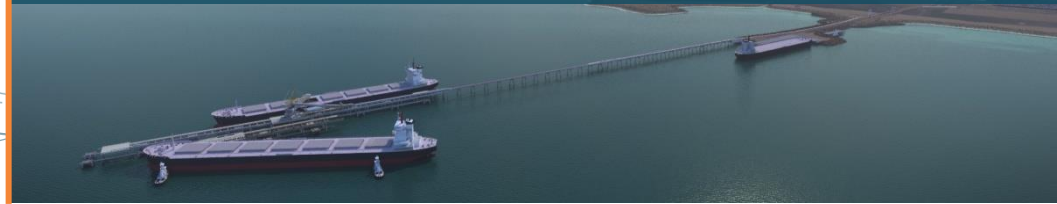




QUARTERLY ACTIVITIES REPORT

For the period ended 30 June 2018



About Iron Road

Iron Road Limited is the developer of the Central Eyre Iron Project (CEIP), located on the Eyre Peninsula in South Australia.

The CEIP is a long life proposal, which will produce a high grade, low impurity iron concentrate for export to Asia. The product will attract a quality premium over reference iron ore prices, and is expected to have substantial benefits for steel mill customers in pollution reduction and operating costs.

A definitive feasibility study (DFS) supported by an optimisation study, has credibly demonstrated a highly industry competitive operating cost profile for a mining, beneficiation and infrastructure solution producing +20 million tonnes per annum of premium iron concentrates for export over an initial mine life of 30 years.

Infrastructure Australia has declared the CEIP infrastructure (rail and port) a Priority Project for the nation.

Iron Road has signed MoUs with five leading Chinese steel mills, including Shandong Iron & Steel. An infrastructure funding MoU has also been signed with AIXI Investments.

A strategic co-operation agreement with China Railway Group includes a Project Commercialisation Programme with the aim to finalise a whole-of-project financing solution.

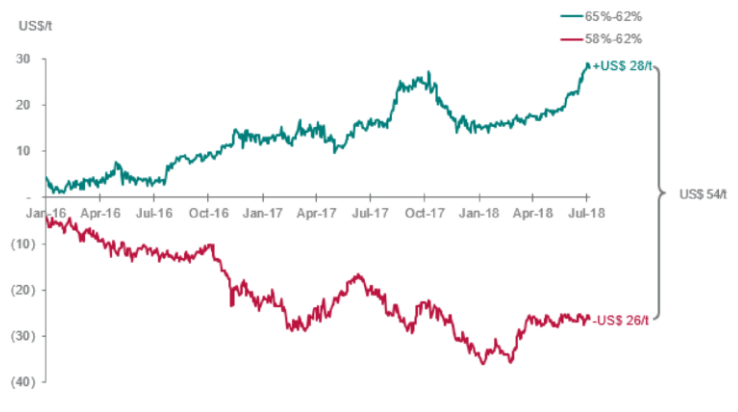
The Company has a multi-disciplinary Board and management team that are experienced in the areas of exploration, project development, mining, steel making and finance.

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Highlights

- Detailed CEIP delivery strategy developed, following agreement with China Railway Group (CREC) on the broad structure to be adopted.
- CREC and Iron Road continued equity financing discussions.
- Iron Road continues to work with Eyre Peninsula Co-operative Bulk Handling (EPCBH) and other stakeholders on a 'grain first' strategy for the port precinct planned at Cape Hardy.
- Iron Road hosted SA Government representatives on a CEIP site visit and engaged with several other stakeholders.
- Air quality monitoring at the proposed mine concluded, with baseline data captured across all seasons for several years.
- The Company continues to actively engage with potential partners and investors with an interest in the CEIP.
- Although benchmark iron ore prices were subdued during the quarter, index prices for high quality products, such as 65% Fe, continue to trend higher and remain above IRD's long-term modelled revenue assumptions for higher quality CEIP concentrate (66.5% Fe).

Premiums and discounts (daily basis)



Source: Platts and Metal Bulletin

Central Eyre Iron Project (CEIP)

Project Commercialisation Programme

Iron Road and CREC representatives met in Adelaide to discuss company and project equity financing. The CEIP delivery strategy was presented in detail by Iron Road, following agreement on the broad structure to be adopted. Further company and project information was requested by CREC in preparation for internal CREC meetings planned over the coming weeks.

The AS4300 head contract proposed for project implementation remains under review by CREC.

The Company also continues to seek out and engage with potential partners and investors with both direct and indirect interest in the Company and the CEIP.

Grain First Strategy

Third party access is a feature of the CEIP infrastructure design philosophy, particularly the port precinct at Cape Hardy. This Quarter, Iron Road continued to work with EPCBH on a 'grain first' strategy for the proposed deep-sea port, with initial financing and commercial discussions commencing.

The strategy envisages the staged construction and commissioning of a globally competitive grain terminal and export facility, which is expected to significantly improve the short and long-term resilience of the Eyre Peninsula grain industry. Iron Road is in discussion with several other parties that have expressed an interest in utilising the port precinct that is planned to be linked to a light industrial park situated at nearby Tumbly Bay.

Design and costs for the grain jetty and wharf are currently under review, with the intention of seamlessly integrating this infrastructure with that required for the export of bulk commodities from the port.

Project Approvals & Environmental

All major approvals for the CEIP are in place and secondary approval applications have been submitted for assessment by the Government of South Australia. Remaining approvals, such as permits and licences, are relatively minor in nature and will be applied for prior to construction of the Project.

Air quality monitoring at the proposed mine concluded on 30 June 2018, with baseline data captured across all seasons for several years. These data document normal, ongoing conditions in and around the Mining Lease area and will be useful to quantify any changes to air quality that may occur as a result of future mining operations.

An air quality monitoring station located within the CEIP Mining Lease



Community & Stakeholder Engagement

Iron Road hosted a site visit to the CEIP mine, rail and port locations by SA Government representatives during May 2018.

Ongoing stakeholder engagement with a range of parties continues to indicate significant support for a staged development at the proposed Cape Hardy port. Discussions will continue throughout 2018.

Numerous stakeholders were engaged during the Quarter including EPCBH, Regional Development Australia Whyalla and Eyre Peninsula, Wudinna District Council, District Council of Tumby Bay, ElectraNet, Free Eyre, various Ministers and Government agency representatives.

Corporate

With major studies and primary project approvals complete, and secondary approvals submitted to the State Government for assessment, Iron Road has reduced corporate and administrative overheads significantly reducing annual spend. Reductions include personnel count and salaries. Aggregate non-executive directors' fees reduced from \$250,000 to \$25,000 per annum (\$5,000 per non-executive director).

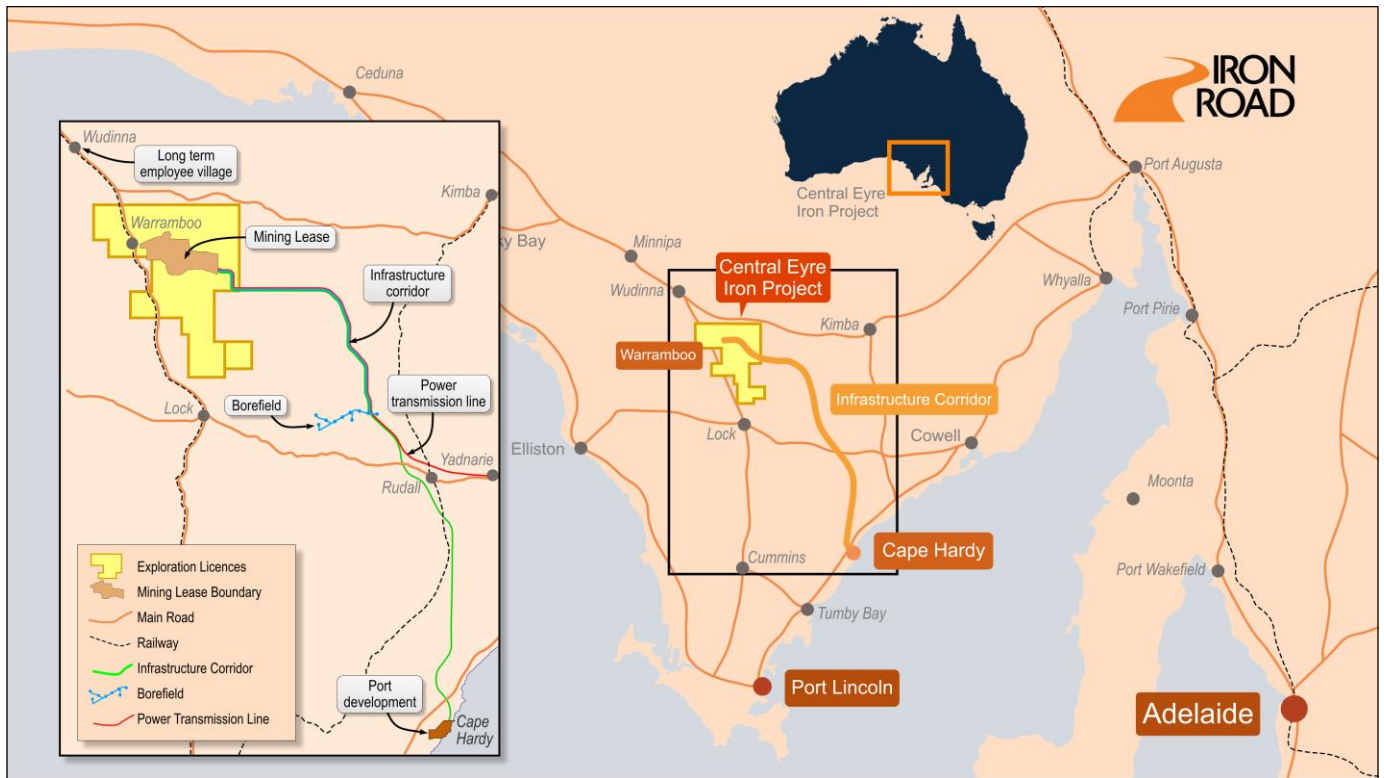
A Heads of Agreement (HoA) with EPCBH is being reviewed. The HoA outlines the basis and principles for 'grain first' development and operating agreements.

Tenement Schedule

Following is the schedule of Iron Road Limited tenements as at 30 June 2018.

South Australia	Tenement Reference	Interest
Warrambo	ML6467	100%
Warrambo	EL5934	100%
Lock	EL5496	100%
Mulgathing	EL6012	90% Iron Ore rights
	EL5298	90% Iron Ore rights
	EL5661	90% Iron Ore rights
	EL5720	90% Iron Ore rights
	EL5767	90% Iron Ore rights
	EL5998	81% Iron Ore rights
	EL5732	81% Iron Ore rights

-Ends-



For further information, please contact:
 Andrew Stocks, Managing Director
 Iron Road Limited

Jarek Kopias, Company Secretary
 Iron Road Limited

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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 June 2018

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	(127)	(961)
(b) development	-	-
(c) production	-	-
(d) staff costs	(358)	(1,688)
(e) administration and corporate costs	(100)	(1,451)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
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	(584)	(4,097)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(3)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) 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) 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	(1)	(3)

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	-	3,000
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	-	3,000

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	836	1,352
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(584)	(4,097)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	252	252

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	162	746
5.2 Call deposits	90	90
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)	252	836

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	115
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	5,400	4,000
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.		
N/A		


9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	320
9.5 Administration and corporate costs	230
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	600

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	Nil			

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:


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Company Secretary

Date: 19 July 2018

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.