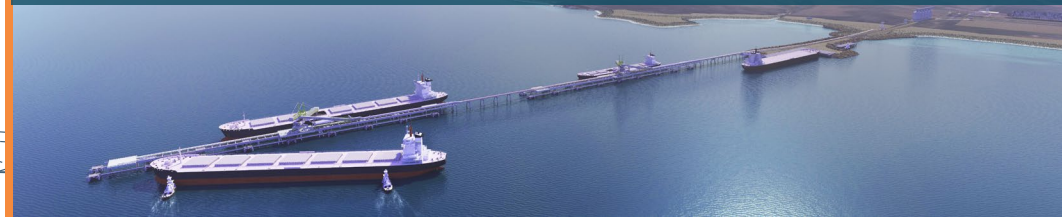




# QUARTERLY ACTIVITIES REPORT

For the period ended 31 December 2022



## DECEMBER QUARTER REVIEW

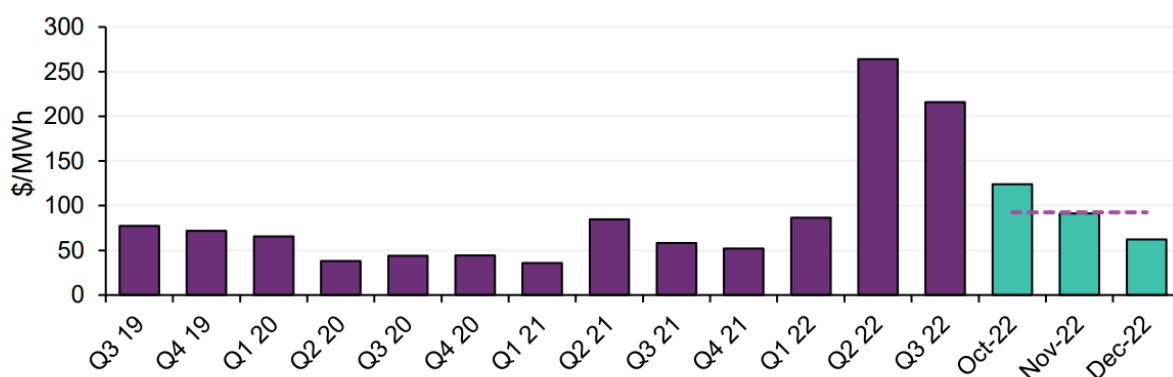
### Central Eyre Iron Project (CEIP) and Development Drivers

Iron Road Ltd (ASX:IRD, Company or Iron Road) continues to engage with potential strategic partners and, as flagged in the previous September Quarter Review, hosted further site visits during Q4 2022 to the proposed Central Eyre Iron Project (CEIP) mine and Cape Hardy port site. Following on-ground activities, mining, beneficiation and infrastructure scope reviews were held in Iron Road's Adelaide office. Complementing this engagement were parallel CEIP marketing activities throughout Asia, incorporating reciprocal invitations to mining, ore beneficiation and steel making operations (including pellet and sinter operations). The Company's focus remains on steel makers possessing a production growth agenda and 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.

On an average pricing basis, both the benchmark 62% Fe Fines index and higher grade 65% Fe index eased slightly (circa 2-4%) quarter-on-quarter which was mainly attributable to a further deterioration in the global macroeconomic outlook and more specifically, due to China's sustained zero-COVID policy and resultant economic slowdown. Latest World Steel Association data indicates 2022 global crude steel production decreased 3.7% year-on-year in the 11-month period to end November 2022. Towards the end of the quarter and into early 2023, iron ore pricing began to markedly improve in response to China relaxing COVID related constraints and introduction of economic stimulus programs. Benchmark 62% Fe pricing ended the year at approximately US\$117/dmt CFR China, an increase of approximately 22% from around US\$96/dmt at the beginning of the December quarter.

A critical factor favourable to CEIP development and financing prospects remains improved visibility on future electricity pricing dynamics across Australia's National Electricity Market (NEM). Wholesale spot power prices for Q4 2022 averaged \$93/MWh across all NEM regions, and although this average wholesale price remains undesirably high, electricity prices are now fortunately trending lower from the extreme levels seen earlier in 2022.

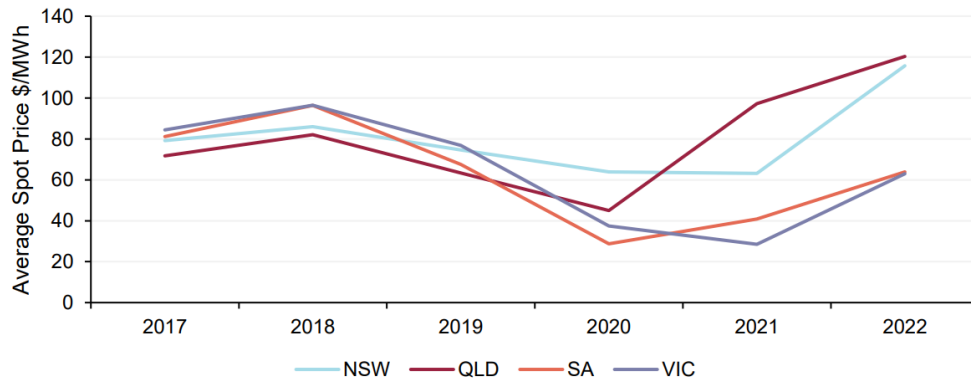
NEM average wholesale electricity spot prices – since Q3 2019



Source: AEMO, Quarterly Energy Dynamics Q4 2022 – January 2023

During Q4 2022, South Australia's wholesale spot electricity price averaged \$64/MWh, in line with Victoria, and approximately 45% lower than the average wholesale spot price in New South Wales (\$116/MWh) and Queensland (\$120/MWh). According to South Australia's Department for Energy and Mining, there is estimated to be nearly 100GW of economically developable wind and solar resources in the State, with \$19b and 14GW of generation in the investment pipeline already.

Average spot electricity price by mainland NEM region - Q4's only



Source: AEMO, Quarterly Energy Dynamics Q4 2022 – January 2023

## Cape Hardy Green Hydrogen

Following an initial market sounding in Q2 2022, gauging potential commercial interest in the Cape Hardy green hydrogen development proposition, a more detailed Expression of Interest (EoI) was issued to market in Q3 2022 on Iron Road's behalf by WSP Australia. A total of 16 globally significant organisations were selected with responses received late October 2022.

Following assessment of respondents submissions, the Company confirmed a total of six conforming multi-billion dollar concept level proposals from domestic and international proponents. During late November 2022, Iron Road commenced a shortlisting process that invited the six pre-qualified proponents to bid for a limited number of green hydrogen developer roles under exclusivity arrangements with the Company. The competitive offer to bid process formally closed on 20 January 2023 and the Company is currently evaluating proposals received. A Strategic Framework Agreement is intended to be finalised with the successful proponent and it is anticipated that binding terms will be executed during the current quarter.

The quality of the respective candidates substantiates the view that Cape Hardy represents South Australia's pre-eminent green hydrogen export opportunity with the preferred developer and ultimate consortium well positioned to further validate the potential of the site as the State's hydrogen export hub of scale. As articulated by the Company, the green hydrogen endeavour is designed to be complementary to opportunities associated with the large-scale, long-life CEIP magnetite Ore Reserve.

## Corporate

The Annual General Meeting was held on 17 November 2022 in Sydney and all resolutions were passed on a poll. A copy of the AGM presentation may be found by clicking [this link](https://www.ironroadlimited.com.au/index.php/investor-centre/asx-announcements) or on the Company's website at <https://www.ironroadlimited.com.au/index.php/investor-centre/asx-announcements>.

At quarter end, the Company held cash reserves of \$0.7 million and no debt. Subsequent to the end of the quarter, Iron Road received \$462,000 under a Subscription Agreement with Bulk Commodity Holdings LLC, a US based investor, for a private placement of Iron Road shares.

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 December quarter.

## Tenement Schedule – 31 December 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:

Larry Ingle, Chief Executive Officer  
Iron Road Ltd  
Tel: +61 8 8214 4400

Jarek Kopias, Company Secretary  
Iron Road Ltd

ASX: IRD

[admin@ironroadlimited.com.au](mailto:admin@ironroadlimited.com.au)

<https://ironroadlimited.com.au>

## 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")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(8)	(349)
(b) development	-	-
(c) production	-	-
(d) staff costs	(401)	(787)
(e) administration and corporate costs	(368)	(583)
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(777)</b>	<b>(1,719)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(33)	(135)
(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 (6 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(33)</b>	<b>(135)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	-	(3)
3.5	Proceeds from borrowings	625	625
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>625</b>	<b>622</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>892</b>	<b>1,939</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(777)	(1,719)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(33)	(135)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	625	622

Appendix 5B

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>707</b>	<b>707</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	662	847
5.2	Call deposits	45	45
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>707</b>	<b>892</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	141
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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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)	462	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>462</b>
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.		
Subscription Agreement with Bulk Commodity Holdings, LLC, an US based investor, for a private placement of shares with a subscription price of \$462,000. The funds were received in January 2023. See ASX announcements dated 16 Dec 2021 and 28 Mar 2022 for more detail.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(777)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(33)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(810)
8.4 Cash and cash equivalents at quarter end (item 4.6)	707
8.5 Unused finance facilities available at quarter end (item 7.5)	462
8.6 Total available funding (item 8.4 + item 8.5)	1,169
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>1.4</b>
<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: Yes, in broad terms. Budgeted expenditure for the March 2023 quarter (circa \$600k) together with total outgoings for the December 2022 quarter is in-line with the \$1.4m guidance for six months as provided in the September 2022 quarterly report.	
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: Iron Road has in the past undertaken share placements and other forms of fund raising activity. The Company reasonably expects to be able to attract non-dilutionary capital and raise further equity to successfully progress its Projects.	

## 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: Yes. Iron Road expects to be able to continue its operations and to meet its business objectives following fundraising activities as detailed above. In the event that funding support is not sufficient to meet planned expenditures, the Company will reduce corporate expenditure and other activities as required.

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: 30 January 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.