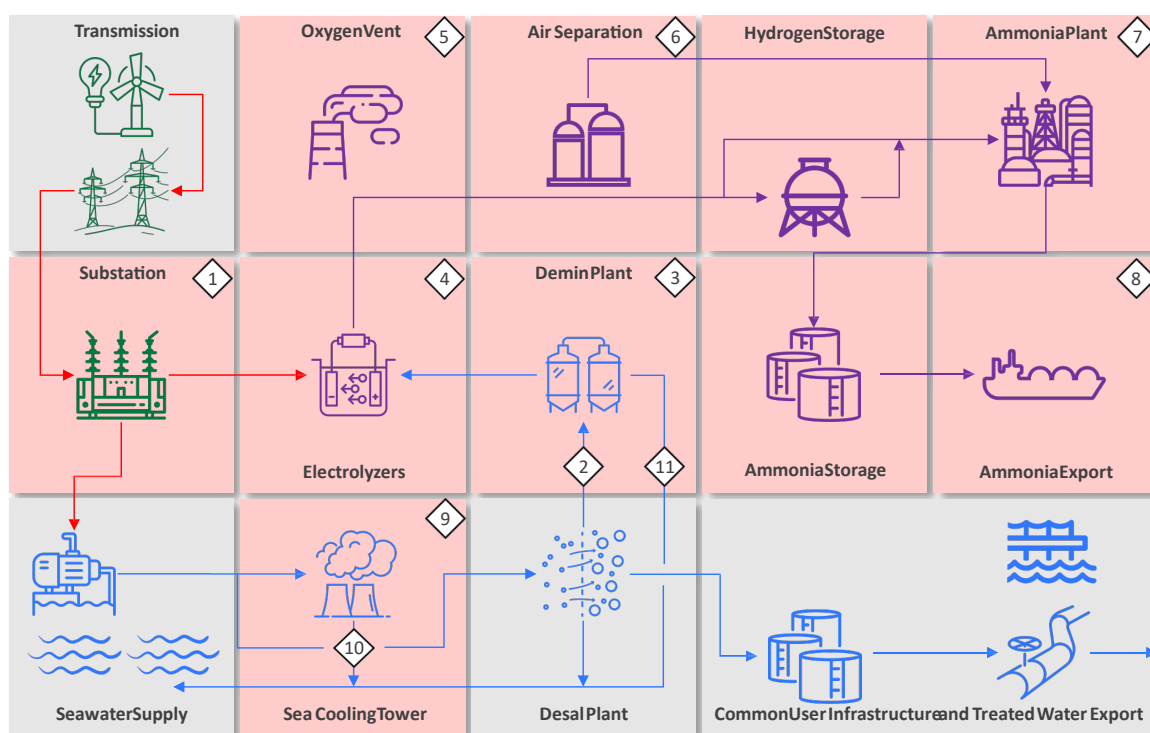
Cape Hardy Green Hydrogen & Ammonia Project

Iron Road Ltd (ASX:IRD, Company or Iron Road) announced on 23 May 2023 that, following a Strategic Framework Agreement and nine-month exclusivity period commencing with Canadian headquartered Amp Energy during April 2023, preliminary master planning activities were underway across designated areas of Iron Road’s wholly owned 1,207-hectare Cape Hardy site.

Foundation work between Iron Road and the Amp Energy team (including their external advisors with globally renowned ammonia plant expertise) 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).

Basic raw material input requirements for the project (ie. power, desalinated water, seawater and air) commensurate with staged gigawatt (GW) scale electrolyser capacity have been determined which in-turn derives mass balance output for the key product streams (green ammonia, oxygen, neutral effluent and brine return).

The primary outworking of the initial master planning activity will be to identify and optimise Amp Energy’s preferred 410ha green hydrogen and ammonia development footprint on the Cape Hardy precinct. During the quarter, Iron Road also facilitated the introduction of Amp Energy to key stakeholders on the Eyre Peninsula.



Upstream power and Cape Hardy green hydrogen precinct anhydrous ammonia block flow schematic (source AMP Energy).

Central Eyre Iron Project (CEIP)

The proposed green hydrogen and ammonia development at Cape Hardy is designed to be complementary to the large-scale, long-life CEIP magnetite Ore Reserve (green pellets & longer-term green steel opportunities). The favoured 12Mtpa mine plan from Iron Road's flagship asset would also benefit from an expected and progressively accelerating build-out of proximate, large-scale renewable energy generation and transmission that can serve as a catalyst for an industry competitive operating cost structure for high quality steelmaking feedstock. Value adding of the magnetite resource further strengthens multi-commodity export opportunities at Cape Hardy, including grain.

Increasingly, discussions with potential strategic partners centre around a preference for 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.

Complementary to ongoing engagement with parties that have undertaken technical due diligence and canvassed commercial interest in Mineral Lease 6467 and associated assets, the Company continues to facilitate bulk samples from its iron concentrate and diamond drill core inventory to those parties demonstrating the most credible investment and strategic partnership prospects.

Northern Water Supply project (NWS)

Post quarter end on 13 July 2023, Iron Road advised of substantive developments in its formal engagement process with Infrastructure SA (ISA) and the Northern Water Supply (NWS) project team.

Based on marine and terrestrial investigations, a diverse set of evaluation criteria and preliminary design work, Iron Road has been informed that the Cape Hardy site is well credentialed to be the preferred location for the *Northern Water Supply project*, and remains under active consideration along with an alternative site at Mullaquana, south of Whyalla. A formal decision on the NWS project and preferred site has not yet been made and is expected in the coming months.

State Budget Paper 1: Budget Overview for 2023-24, released on 15 June 2023, reports that the South Australian Government has allocated funding to partner with industry to undertake further studies, including environmental studies, final engineering and costings to facilitate a final investment decision (FID) for the NWS project.



Iron Road and Northern Water Supply (NWS) Cape Hardy Spatial Reference – Preliminary site plan for proposed desalination plant

An early-stage Development Application (DA) for a 260ML/day desalination plant will likely be made once the NWS is approved to proceed. The proposed development's business case would deliver environmentally and socially sustainable water infrastructure that is critical to:

- meet increasing demand for water by regional communities and the agricultural sector while reducing dependence from the River Murray;
- enable and sustain South Australia's copper production growth strategy in the Gawler Craton region without continued reliance on the Great Artesian Basin and other unsustainable smaller aquifers; and
- underpin emerging green energy industries on the Eyre Peninsula, including the proposed Cape Hardy industrial port precinct and green hydrogen / ammonia hub, as well as for planned hydrogen related activities at Port Bonython and Whyalla.

Pending a positive Cape Hardy decision and following the NWS DA lodgement, Iron Road expects to be able to progressively communicate broad commercial aspects and potential synergies relevant to the Company's CEIP, including credible slurry pipeline logistics optionality along its 136km infrastructure corridor.

Cape Hardy – Key Desalination Site Characteristics

In designating Cape Hardy as a potential desalination plant location on the Eyre Peninsula, the NWS project team have recognised the comprehensive site investigations, extensive stakeholder engagement and relevant pre-development work already undertaken and financed by Iron Road.

Key attributes of Cape Hardy as a favoured desalination construction and operating site include:

- Environmentally sound and socially acceptable greenfield site for seawater desalination;
- Intake of cooler, high quality deep nearshore water;
- Relatively low impact outfall of hypersaline brine, with good dispersion in a high energy zone of the Spencer Gulf;
- Nearshore access to deep-water, requiring no dredging or breakwater for complementary development of marine-side import and export infrastructure;
- A complementary Environmental Impact Statement (EIS) supporting both State and Federal approvals (Environment Protection and Biodiversity Conservation - EPBC) for a bulk commodity export port;
- Iron Road's 10-year relationship and multi-commodity Indigenous Land Use Agreement (ILUA) with the Barnjarla that is registered with Australia's National Native Title Tribunal;
- Extensive intellectual property encompassing substantial studies into wave, wind, current and tidal movements, seabed sand drift, bathymetric and benthic studies, marine and terrestrial geophysical studies and a plethora of associated data and designs;
- Planned port modular offloading facility with accompanying design expected to cater for delivery of large-scale modules / fixed plant for the desalination facility; and
- Readily accessible road and proximate power infrastructure connection options.

Approvals

On 5 June 2023, Iron Road advised that the Government of South Australia approved the Company's application seeking an extension of time for the documentation submission and construction time frames for the Cape Hardy Deep Sea Port and related activities previously granted under the Major Development process of the former *Development Act 1993*.

Having regard to milestones reached by the Company in advancing the project to date, The Hon Nick Champion MP, Minister for Trade and Investment, Minister for Housing and Urban Development and Minister for Planning advised of a four-year approval extension. Pursuant to section 115(8) of the *Planning, Development and Infrastructure Act 2016* (the PDI Act), operative dates comprise:

- **3 May 2027** – completion of the conditioned Construction Environment Management Plan and Ongoing Environmental Management Plan, along with the land forming for the jetty and tug harbour as well as the jetty deck; and
- **3 May 2028** – completion of construction.

The Government of South Australia notes recent announcements in relation to the potential for hydrogen production and export from the Cape Hardy site. Planning and Land Use Services within the Department for Trade and Investment will liaise with both Iron Road and other relevant government agencies, noting that any hydrogen development proposal once fully formed will need to be assessed and determined in accordance with the requirements of the PDI Act.



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

Corporate

At quarter end, the Company held cash reserves of \$1.8 million and no debt. Post-quarter end, Iron Road elected to make a \$300,000 cash repayment of an earlier prepayment for Iron Road shares made by Bulk Commodity Holdings, LLC (Investor). This repayment was made in lieu of issuing shares to the Investor and, by agreement with the Investor, did not incur any interest costs.

Iron Road's Appendix 5B includes amounts in item 6.1 representing the payment of Executive Director salary and Non-Executive Director fees during the June quarter.

Tenement Schedule – 30 June 2023

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:

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Iron Road Ltd

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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 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(16)	(370)
(b) development	-	-
(c) production	-	-
(d) staff costs	(230)	(1,321)
(e) administration and corporate costs	(55)	(699)
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 (Amp Energy Exclusivity Fee)	1,500	1,500
1.9 Net cash from / (used in) operating activities	1,199	(890)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(102)	(339)
(e) investments	-	-
(f) other non-current assets	(5)	(5)

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 (12 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	(107)	(344)

3.	Cash flows from financing activities		
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	(4)	(11)
3.5	Proceeds from borrowings	-	1,087
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)	-	-
3.10	Net cash from / (used in) financing activities	(4)	1,076

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	693	1,939
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,199	(890)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(107)	(344)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	1,076

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,781	1,781

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	1,736	648
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)	1,781	693

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	100
6.2	Aggregate amount of payments to related parties and their associates included in item 2	47

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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	1,199
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)	1,097
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,781
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,781
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
<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	
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	
<i>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.</i>	

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: 27 July 2023

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.