

Highlights

- New investor strategy announced that includes a less capital intensive project start-up approach.
- Review continued of a staged and scalable mining development, incorporating the 'grain first' port development.
- Continued engagement with potential partners and investors that have an interest at a Company and/or project level.
- Discussions advanced with various stakeholders and interested parties with respect to the 'grain first' development at Cape Hardy.
- \$1.21 million raised via a non-renounceable rights issue.

Central Eyre Iron Project (CEIP)

Project Commercialisation

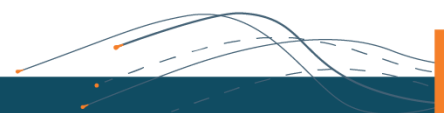
At the Annual General meeting (AGM)¹, Iron Road announced that the Company had initiated a new investor strategy that includes a less capital intensive project start up approach. The primary aims of the review include a significant reduction in mine capital and reliance on electrical power, without forgoing iron concentrate quality or project optionality. Key to the new plan is reducing the mine production target, and cutting substantially both pre-strip volumes and life of mine strip ratio. Efficiencies are being sought through a combination of truck and excavator and conveyor mining systems.

Iron Road, assisted by leading open pit mine experts, has made substantial progress the review. Outcomes and opportunities from the new mine plan are expected to be released by the end of January 2019, with downstream affects and project economic metrics expected to be released later in Q1, 2019.

Grain First Strategy

Iron Road continued to meet with, advance discussions and provide information to various stakeholders and interested parties on the 'grain first' strategy. The strategy contemplates the staged construction and commissioning of a globally competitive grain terminal and export facility at Cape Hardy, and is

¹ Refer AGM Managing Directors presentation, 23 November 2018



expected to improve the resilience of the Eyre Peninsula grain industry. Several parties expressed interest in utilising the port precinct, planned to be linked to a light industrial park situated at nearby Tumby Bay.

Eyre Peninsula Co-operate Bulk Handling (EPCBH), who have partnered with Iron Road and are integral to the 'grain first' strategy, commenced with community information sessions at Tumby Bay and Port Neill.

Community & Stakeholder Engagement

During the Quarter several stakeholders were engaged including EPCBH, Regional Development Australia Whyalla and Eyre Peninsula, Wudinna District Council, District Council of Tumby Bay, Free Eyre as well as various Ministers, local members and Government agency representatives.

The plan for a staged 'grain first' development at the proposed Cape Hardy port continues to draw interest and support.

Corporate

Iron Road held its 2018 AGM on 23 November 2018 in Sydney with all resolutions passed unanimously. Following the AGM long serving Non-Executive Director, Mr Leigh Hall AM, advised the Company of his retirement. Leigh had been a director of Iron Road since October 2012.

The Company raised \$1.21 million via a non-renounceable rights issue, which closed on 9 October 2018. The offer was announced on 5 September 2018 inviting participation by all shareholders in the capital raising at an offer price of 7.5 cents per share. The proceeds allow for the maintenance of the CEIP Mining Lease and cover ongoing corporate expenses. Iron Road's largest shareholder, Sentient Fund IV, participated fully in the Offer.

Tenement Schedule

Following is the schedule of Iron Road Limited tenements as at 31 December 2018.

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

-Ends-

For further information, please contact:

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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")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(725)	(884)
(b) development	-	-
(c) production	-	-
(d) staff costs	(229)	(487)
(e) administration and corporate costs	(151)	(367)
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)	-	-
1.9 Net cash from / (used in) operating activities	(1,105)	(1,737)

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

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,210	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	(20)	(32)
3.5	Proceeds from borrowings	-	800
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	1,189	1,978

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	409	252
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,105)	(1,737)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,189	1,978
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	493	493

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	448	364
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)	493	409

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	94
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	-
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	5,400	4,800
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.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	190
9.2 Development	-
9.3 Production	-
9.4 Staff costs	250
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	540

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: 25 January 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.