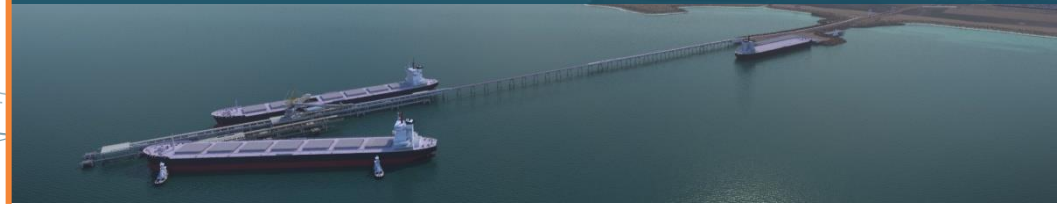




QUARTERLY ACTIVITIES REPORT

For the period ended 30 September 2017



About Iron Road

Iron Road Limited is the developer of the Central Eyre Iron Project (CEIP), located on the Eyre Peninsula in South Australia.

The CEIP is a long life proposal, which will produce a high grade, low impurity iron concentrate for export to Asia. The product will attract a quality premium over reference iron ore prices, and is expected to have substantial benefits for steel mill customers in pollution reduction and operating costs.

A definitive feasibility study (DFS) supported by an optimisation study, has credibly demonstrated a highly industry competitive operating cost profile for a mining, beneficiation and infrastructure solution producing +20 million tonnes per annum of premium iron concentrates for export over an initial mine life of 30 years.

Infrastructure Australia has declared the CEIP infrastructure (rail and port) a Priority Project, one of only ten Projects nationwide.

Iron Road has signed MoUs with five leading Chinese steel mills, including Shandong Iron & Steel. An infrastructure funding MoU has also been signed with AIXI Investments.

A strategic co-operation agreement with China Railway Group includes a Project Commercialisation Programme with the aim to finalise a whole-of-project financing solution.

The Company has a multi-disciplinary Board and management team that are experienced in the areas of exploration, project development, mining, steel making and finance.

ASX: IRD
admin@ironroadlimited.com.au
www.ironroadlimited.com.au

Highlights

- Preparation of contracting framework for the Central Eyre Iron Project (CEIP) progressed with project partner China Railway Group (CREC).
- Mine plan and schedule review identifies additional upfront capital efficiencies that further enhance CEIP value.
- Preparation of secondary approvals required for the CEIP – Program for Environment Protection and Rehabilitation (PEPR) and Construction Environmental Management Plan (CEMP) – continued during the quarter.
- Community engagement commenced in relation to the draft PEPR and the Company's Community Engagement Plan for the CEIP was reviewed, updated and finalised.
- Short term working capital requirements to be serviced from the receipt of an additional \$1 million in debt finance from major shareholder, The Sentient Group.



Iron Road marquee at the Wudinna Show. Staff were available to answer questions relating to the Central Eyre Iron Project, particularly on key aspects regarding the PEPR which is being finalised by the Company.

Central Eyre Iron Project (CEIP)

Project Commercialisation Programme

With the Project Commercialisation Programme complete, Iron Road and CREC teams have progressed the construction contract framework. This includes assembling the necessary information and data for populating the various contract schedules, preparing the operational readiness plan and initiating processes to deliver the project.

Discussions continued with potential local project engineering and construction partners that foresee a clear strategic opportunity in positioning themselves to work with Iron Road and CREC. Advanced talks have also taken place with large global mining contractors that have identified and appreciate the scale of the CEIP to their forward order books and work in hand.

Thiess-RWE, a leading expert and contractor in continuous mining systems, such as in-pit crushing and conveying, has concluded a review of the CEIP mine plan. The review focussed on opportunities relating to early ore access and mine establishment costs whilst leveraging efficiencies offered by the application and flexibility of proven, continuous mining systems.

Targeted objectives of the mine plan review included:

- reducing upfront capital requirements
- extracting ore reserves earlier to accelerate the ramp-up profile of iron concentrate output
- decreasing the upfront pre-strip/waste mining period
- identifying other efficiencies

Figure 1 below illustrates the material benefits arising from the latest review. By targeting initial areas of the orebody to optimise rapid ore delivery, the process plant can ramp-up output of the CEIP high quality iron concentrate much earlier than the 2015 Optimisation Study timetable.

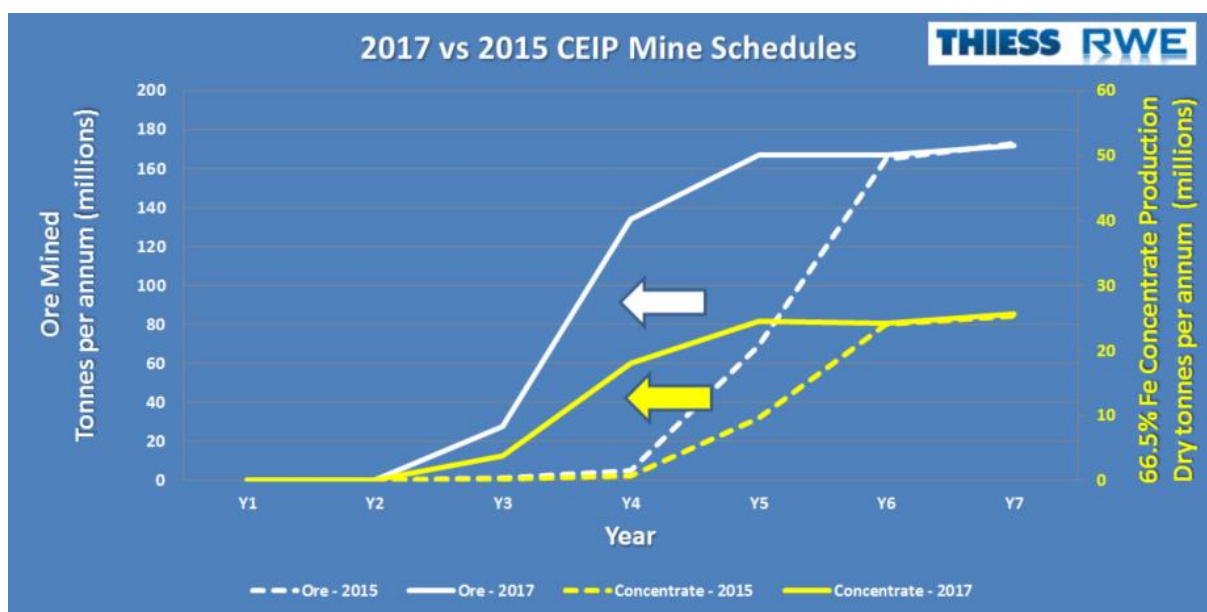


Figure 1- Ore and waste production profiles for 2015 vs. 2017 mine schedule, Year 1-7, CEIP Mine

Adoption of early stage selective mining strategies rapidly advance the ore production ramp-up profile and high quality iron concentrate production (66.5% Fe), commencing two years earlier. Upfront mine capital cost estimate (excluding pre-strip) is reduced by US\$130 million to US\$965 million. Importantly, when combined with lower early pre-strip volumes and accelerated ore production profile, results in only a modest upward revision to life-of-mine average FOB operating costs of less than US\$1.50/dmt.

Further detailed input will be sought from suitably experienced mining contractor candidates as part of a pending update to CEIP economic metrics. Thiess-RWE's preliminary assessment indicates that the revised mine schedule and cost structures could deliver a significant CEIP NPV improvement.

Project Approvals & Environmental

The preparation of the two secondary approvals required for the CEIP – Program for Environment Protection and Rehabilitation (PEPR) for the mine and Construction Environmental Management Plan (CEMP) for the infrastructure – are progressing well. Engagement with relevant stakeholders is ongoing and both documents will be finalised and submitted to the South Australian government during the next Quarter.

A range of other approvals for the CEIP have been identified and timelines for each are being finalised. These approvals relate to permits, licences and agreements required either prior to construction activities or prior to the start of operations.

The final outstanding major approval is a decision by the Commonwealth Minister for the Environment and Energy (DoEE) in respect of the offshore/shipping component of the CEIP under the *Environment Protection and Biodiversity Conservation Act, 1999* (EPBC). Iron Road has been working with the DoEE and expects Ministerial approval shortly.

Iron Road personnel continue to be involved in the South Australian government's review of the *Mining Act, 1971*.

Community & Stakeholder Engagement

Iron Road staff organised and attended three days of engagement in Wudinna to provide information and answer questions regarding the draft PEPR. In addition, a draft summary document was circulated to all landowners within and adjacent to the Mining Lease and made available on the Company website, with an invitation for interested parties to provide comment.

Iron Road staff attended the *2017 Wudinna Show* during September. PEPR information was displayed and staff available to answer questions and provide further information on the PEPR, upcoming employment and business opportunities and the project generally.

The Company's Community Engagement Plan for the CEIP was reviewed, updated and finalised during the Quarter.

Iron Road is working with the Wudinna District Council in relation to the formation of a *CEIP Community Development Group*, comprising Council, Iron Road and community representatives. The group will provide a forum for discussion and communication and facilitate and engage stakeholders in relation to the CEIP components that affect the Wudinna District Council area areas, such as the long-term employee village and mine.

Engagement with other stakeholders included informal meetings and discussions with various landowners, the Wudinna and Tumby Bay District Councils, Eyre Peninsula Co-operative Bulk Handling and Regional Development Australia Whyalla and Eyre Peninsula.

Corporate

A presentation was given to the *Resources Infrastructure and Investment Task Force* during July to update members on the CEIP and the challenges that lie ahead.

Managing Director Andrew Stocks and Stakeholder Engagement Principal Advisor Tim Scholz met with all Eyre Peninsula MoU partners in Port Lincoln to provide a project update and discuss the economic and social opportunities the CEIP is expected to generate in the region. Much discussion was had concerning Iron Road, its partners and stakeholders may work together to generate best outcomes.

Iron Road's short term working capital requirements are to be serviced from the receipt of a further \$1 million in debt finance from its major shareholder, The Sentient Group. The total A\$2 million loan facility, is due to be repaid by 30 September 2018, attracts a zero rate of interest and does not bear any fees. Work continues on securing additional project partners amenable to both Iron Road and CREC.

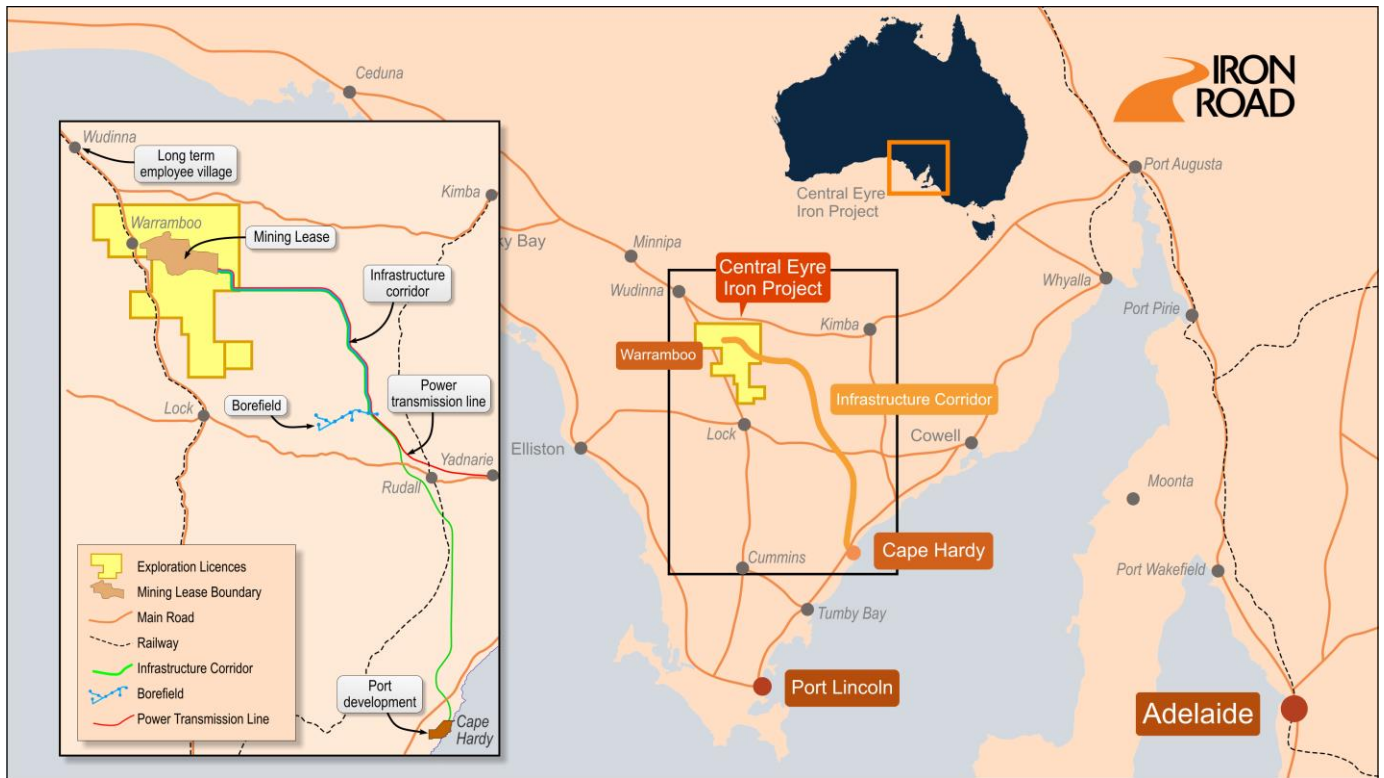
Tenement Schedule

Following is the schedule of Iron Road Limited tenements as at 30 September 2017.

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
	EL5998	81% Iron Ore rights
	EL5732	81% Iron Ore rights
	EL5767	81% Iron Ore rights

The Optimisation study referenced in this announcement was released on 13 October 2015 as "Optimisation Studies Complete at CEIP" and updated on 20 April 2016 as "Continuing Cost Reductions at Central Eyre Iron Project", 3 July 2017 as "CEIP Capital Cost Estimate Reduction" and 31 October 2017 as "Mine Review Drives Value Accretion Opportunities at the CEIP". The Company has provided an update to material assumptions and is not aware of any other new information or data that materially affects the information included in this announcement.

-Ends-



For further information, please contact:

Andrew Stocks, Managing Director
 Iron Road Limited
 Tel: +61 8 8214 4400
 Email: admin@ironroadlimited.com.au

Shane Murphy
 FTI Consulting
 Tel: +61 8 9485 8888
 Email: shane.murphy@fticonsulting.com

Or visit www.ironroadlimited.com.au

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 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(269)	(269)
(b) development	-	-
(c) production	-	-
(d) staff costs	(352)	(352)
(e) administration and corporate costs	(577)	(577)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	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)	-	-
1.9 Net cash from / (used in) operating activities	(1,197)	(1,197)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(2)	(2)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.5	Proceeds from borrowings	1,000	1,000
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)	-	-
3.10	Net cash from / (used in) financing activities	1,000	1,000

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,352	1352
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,197)	(1,197)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,000	1,000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,153	1,153

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	1,063	1,262
5.2 Call deposits	90	90
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)	1,153	1,352

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	169
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

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	61
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

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	2,000	2,000
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.		

A short term working capital facility of \$2million from major shareholder The Sentient Group was made available during the quarter. The facility due to be repaid by September 2018 attracts a zero interest rate and zero fees.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	294
9.2 Development	-
9.3 Production	-
9.4 Staff costs	351
9.5 Administration and corporate costs	580
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,225

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
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: 31 October 2017

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.