



QUARTERLY ACTIVITIES REPORT

For the period ended 31 March 2023



MARCH QUARTER REVIEW

Cape Hardy Green Hydrogen

Iron Road Ltd (ASX:IRD, Company or Iron Road) advised on 12 April 2023 that following a three-month competitive offer-to-bid process, Amp Energy (Amp) had been selected as the lead developer for the Cape Hardy Green Hydrogen Project (see ASX Release dated 12 April 2023 *Amp Energy Lead Developer for Cape Hardy Green Hydrogen*).

Headquartered in Canada, Amp is a vertically integrated renewable energy developer and supplier funded by institutional investors including global private equity firm, *The Carlyle Group*, driving rapid growth in Amp's core markets of Australia, Japan, Spain and the UK. Amp's hydrogen development business is currently developing four sites globally adjacent to renewable energy projects with a primary focus on Australia and South Australia in particular. Amp's concept design for a 5GW scale electrolyser project and associated green hydrogen and ammonia production facility at Cape Hardy, is viewed as a marquee site for Amp's hydrogen projects globally.

Amp and Iron Road have executed a Strategic Framework Agreement (Agreement) and commenced a nine-month exclusivity period. The Agreement's commercial terms include an upfront \$1.5m exclusivity fee, received by the Company, and a further conditional 2023 payment of \$1.5m upon execution of detailed transaction documents. From 2024, indicative project development milestone payments of \$21m in aggregate are staged through to first green hydrogen / ammonia production with an additional perpetual royalty stream still to be negotiated on molecules produced / exported from the future Cape Hardy industrial precinct.

Long-term land lease agreements and access rights to future common user infrastructure, including marine facilities, are fundamental to the Agreement, with the hydrogen footprint expected to comprise approximately one-third of Iron Road's 1,207 hectares of gulf-side land. Importantly, Amp acknowledges Iron Road's 10-year relationship and multi-commodity Indigenous Land Use Agreement (ILUA) with the Barngarla. Recent amendments have tailored the CEIP ILUA to the nascent green hydrogen industry which delivers the Cape Hardy project native title certainty and first mover advantage. The ILUA is registered with Australia's National Native Title Tribunal.



Iron Road wholly owns 1,207 hectares of gulf-side land at Cape Hardy.

Iron Road welcomes the Government of South Australia's media release reiterating its critical role and continued support of the proposed Cape Hardy green hydrogen hub. Of particular importance to the Company's flagship Central Eyre Iron Project (CEIP), the Malinauskas Labor Government highlights the State's accelerating \$20 billion pipeline of renewable energy projects. South Australia is a global leader in renewable energy, with more than \$7 billion already invested and the State expected to be a net 100 per cent renewable energy generator by 2030.

Both Iron Road and Amp are aligned in their commitment to maximise the technical efficiency and scale of the opportunity to position the full-value chain project for commercial success.

Central Eyre Iron Project (CEIP)

The green hydrogen endeavour at Cape Hardy is designed to be complementary to opportunities associated with the large-scale, long-life CEIP magnetite Ore Reserve (green pellets & longer-term green steel). The CEIP will also benefit from proximate, large-scale renewable energy generation and transmission that can serve as a catalyst for a long-life, industry competitive operating cost structure for high quality steelmaking feedstock. Value adding of the magnetite resource further strengthens multi-commodity export opportunities at Cape Hardy, including grain.

The Association of Mining and Exploration Companies (AMEC) is a national association representing over 500 member companies from all around Australia. AMEC's Cape Hardy media release observes that South Australia can continue to lead the world in innovative green energy developments, and that the mining industry is now much more closely linked to renewable and green energy projects than most realise.

Iron Road continues to engage with potential strategic partners and the Company's focus remains on steel makers possessing a production growth agenda 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.

Northern Water Supply project (NWS)

The Company continues to actively engage with the NWS project team. The green hydrogen strategy complements a broader vision for the Cape Hardy precinct by facilitating water security for regional industry development.

Corporate

At quarter end, the Company held cash reserves of \$0.7 million and no debt. A further \$1.5 million was received by the Company subsequent to the end of the quarter upon execution of the Agreement. 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 March 2023

South Australia	Tenement Reference	Interest
Warramboo	ML6467	100%
Warramboo	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

<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 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(6)	(354)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(304)	(1,091)
	(e) administration and corporate costs	(60)	(644)
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	(370)	(2,089)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(101)	(236)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(101)	(236)

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	(5)	(8)
3.5	Proceeds from borrowings	462	1,087
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	457	1,079

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	707	1,939
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(370)	(2,089)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(101)	(236)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	457	1,079

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	693	693

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	648	662
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)	693	707

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	119
6.2 Aggregate amount of payments to related parties and their associates included in item 2	22
<i>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.</i>	

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)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(370)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(101)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(471)
8.4	Cash and cash equivalents at quarter end (item 4.6)	693
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	693
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.5
	<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.	
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: Subsequent to quarter end, Iron Road secured and received \$1.5 million (as announced on 12 April 2023) in relation to an exclusivity arrangement with Amp Energy to develop the Cape Hardy green hydrogen project. In addition, 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.	

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: 28 April 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.