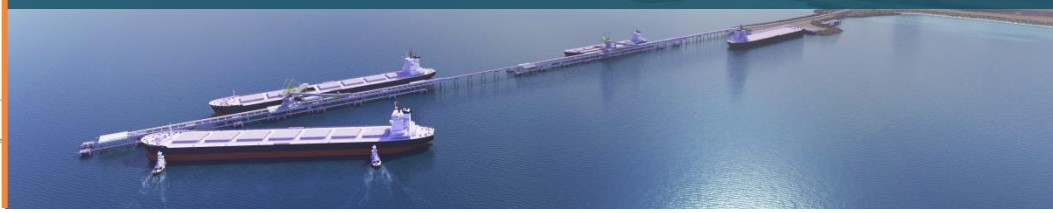
29 October 2020

QUARTERLY ACTIVITIES REPORT

For the period ended 30 September 2020



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CAPE HARDY STAGE I PORT DEVELOPMENT

Project Commercialisation

On 24 September 2020 Iron Road Ltd (ASX: IRD, Iron Road or Company) announced that Macquarie Capital had entered into a Joint Development Agreement (JDA) with the Company and Eyre Peninsula Co-operative Bulk Handling (EPCBH)[1]. The JDA provides the framework to advance development and financing plans for the proposed $250 million Cape Hardy Stage I multi-user, multi-commodity port facility, including defined steps for securing of equity and debt capital. Macquarie will also provide financial advisory services to the Project with Financial Close targeted by Q3 2021.

During early October 2020 Iron Road advised that all conditions precedent to the JDA had been satisfied, allowing Macquarie and Iron Road to move into the first phase of the project's Development Plan with both parties obliged to pay their respective shares of budgeted costs.

As a key priority, the developers re-commenced engagement with various stakeholders on the Eyre Peninsula including presenting at public meetings arranged by the Port Neill Progress Association and the Tumby Bay and District Community Consultative Group. The developer parties also presented the project to attendees at the EPCBH AGM in Cleve, which attracted more than 80 growers. These presentations and discussions are part of a well-established and continuing grower and community consultation process.



Local farmer Mark Pfitzner, Andrew Newman, Division Director, Macquarie Capital, Larry Ingle, CEO, Iron Road and Tim Scholz, CEO, Eyre Peninsula Co-operative Bulk Handling on the headland at the Cape Hardy port site.

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In addition to community stakeholders, the developers have met with several South Australian State government politicians including Hon. Steven Marshall, Premier, Hon. Vickie Chapman, Deputy Premier, Hon. Rob Lucas, Treasurer, and Hon. Corey Wingard, Minister Infrastructure and Transport. The Company has further engaged with the Leader of the Opposition, Peter Malinauskas MP, Tony Shepherd AO, and Jeremy Conway, InfrastructureSA, Tony Braxton-Smith, Chief Executive, Department of Infrastructure and Transport and various representatives from the Department of Trade and Investment.

Other major steps leading up to Financial Close will include finalisation of the Development Plan Consent in addition to concluding detailed marine and landside facility designs and subsequent construction tenders. Introductory meetings have concluded with several short-listed Design and Construct contractors, and various service providers and consultants relating to project support have either been appointed or provided with scopes of work and invited to present their proposals.

Approvals

The EIS Amendment with the South Australian State government continued to progress and allows for construction of a port at Cape Hardy to be staged. Stage I will be designed and constructed to allow for Panamax vessels, with handling for both grain and other goods (including minerals). Stage II will involve expansion of the jetty and wharf to allow for Cape-class vessels and the export of iron concentrate and other bulk mineral commodities.

Corporate

Iron Road and Macquarie entered into an agreement that, subject to satisfaction of the conditions precedent to the JDA and other procedural conditions, permitted the issuance of a total 40 million Iron Road warrants with vesting contingent on Financial Close and commercial operations being achieved. An initial 25 million tranche is exercisable from Financial Close with the second 15 million tranche exercisable from the Commercial Operations Date (COD). All warrants provide the holder with a right to acquire shares in Iron Road and have an exercise price of $0.075 - equivalent to Iron Road's last rights issue offer price - and will expire 24 months post COD.

The Company also agreed to grant Macquarie the right to participate in up to 20% of any share placement conducted by Iron Road for a period up to 12 months commencing in the lead up to Financial Close. As part of the agreement, Macquarie secured certain co-development rights, consultation rights and formal rights of first refusal with Iron Road with respect to the future development of the Cape Hardy port precinct, including an integrated port development involving the Central Eyre Iron Project (CEIP) and green hydrogen potential.

Iron Road's Appendix 5B includes amounts in item 6.1 representing the payment of non-executive director fees. The Company's quarterly cashflow report includes expenditure on exploration and evaluation activities of $295k relating to maintaining the Company's mining lease rental and exploration licences.

The Company's major shareholder, Sentient Global Resources Fund IV, L.P. provided additional financial support via an increase of $1,400,000 in funding capacity under the Company's current loan facility. The loan facility bears a zero rate of interest and has had its maturity extended to 31 March 2021.

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Tenement Schedule - 30 September 2020

South Australia	Tenement Reference	Interest
Warramboo	ML6467	100%
Warramboo	EL5934	100%
Lock	EL6425	100%
Mulgathing	EL6012 EL6173 (previously EL5298) EL5661 EL5720 EL5767	100% interest in iron ore rights
Mulgathing	EL5998 EL5732	90% interest in iron ore rights

[1] *ASX announcement "Macquarie Capital Joins $250M Cape Hardy Port Development" on 24 September 2020.*

Authorised for release by the board of Iron Road Ltd.

For further information, please contact:

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Tel: +61 8 8214 4400

Jarek Kopias, Company Secretary
Iron Road Ltd

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Appendix 5B

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

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Name of entity	
Iron Road Ltd	
ABN	**Quarter ended ("current quarter")**
51 128 698 108	30 September 2020

	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 (if expensed)	(295)	(295)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(150)	(150)
	(e) administration and corporate costs	(193)	(193)
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	38	38
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(600)**	**(600)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	13	13
	(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**	13	13

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	-	-
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	385	385
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(600)	(600)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	13	13
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,000	1,000

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**798**	**798**

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	753	340
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)**	**798**	**385**

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	3
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

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7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	9,400	9,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**9,400**	**9,000**

7.5	**Unused financing facilities available at quarter end**	400

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.

The current facility in 7.1 is an unsecured facility from the Company's major shareholder, the Sentient Global Resources Fund IV, L.P (Sentient). It attracts nil interest and matures on 31 March 2021.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(600)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(600)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	798
8.5	Unused finance facilities available at quarter end (Item 7.5)	400
8.6	Total available funding (Item 8.4 + Item 8.5)	1,198
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	2.0

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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?

Not applicable

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?

Not applicable

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Not applicable

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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: 29 October 2020

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.

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