28 July 2021

QUARTERLY ACTIVITIES REPORT

For the period ended 30 June 2021

CENTRAL EYRE IRON PROJECT (CEIP)

Cape Hardy port

Iron Road Ltd (**IRD** or **Company**), Eyre Peninsula Co-operative Bulk Handling (**EPCBH**) and Macquarie Capital (**Macquarie**) are parties to a Joint Development Agreement (JDA), with the JDA structure and associated commercial terms based on advancement of the proposed Cape Hardy Stage I multi-user, multi-commodity (grain-led) port facility.

The joint development partners worked through feedback received from the Eyre Peninsula community collated during several EPCBH grower update meetings. This feedback confirms strong support for a multi-commodity, multi-user port at Cape Hardy that will drive diverse regional growth opportunities for the Eyre Peninsula.

During early July 2021 Iron Road executed contracts to acquire a further 24 hectares of gulf front land at Cape Hardy. This adds to the 1,100 hectares of port precinct land already 100% owned by the Company and consolidates key components of the land package. Consideration for these acquisitions, including ongoing stakeholder and regulatory activities relating to the proposed port, is expected to exceed $1 million during Q3 2021.

Iron ore

Robust underlying iron ore fundamentals and an increasingly constructive medium to longer term pricing outlook, reflected in incremental upgrades to market consensus price forecasts, is enhancing CEIP partnership and development prospects. The CEIP hosts Australia's largest magnetite Ore Reserve with a Definitive Feasibility Study (DFS), post-DFS optimisation studies and primary approvals complete. Principal CEIP engagement and associated investment opportunities continue with end users that recognise the advanced status of the CEIP and demonstrated positive attributes of the iron concentrate product.

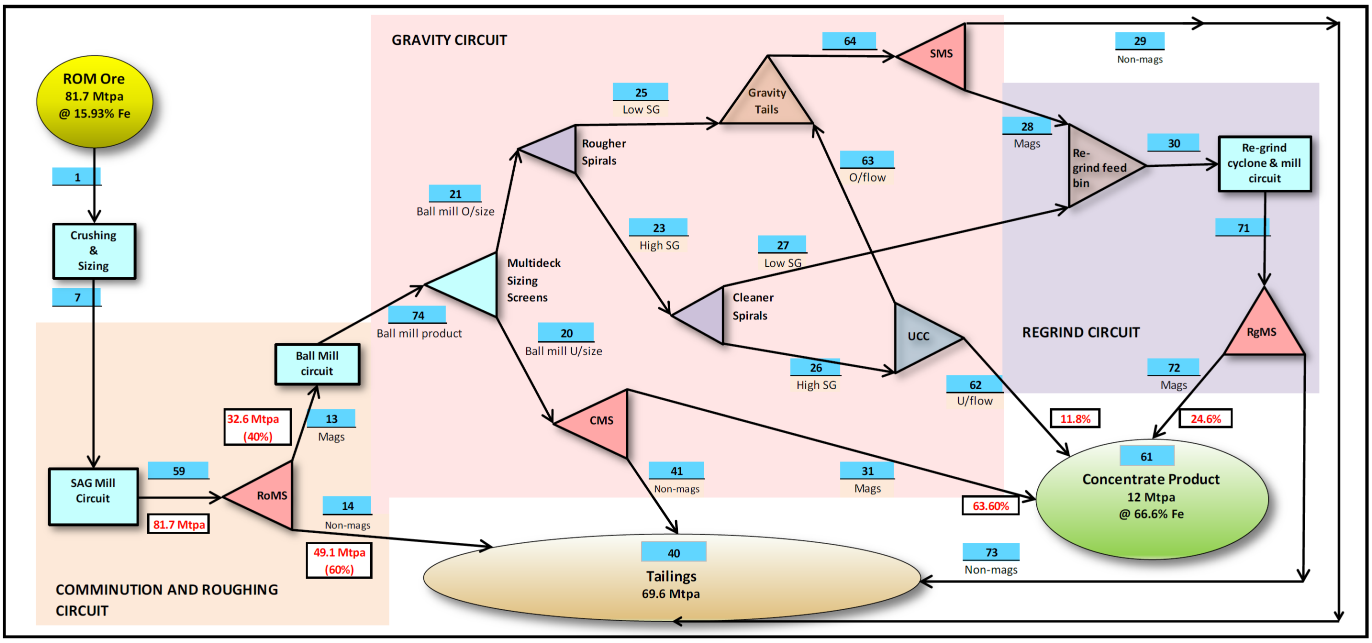
As previously advised, the Company has also received renewed interest in its Gawler Iron Project (GIP) and is progressing potential asset partnership discussions now that due diligence has been completed. The GIP comprises several magnetite occurrences outcropping at surface, one of which is proven to encompass a significant oxidised (hematite) cap. This prospect and another have been systematically RC / diamond drilled and undergone mineralogical analysis and metallurgical test work.

Metalytics completed an independent technical review of the CEIP validating the ore processing flow sheet and benchmarked projected iron and mass recoveries with comparable Australian and Canadian high-grade iron ore concentrate projects. They also assessed key characteristics of CEIP concentrate in the context of high-grade iron ore products in international trade.

A key finding of the Metalytics report is that the coarse grain size and moderate hardness of the CEIP ore make it possible to reject 60% of the run-of-mine (ROM) mass early in the processing stage at the Rougher Magnetic Separation (RMS) step. Consequently, only the remaining 40% mass flow is subject to further beneficiation. This 40% stream is estimated by Metalytics to have an average iron grade of around 27.5% Fe, which is well within the usual range for magnetite mining operations. The resultant material is then beneficiated to the finished concentrate product (66.63% Fe per Metalytics analysis and modelling) at a mass recovery of 37% and an iron recovery of 90%. Further, because of the coarse-grained nature of the CEIP ore, its processing from that point is simpler, less energy-intensive and therefore potentially has lower operating cost than comparative projects from their respective ROM ore stages. Front end processing rejection of 60% material also has important and advantageous implications for unit capital intensity since this ore pre-concentration step substantially reduces the capacity that would otherwise be required for downstream processing.

The figure below sets out the 12Mtpa (dry) CEIP processing flow sheet. The lower-risk, capital light 12Mtpa Thiess Mine Plan incorporates the processing of <50% of the CEIP Ore Reserve over an initial 22-year mine life (ie. 1.7Bt ore processed vs Ore Reserve of 3.7Bt). The CEIP will be an intergenerational asset producing consistent premium quality, high-grade iron concentrate over many decades.

The CEIP Processing Flow Sheet - average annual total mass and iron grade balances



Input Stream Number				59 →		13 →	74 →		20 →		21 →		23 →	
	ROM Ore		SAG mill	Rougher Mag Sep		Ball mill circuit	Multideck Screens		Cleaner Mag Sep		Rougher Spirals		Cleaner Spirals	
				Mags	Non-mags		O/size	U/size	Mags	Non-mags	High SG	Low SG	High SG	Low SG
Output Stream Number	1	7	59	13	14	74	21	20	31	41	23	25	26	27
Mass split at each step				*39.9%*	*60.1%*		*37.7%*	*62.3%*	*37.8%*	*62.2%*	*31.3%*	*68.7%*	*56.5%*	*43.5%*
Material Flow (Mtpa)	81.717	81.717	81.717	32.6	49.1	32.6	12.3	20.3	7.7	12.6	3.8	8.4	2.2	1.7
%Fe	15.93%	15.93%	15.93%	27.4%	8.3%	27.4%	26.5%	27.9%	66.5%	4.4%	52.5%	14.7%	59.0%	44.1%
P80 (mm)	470	160	3.0	3.0	3.0	0.18	0.30	0.10	0.10	0.10	0.30	0.30	0.30	0.30

Input Stream Number	26 →		25 + 63→	64 →		27 + 28 →	30 →	71 →		31 + 62 + 72 →	14 + 41 + 73 + 29→
	Up-current Classifier		Gravity Tails	Scavenger Mag Sep		Re-grind Feed	Re-grind mill circuit	Re-grind Mag Sep		Concentrate Product	Tailings
	U/flow	O/flow		Mags	Non-mags			Mag	Non-mags		
Output Stream Number	62	63	64	28	29	30	71	72	73	61	40
Mass split at each step	*65.3%*	*34.7%*		*49.0%*	*51.0%*			*48.1%*	*51.9%*		
Material Flow (Mtpa)	1.4	0.8	9.2	4.5	4.7	6.2	6.2	3.0	3.2	**12.071**	**69.646**
%Fe	66.4%	45.0%	17.2%	30.9%	4.0%	34.5%	34.5%	67.1%	4.2%	**66.63%**	**7.1%**
P80 (mm)	0.30	0.30	0.30	0.30	0.30	0.30	0.053	0.053	0.053	**0.112**	**2.2**

NB: dry basis throughout

The detailed Metalytics report and associated premium grade market commentary has been made available on a confidential basis to potential CEIP partners.

Metalytics is a highly regarded specialist consulting firm to the iron ore and steel industries and their industry professionals have decades of experience consulting to resource companies (including iron ore majors), steel producers, the financial sector and public sector entities.

For more detail the reader is referred to IRD ASX Releases: *19 May 2021 Independent Technical Review Verifies Processing Flow Sheet* and *9 June 2021 CEIP Key Processing Metrics and Benchmarked Analysis.*

Power

As a large-scale, long-life proposed mining and beneficiation operation, the Company's CEIP will be a significant consumer of power and a stable demand anchor located at the south-western end of the National Electricity Market (NEM). This presents a clear opportunity for development proponents of proximate, low-cost renewable energy resources on the Eyre Peninsula with a viable connection to an upgraded grid that further supports take-up of low carbon emission generation into the NEM.

CEIP mean power demand requirements of 167MW from *pit-to-port* were verified following an independent review by a power industry expert as part of ongoing due diligence activities. Previous CEIP mean power demand guidance into the public domain of 212MW was incorrectly classified, referring closer to installed and peak power demand requirements.

During May 2021 ElectraNet, owners and managers of South Australia's high voltage transmission network, announced the commencement of major works to construct a new 270km, high voltage transmission line across the eastern Eyre Peninsula. The $300 million project, *Eyre Peninsula Link*, will take approximately 18 months to complete, with the new line expected to be energised by the end of 2022. The new transmission line will extend from Cultana to Port Lincoln via Yadnarie. Comprising double circuit 132kV, the Cultana to Yadnarie section is 275kV capable when required. Upgrades to substations at Cultana, Yadnarie, Port Lincoln Terminal, Wudinna and Middleback also form part of the project.

As well as a more secure and reliable power supply for homes and businesses across the Eyre Peninsula, other benefits of the new transmission line, according to ElectraNet, include:

- Enabling new renewable energy and mining projects to connect in the future
- An opportunity to extend the network in future; and
- Contractors supporting the local economies they work within

Additionally, during May 2021, the Australian Energy Regulator (AER) announced approval of capital expenditure of $2.28 billion to deliver the proposed SA-NSW interconnector, *Project EnergyConnect*. According to ElectraNet, independent analysis shows *Project EnergyConnect* will drive competition in the wholesale electricity market by connecting more, low-cost generation to the grid and support the ongoing transition to a lower carbon emissions future.

Community and stakeholder engagement

EPCBH as joint developer for Cape Hardy Stage I, continued to engage with its membership and provided updates on progress via numerous grower meetings across the Eyre Peninsula. Iron Road provided general updates to the Department of Energy and Mines (DEM) and the Department of Trade and Investment (DTI), South Australia.

In conjunction with its Cape Hardy Stage I joint development partners, the Company also continued to engage with the Federal Government's Department of Infrastructure, Transport, Regional Development and Communications given the Commonwealth's $25 million commitment towards developing and constructing the Cape Hardy port.

As previously advised, Iron Road's new Mining Lease (ML) area of 6,414 hectares was entered on the Mining Register on 16 March 2021. The new area reflects a reduction of approximately 24% or 2,044 hectares given this measure aligned with greater potential partnership interest in the lower capital, lower risk 12Mtpa CEIP delivery model. Reduced Mining Lease rental obligations of $433,465 per annum for the Company became effective from May 2021. Approximately 95% of these payments continue to be distributed to landowners on the CEIP Mining Lease area in accordance with statutory requirements.

Corporate

A share placement of fully paid ordinary shares in the Company to institutional and sophisticated investors was completed during May 2021 and raised $4.25 million (before costs) at an offer price of $0.215 per share. In addition, a share purchase plan (SPP) offered to all eligible shareholders raised a further $0.84 million on the same terms as that offered to participants in the share placement. All directors and the CEO applied for their full entitlement under the SPP.

Bell Potter Securities Limited acted as lead manager for the placement. Strong demand for the placement was evident with a final scale-back of allocations to $4.25 million. Pending Australian Foreign Investment Review Board and upcoming shareholder approval (scheduled for 24 August 2021), the Company has raised approximately $16 million in funds (before costs) since December 2020, leaving the Company in a healthy cash and expected debt free position.

Funds received from the recent placement and SPP are being used for the Cape Hardy port precinct development, maintenance of the CEIP Mining Lease, secondary CEIP approvals & updated 12Mtpa costings, costs of the capital raise and for working capital purposes.

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 $341k relating to development of the Cape Hardy port facility and maintaining the Company's Mining Lease and exploration licences.

Tenement Schedule - 30 June 2021

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

Authorised for release by the board of Iron Road Ltd

For further information, please contact:

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Appendix 5B

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

Name of entity	
Iron Road Ltd	
ABN	**Quarter ended ("current quarter")**
51 128 698 108	30 June 2021

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 (if expensed)	(129)	(622)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(150)	(624)
	(e) administration and corporate costs	(410)	(1,199)
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	-	50
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(689)**	**(2,395)**

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)	(212)	(766)
	(e) investments	-	-
	(f) other non-current assets	-	-

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	-	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**	**(212)**	**(753)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,093	15,515
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	(284)	(302)
3.5	Proceeds from borrowings	-	1,000
3.6	Repayment of borrowings	-	(8,657)
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**	**4,809**	**7,556**

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	885	385
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(689)	(2,395)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(212)	(753)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,809	7,556
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,793**	**4,793**

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	4,748	840
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)**	**4,793**	**885**

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	-
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

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	743	343
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**743**	**343**

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 30 September 2021.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	689
8.2	Capitalised exploration & evaluation (Item 2.1(d))	212
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	901
8.4	Cash and cash equivalents at quarter end (Item 4.6)	4,793
8.5	Unused finance facilities available at quarter end (Item 7.5)	400
8.6	Total available funding (Item 8.4 + Item 8.5)	5,193
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	5.8

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?

N/A

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?

N/A

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

N/A

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 2021

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.