



QUARTERLY ACTIVITIES REPORT

For the period ended 30 June 2022

JUNE QUARTER REVIEW

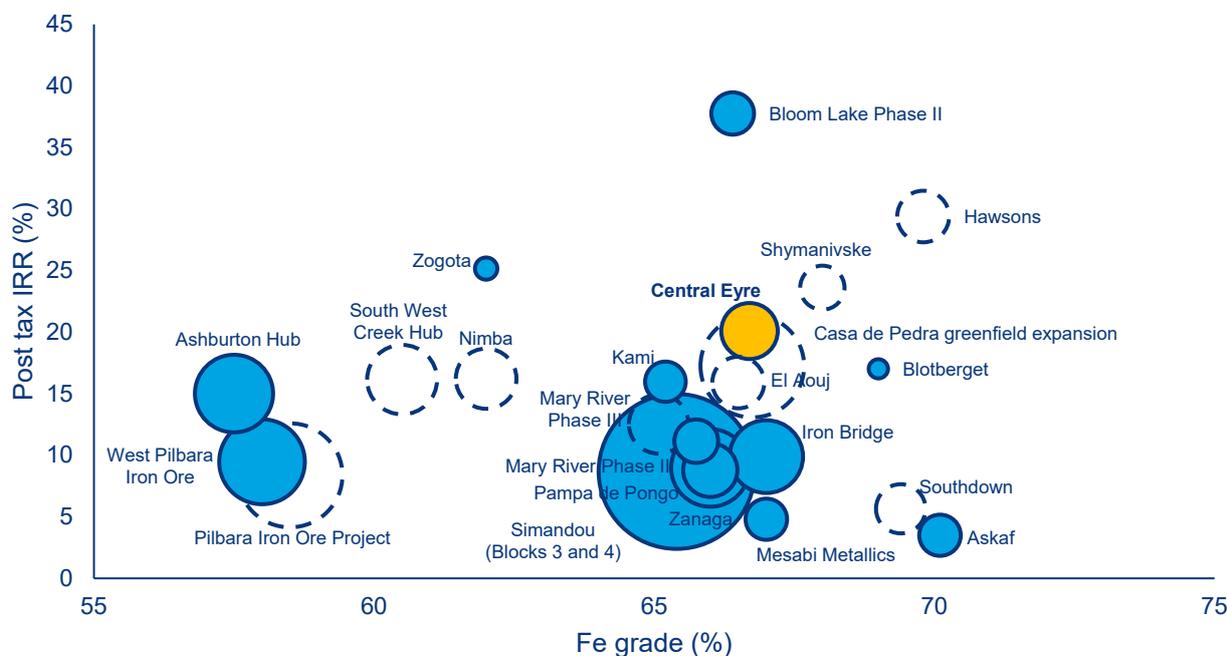
Central Eyre Iron Project

Iron Road Ltd's (ASX:IRD, Company) key focus continues to centre on patient and productive Central Eyre Iron Project (CEIP) engagement with potential strategic partners. The key attributes that have driven sustained strategic interest in the CEIP are as outlined in the most recent March Quarter Review.

Proposals that offer shareholders value with respect to the quality and advanced status of the Company's asset base will continue to be evaluated. A well understood feature of the high barriers to entry iron ore industry, is the scarcity of credibly advanced, high product grade greenfield development opportunities globally. This thematic continues to provide fundamental support for development prospects of the CEIP irrespective of short-term volatility in iron ore prices.

The Wood Mackenzie June 2022 chart below categorises the project pipeline according to expected product grade, post-tax Internal Rate of Return (IRR) and annual nameplate design capacity (relative circle sizes). In conjunction with each project's respective (internal) CAPEX and OPEX estimates, Wood Mackenzie's base case iron ore price forecasts and associated premiums or discounts that apply respectively to products above or below the reference 62% Fe grade for Sinter Fines, underpin the IRR metrics shown.

Importantly, as per the notes below, Wood Mackenzie differentiate projects that are either under construction or well advanced from the remaining balance of earlier stage projects that in total, comprise their view of the global project pipeline.



Source: Wood Mackenzie, Iron Road, other project owners

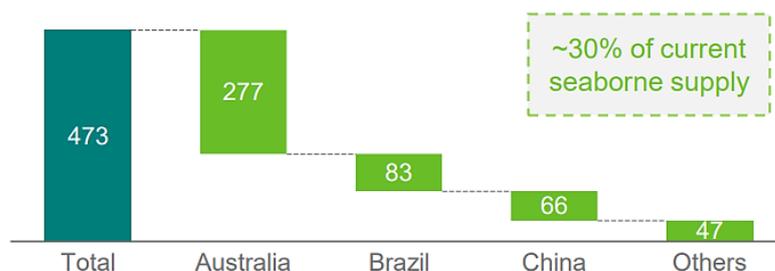
- Notes:
- Blue/orange circles denote advanced project status (ie. construction phase or BFS/DFS completed). Dotted circles denote projects at PFS or scoping study stage.
 - Central Eyre data sourced from Iron Road's post DFS and subsequent optimisation studies ASX announcement - "Revised CEIP development strategy reduces project CAPEX requirements by 56%", 25 February 2019. Iron Road 2018-19 data escalated to real terms in-line with CPI.
 - IRR calculated using Wood Mackenzie's Q2 2022 price forecasts.

At a recent May 2022 Global Metals, Mining & Steel Conference, Vale S.A., the industry’s highest grade iron ore producer amongst top global suppliers, noted that underestimated supply-side restrictions were a major contributing factor leading to market consensus iron ore price forecasts consistently falling short of actual commodity price performance.

Notwithstanding demand-side challenges materialising over recent months, Vale’s analysis indicates 2022 is likely to be the 7th consecutive year (2016-2022 inclusive) where market analysts’ median iron ore price forecast (1-year forward looking) will be lower than the subsequent average yearly price realised.

Mine depletion rates (orebody replacement + lowering of grades), complex licensing processes requiring adherence to stringent ESG standards, careful traditional landowner engagement and continued industry capital discipline are critical industry factors that will likely provide fundamental support for enduring constraints on the supply-side.

Iron ore volumes depletion (2021-2030) – Mt



Source: Vale and PWC Mine 2021 Report

Cape Hardy Green Hydrogen

As communicated in its 27 July 2022 Cape Hardy green hydrogen hub update, the Company is very pleased with the market sounding outcomes facilitated jointly with WSP Australia. A shortlist of 10 domestic and international green hydrogen proponents have requested to partake in the Company’s formal Expression of Interest (EoI) process following execution of non-disclosure agreements and access to relevant data room material.

Interested parties primarily comprise globally significant players in the power generation business and emerging energy transition groups with a focus on harnessing quality renewable energy resources for green hydrogen production. The competitive EoI phase is targeted to close during 4Q 2022, with the successful proponent or consortium of proponents expected to enter preliminary commercial arrangements with Iron Road.

The Australian Hydrogen Conference was held during 31 May - 1 June 2022 in Adelaide with more than 700 delegates. Attended by Iron Road, the conference was well timed with respect to the Company’s market sounding process. Strong South Australian government support for Cape Hardy was evident with the Premier, Hon Peter Malinauskas MP referring to Cape Hardy in his opening address and introductions facilitated by representatives from the Department for Energy and Mining (DEM). These introductions were further strengthened at the Australia Japan Business Co-operation Committee (AJBCC) dinner attended by the Company’s General Manager and CEO at the invitation of the Department for Trade & Investment (DTI).



Australian Hydrogen Conference – Australia Japan Business Co-operation Committee (AJBCC) dinner 1 June 2022 (Photo: DTI, SA 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.

With the Company already having incurred significant expenditure to date relating to JDA activities, both EPCBH and Macquarie are understanding of Iron Road's primary ongoing focus on both the CEIP and Cape Hardy green hydrogen hub / industrial precinct proposal. As a logical medium and long-term freight advantaged location for Eyre Peninsula grain exports, investigations will continue into the optimal business case for grain handling, storage and export facilities at Cape Hardy. Short-term activities will centre on monitoring of existing supply chain / logistics performance associated with the upcoming 2022 harvest.

Corporate

At quarter end, the Company held cash reserves of \$1.9 million and no debt. Iron Road also retains a Subscription Agreement with Bulk Commodity Holdings LLC, a US based investor, for a private placement of IRD shares with a subscription amount of \$1.25 million. The new funds are expected to be received from October 2022. Iron Road's Appendix 5B includes amounts in item 6.1 representing the payment of Director fees during the June quarter.

Tenement Schedule - 30 June 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:

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Jarek Kopias, Company Secretary
Iron Road Ltd

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 2022

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	(230)	(574)
(b) development	-	-
(c) production	-	-
(d) staff costs	(329)	(1,500)
(e) administration and corporate costs	(70)	(856)
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)	-	-
1.9 Net cash from / (used in) operating activities	(629)	(2,930)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(27)	(930)
(d) exploration & evaluation	(54)	(371)
(e) investments	-	-
(f) other non-current assets	-	-

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	(81)	(1,301)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	100	797
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	(5)	(27)
3.5	Proceeds from borrowings	-	1,250
3.6	Repayment of borrowings	(100)	(643)
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	(5)	1,377

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,654	4,793
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(629)	(2,930)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(81)	(1,301)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	1,377

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	1,939	1,939

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	1,894	2,609
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)	1,939	2,654

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	143
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. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	1,250	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		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 December 2021 and 28 March 2022.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(629)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(54)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(683)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,939
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)	3,189
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.7
<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: 28 July 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.