



Highlights

- Two year extension granted by South Australian Government for construction commencement and completion dates relating to CEIP - Cape Hardy Deep Sea Port and Associated Infrastructure major development proposal.
- Minister for Energy and Mining and other stakeholders briefed on the proposed Cape Hardy port precinct, which included a site visit.
- Eyre Peninsula Cooperative Bulk Handling (EPCBH), in collaboration with Iron Road, continued to advance plans to export grains from freight advantaged Cape Hardy site.
- Cape Hardy Stage 1 financing plan and delivery model for initial grains export facility to be released in December quarter.
- Iron Road entered into a Heads of Agreement and Project Development Accord with the Hydrogen Utility (H2U) to initiate early stage planning for the development of a green manufacturing precinct at Cape Hardy in the longer term.
- Engagement continued with potential CEIP investors on the lower capital and lower risk mine and ore beneficiation delivery model.
- Iron Road agrees to increase its iron ore rights to 100% interest for all seven Gawler exploration licences.
- Agreement reached with major shareholder to provide continued financial support through 2020, including extending the maturity of the current loan facility to 30 September 2020 as well as for any further loan support.



The Gawler Iron Project encompasses several hematite and magnetite iron ore prospects within seven exploration licences. Iron Road is increasing its interest in the iron ore rights for all seven exploration licences to 100%.

Central Eyre Iron Project (CEIP)

Project Commercialisation

The Hon Stephan Knoll MP, Minister for Transport, Infrastructure and Local Government and Minister for Planning, advised Iron Road that, as delegate of the Governor, a two year extension of time had been granted for construction commencement and completion dates required by the Governor's development authorisation granted 3 May 2017. The authorisation encompasses the CEIP - Cape Hardy Deep Sea Port and Associated Infrastructure major development proposal. Details of the authorisation were published in *The South Australian Government Gazette No. 34* dated 25 July 2019.

A stakeholders' meeting was held in Tumby Bay to brief State and Federal politicians on the Cape Hardy port development, including the significant regional development characteristics and the unique cooperation of mining, agriculture, manufacturing and Indigenous business. The meeting was followed by a visit to the Cape Hardy port precinct and surrounds. Those in attendance included Dan van Holst Pellekaan, Minister for Energy and Mining (South Australia); Rowan Ramsey, Federal Member for Grey; Peter Treloar, State Member for Flinders; Regional Development Australia (Whyalla and Eyre Peninsula); District Council of Tumby Bay; Barngarla Traditional Owners; Iron Road; Eyre Peninsula Co-operative Bulk Handling (EPCBH) and The Hydrogen Utility (H2U).

Iron Road continued to work closely with EPCBH to advance plans to export grains from the freight advantaged Cape Hardy port site. Details relating to the Cape Hardy Stage 1 financing plan and delivery model for an initial grains export facility will be released during the December quarter.

Iron Road entered into a Heads of Agreement and Project Development Accord with the Hydrogen Utility™ (H2U), an Australian hydrogen infrastructure developer and renewable energy integrator. Iron Road and H2U will work collectively to plan and develop the green manufacturing precinct at Cape Hardy. With support from the South Australian Government's Renewable Technology Fund (RTF), H2U expects to commence site development of a 'Green Hydrogen and Ammonia Supply Chain Demonstrator', a distributed electrolysis and ammonia production facility early next year at Port Lincoln.

The suitability of the proposed Cape Hardy port precinct as a green hydrogen production and export hub featured prominently at the International Conference on Hydrogen Safety held in Adelaide during September 2019. At the conference the South Australian government released their Hydrogen Action Plan, including the commitment of over \$1 million towards a landmark study to identify optimal locations for renewable hydrogen production and export infrastructure.

Iron Road continued to work with potential investors on the wider CEIP development, particularly regarding the reduced production option¹ of a well understood coarse-grained magnetite development. The buoyant iron ore market has also resulted in renewed interest in the Gawler Iron Project from various parties.

Community & Stakeholder Engagement

Meetings occurred with various stakeholders, including EPCBH, Regional Development Australia (Whyalla and Eyre Peninsula), Wudinna District Council, District Council of Tumby Bay, Barngarla Traditional Owners, Grain Producers SA, local community groups and landholders as well as various Ministers, local members and Federal and State Government agency representatives.

¹ Refer to ASX announcement *Revised CEIP Development Strategy*, dated 25 February 2019, for more detail

Corporate

Coombedown (Challenger Gold Operations) waived its pre-emptive rights in relation to the West Gawler Farm-in Agreement. This allows Iron Road to increase its interest in the Iron Ore Rights on all seven of the Gawler Exploration Licences to 100% at no cost and simplify all subsequent activity.

An agreement has been reached with Sentient Global Resources Fund IV, L.P. to provide continued financial support through 2020, including extending the maturity of the current loan facility to 30 September 2020 as well as for any further loan support. The current loan facility bears a zero rate of interest and does not attract any fees.

Tenement Schedule

Following is the schedule of Iron Road Limited tenements as at 30 September 2019.

South Australia	Tenement Reference	Interest
Warrambo	ML6467	100%
Warrambo	EL5934	100%
Lock	EL5496	100%
Mulgathing	EL6012	100% Iron Ore rights for all Mulgathing tenements
	EL5298	
	EL5661	
	EL5720	Increase from 90% for EL6012, EL5298, EL5661, EL5720 and EL5767
	EL5767	
	EL5998	Increase from 81% for EL5998 and EL5732
	EL5732	

Iron Road confirms that all material assumptions underpinning the production target and forecast financial information derived from the production target announced as “Revised CEIP Development strategy” on 25 February 2019 continue to apply and have not materially changed.

-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")

30 September 2019

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	(182)	(182)
(b) development	-	-
(c) production	-	-
(d) staff costs	(198)	(198)
(e) administration and corporate costs	(185)	(185)
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 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(565)	(565)

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 (3 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	-	-
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	-	-
3.5	Proceeds from borrowings	500	500
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	500	500

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	733	733
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(565)	(565)
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)	500	500
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	668	668

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	623	688
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)	668	733

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	93
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	6,500	6,500
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.		

The current loan facility in 8.1 is an unsecured loan from the Company's major shareholder, the Sentient Global Resources Fund IV, L.P (Sentient). It attracts nil interest and matures on 31 January 2020. Sentient has indicated that the loan facility maturity will be extended to 30 September 2020.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	175
9.2 Development	-
9.3 Production	-
9.4 Staff costs	200
9.5 Administration and corporate costs	200
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	575

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	EL6012 EL5298 EL5661 EL5720 EL5767 EL5998 EL5732	All Mulgathing tenements are beneficially held. Interest change reflects iron ore rights	90% 90% 90% 90% 90% 81% 81%	100% 100% 100% 100% 100% 100% 100%

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: 

Company Secretary

Date: 21 October 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.