



ASX ANNOUNCEMENT

Iron Road Ltd (Iron Road, ASX: IRD)

ADVANCED FUELS PROJECT TO BE DEVELOPED AT CAPE HARDY INDUSTRIAL PORT PRECINCT

Deal establishes Amp Energy's flagship Australian green fuels project complementary to Iron Road's Central Eyre Iron Project

Key Highlights:

- Iron Road and Amp Energy (Amp) have executed binding transaction documents to facilitate the development of Amp's Cape Hardy Advanced Fuels project, within Iron Road's 1,207-hectare Cape Hardy Industrial Port Precinct, Eyre Peninsula, South Australia.
- Headquartered in Canada, Amp is a well-established global energy transition development platform, which delivers renewables, battery storage, advanced fuels and green AI data centres at scale, together with proprietary AI-enabled grid flexibility.
- Iron Road to receive \$2.5 million deposit, with Amp securing a binding option to purchase 630 hectares of Cape Hardy Industrial Port Precinct land for a total purchase price of \$15.5 million.
- Iron Road entitled to a total \$22.5 million of project development payments at agreed milestones through to first production from the Advanced Fuels project (with \$4.5 million payable in 2024).
- Amp's Advanced Fuels project is planned to start with an initial 1GW phase of electrolyser capacity followed by incremental, staged growth to reach 10GW of electrolyser capacity in the long-term.
- Iron Road entitled to royalties on hydrogen produced up to an annual cap of \$2.775 million per GW of contracted electrolyser capacity (escalated from first commercial production). The aggregate royalty stream payable to Iron Road is capped at \$426 million (nominal terms).
- The option and proposed land sale preserves Iron Road's ownership of the balance of the land on which common user infrastructure will be developed at the Cape Hardy Industrial Port Precinct (incl. multi-commodity port infrastructure and marine-side facilities). Iron Road and Amp have agreed to certain cooperation principles in relation to the development of such infrastructure.
- The balance of Iron Road's Cape Hardy Industrial Port Precinct will primarily be used to accommodate the planned *Northern Water* desalination plant and allow for the development of broader logistics facilities for Iron Road's Central Eyre Iron Project (CEIP) and complementary, 'green iron' manufacturing opportunities.
- Two conditions precedent to deal closure – (i) cancellation of existing and issue of new unvested Iron Road warrants to Macquarie, subject to Iron Road shareholder approval, and (ii) Amp obtaining Foreign Investment Review Board approval for the Cape Hardy land purchase option.

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Iron Road Ltd (Iron Road or Company, ASX:IRD) is pleased to announce that the Company and Amp Energy (Amp) have executed a series of transaction documents to facilitate the development of the Cape Hardy Advanced Fuels project following a 12-month exclusivity period. Amp’s media release is appended, highlighting the strategic and large-scale nature of this flagship green fuels project - fuels that will be critical to the global energy transition and achieving net zero targets.

Larry Ingle, Iron Road CEO said *“This deal with Amp Energy, as well as our recent Northern Water transaction, has validated the Company’s strategy, demonstrating the unique characteristics and value proposition of our Cape Hardy Industrial Port Precinct. For more than a decade, Iron Road has advanced our strategic Cape Hardy asset and we are delighted to be playing an integral role in South Australia’s copper growth and its hydrogen and magnetite/green iron strategies. Importantly, our Cape Hardy endeavours have been strategically linked with the Company’s core objective to progress our CEIP asset to the partnership and financing stage. The complementary agreements reached with both Northern Water and Amp will further drive these CEIP objectives as the next step in our corporate development trajectory.”*

Paul Ezekiel, Amp President and Co-founder said, *“We are seeing growing demand for Advanced Fuels both in Australia and abroad. This includes green ammonia, liquid hydrogen, methanol, and sustainable aviation fuel. The Cape Hardy Advanced Fuels Precinct will allow for large-scale production of these fuels that will be critical to the energy transition and achieving net zero targets. We could not be more excited about the project’s potential impact, and we are grateful for the partnership and continued support from Iron Road Ltd, the South Australian Government and Barngarla Determination Aboriginal Corporation as we progress full steam ahead on development.”*

Transaction Background

The Company and Amp entered into a Strategic Framework Agreement and period of exclusivity on 12 April 2023 following a competitive 2022/23 Cape Hardy green hydrogen offer-to-bid process implemented by Iron Road and its green hydrogen technical advisor, WSP Australia.

Iron Road’s decision to select Amp as a single lead developer for the green hydrogen hub opportunity at Cape Hardy was specifically taken to reduce planning and development complexity.

Amp’s successful 2023 offer-to-bid proposal best reflected Cape Hardy’s intrinsic value to a credible, large-scale green hydrogen development opportunity based on the site’s key characteristics and strategic value added by the Company. At significant cost to Iron Road, Cape Hardy development work since 2012 has included planning and engineering, design, feasibility studies, numerous terrestrial and marine studies relating to both Environmental Impact Statement (EIS) and EPBC approval, geotechnical, seismic, LIDAR surveys, bathymetric surveys, stakeholder engagement, community and government consultation and negotiations with the Barngarla Traditional Owners culminating in a National Native Title Tribunal registered Indigenous Land Use Agreement (ILUA).

Iron Road is pleased with Amp’s progression over the past 12 months with Amp’s most recent project update provided on [12 January 2024](#). Amp now advise the pre-Front End Engineering Design phase (pre-FEED) has been reviewed by two leading global engineering firms and that FEED scoping and contracting is currently underway.

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Figure 1: Key plant building blocks, Cape Hardy 5GW green hydrogen / ammonia production (courtesy of Amp Energy).

Iron Road confirms it will not be an equity participant or debt provider in Amp's Advanced Fuels project. The Company's primary focus will remain on advancing its CEIP asset to the partnership and financing stage – the recent transaction with Northern Water and this complementary deal with Amp enhances these prospects. In parallel, Iron Road will also progress discussions with common user infrastructure developers and financiers that have expressed interest in Cape Hardy business opportunities. This may include collaboration with future port operator candidates and will include cooperation with Amp under the terms of the Cape Hardy Infrastructure Agreement (which provides for cooperation in the development and use of necessary common user infrastructure to support the Advanced Fuels project).

Executed Agreements (Agreements)

- Cape Hardy Port Precinct Option to Purchase (and associated mortgage to secure the Company's performance of its obligations under the option).
- Cape Hardy Infrastructure Agreement (which is a framework or cooperation agreement that provides Amp with certain rights to develop and / or use broader common user infrastructure as required, subject to agreed development principles).
- Royalty Deed (which entitles the Company to certain contingent and deferred payments, summarised further below).
- Strategic Framework Agreement – Deed of Extension, Termination and Release (which extends the Strategic Framework Agreement for an interim period pending Amp's receipt of Foreign Investment Review Board approval and then provides for the termination of the earlier framework agreement).

Two conditions precedent (CPs) are required to be satisfied prior to the deal closing:

- i. Iron Road shareholder approval for the issue of unvested Iron Road warrants to Macquarie Corporate Holdings Pty Ltd (Macquarie) following cancellation of existing warrants. A General Meeting (GM) Notice will be lodged by the Company prior to the end of May 2024 outlining the terms of the new warrants to be issued to Macquarie, subject to shareholder approval.
- ii. Amp obtaining Foreign Investment Review Board (FIRB) approval for the Cape Hardy land purchase option.

Parties to the Agreements

The four agreements are variously executed between Iron Road and/or wholly owned Iron Road subsidiaries or controlled trusts and Amp Power Australia Pty Ltd, Amp Cape Hardy (Project Co) Pty Ltd and Amp Cape Hardy (Land Co) Pty Ltd. Further information on certain material terms contained in the four agreements are set out below.

Key Transaction Terms

1) Cape Hardy Industrial Port Precinct – option for Amp to purchase land for \$15.5 million

Iron Road has agreed to grant Amp, subject to FIRB approval, the option to purchase a total area of Cape Hardy Industrial Port Precinct land approximating 630 hectares, either in one step or in three stages, for \$15.5 million (in total across the stages).

An upfront land deposit of \$2.5 million is payable to Iron Road within five business days of satisfying the first CP. The land deposit fee is non-refundable, except in the event that the second CP is not satisfied.

The placement of the option area within the Company's total 1,207-hectare holding at Cape Hardy (Figure 2) will allow for the reservation of sufficient land for Iron Road's CEIP logistical requirements, multi-commodity marine facilities and associated common user infrastructure.

Sale price terms vary across the three separate option parcels and the rates per hectare (for highly strategic, core land parcels proximate to the coastline) are in-line with Iron Road's Cape Hardy independent land valuation as advised on [5 February 2024](#). Approximately 25% of the total proposed 630ha Amp land footprint comprises these higher-value land parcels with an agreed average sales price >\$40k per ha. The balance of the Amp land (less proximal to the coastline) was discounted accordingly as part of the agreed sales terms.

Two separate options to acquire strategic Cape Hardy land parcels proximate to the coast may be exercised any time prior to sunset dates of 31 March 2025 and 31 March 2026 respectively for a total of \$6.25 million. A third option for Amp to purchase land parcels, less proximate to the coast, has an exercise sunset date in 2027 for the transaction balance amount of \$6.75 million – comprising the total \$15.5 million (including the \$2.5 million upfront deposit) in land sale consideration.

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The land sale contracts to be entered into on exercise of the option are otherwise on customary terms for contracts of this type. In addition, Amp will hold a mortgage over the option land pending the exercise of the options or the expiry of the option period, which will become exercisable in the case of certain categories of material breach by Iron Road.

In the event Amp does not exercise all three options prior to expiry, Iron Road reserves a right of first refusal to buy back any Cape Hardy land parcels sold to Amp (for equivalent sale price terms) as a means of preserving a large and highly strategic, contiguous section of the Cape Hardy Industrial Port Precinct.

Following grant of the 630ha Amp and 89.55ha Northern Water options to purchase, Iron Road will retain control and ownership of approximately 487ha of Cape Hardy Industrial Port Precinct land.

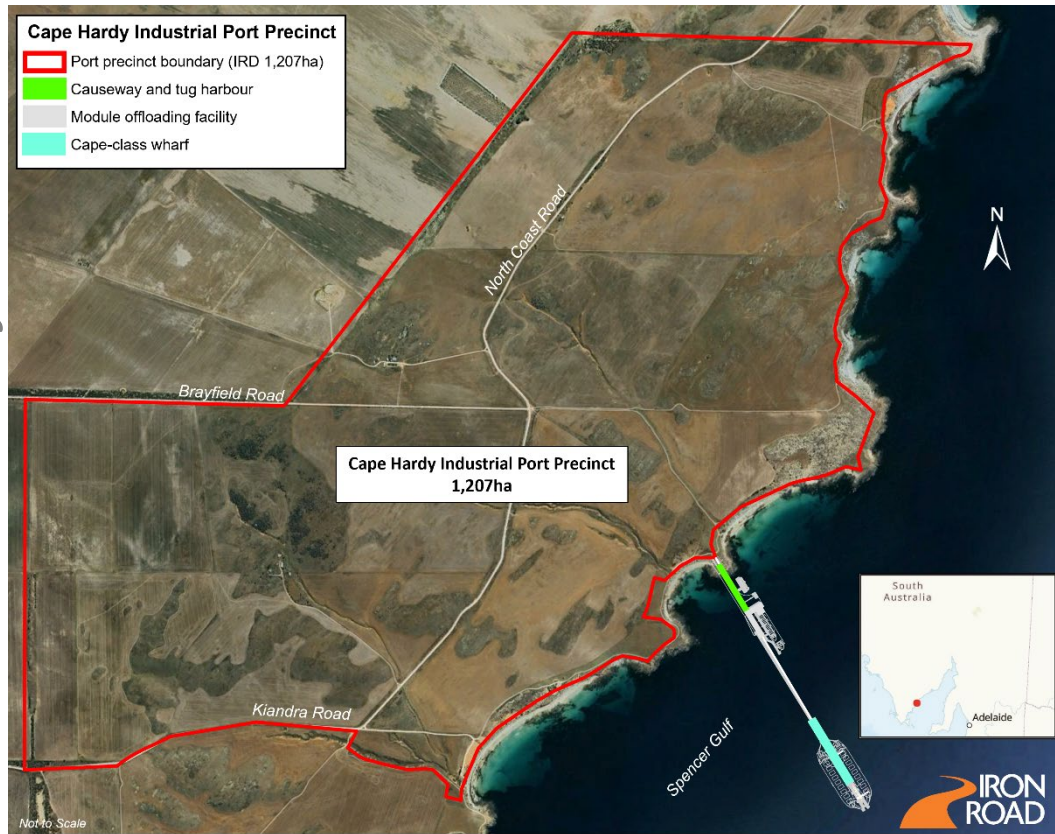


Figure 2: Cape Hardy Industrial Port Precinct

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2) Advanced Fuels project – milestone payments totalling \$22.5 million

Amp has agreed to pay to the Company a total \$22.5 million of progressive project development payments upon reaching agreed milestones through to first production from Amp’s Cape Hardy Advanced Fuels project.

Two separate project milestone payments of \$1.5 million and \$3.0 million are expected to be received during 2024, subject to Amp receiving FIRB approval for the land option and mortgage.

In summary, Amp’s progressive milestone payment obligations to Iron Road are as follows:

- (a) \$1.5 million on or before the final day of Q2 2024, subject to FIRB approval being received;
- (b) \$3.0 million on or before the final day of Q4 2024, subject to FIRB approval being received;
- (c) \$2.0 million on or before the final day of Q4 2026, subject to development approval for the Amp hydrogen project being received from the South Australian government;
- (d) \$2.0 million on or before the final day of Q2 2027, subject to reaching a final investment decision (FID) in respect of the Amp hydrogen project;
- (e) \$4.0 million on or before the final day of Q2 2028, subject to commencement of construction of the Amp hydrogen project; and
- (f) \$10.0 million on or before the final day of Q3 2030, million subject to first production from the Amp hydrogen project following plant commissioning.

3) Advanced Fuels project – aggregate royalty stream of up to \$426 million over life of operations

Amp and Iron Road have entered into a Royalty Deed under which Amp has agreed to pay a royalty to Iron Road on hydrogen generated by the Advanced Fuels project. The royalty rate is based on a baseline rate of \$2.775 million per GW per annum based on contracted electrolyser nameplate capacity (CENC), adjusted for anticipated load factor (with a lower anticipated load factor having the effect of increasing the per tonne royalty rate to normalise for variations in electrolyser performance). A 1% per annum escalation mechanism will apply to this rate from first commercial production.

Importantly, annual royalty payments to Iron Road are structured to match those modelled for each respective CENC phase, irrespective of the variance in actual hydrogen output from the project when compared to hydrogen tonnage inferred from electrolyser nameplate capacity.

Royalty payments to Iron Road will be capped at a maximum of \$2.775 million per GW of installed CENC per annum and \$426 million (nominal terms) overall. Payments will cease prior to reaching the cap, if the project has been decommissioned, or is no longer delivering product permanently (not temporarily). The Royalty Deed also terminates if the Cape Hardy Infrastructure Agreement is terminated. The Cape Hardy Infrastructure Agreement is terminable by either party for the other's insolvency or unremedied breach and also terminates automatically if the option period expires without one or more of the land options having been validly exercised by Amp.

Other

Security holder approval is not required to proceed with the transactions outlined in the Agreements.

- ENDS -

About Iron Road



Iron Road (IRD) is the 100% owner of the Central Eyre Iron Project (CEIP), an advanced, long-life iron ore mining, beneficiation and infrastructure development opportunity on the Eyre Peninsula, South Australia with a magnetite Ore Reserve of 3.7Bt (589Mt @ 66.7% Fe concentrate). The project proposes an open pit mine near Wudinna, a 130km infrastructure corridor and a deep-water port at Cape Hardy. High quality iron concentrate product from the project has demonstrated it can assist steel mill customers lift productivity and better manage tightening environmental standards, trends that are expected to accelerate as the global steel industry seeks to progressively decarbonise.

The planned export facility at Cape Hardy is designed to be South Australia's first Capesize capable port centred around an industrial precinct that will be developed over a number of stages. Green manufacturing and industrial opportunities at the Cape Hardy Industrial Port Precinct revolve around its proximity to a world-class magnetite orebody, large-scale renewable energy resources, large-scale desalination of seawater and green hydrogen / ammonia / advanced fuels production.

About Amp



Amp Energy is a global energy transition development platform, which delivers renewables, battery storage, Advanced Fuels and green AI data centres at scale, together with proprietary AI-enabled grid flexibility through its Amp X platform. Since its inception 15 years ago, Amp has developed and built or contracted 14 GW of assets globally. Amp is backed by major investments from institutional capital partners including global private equity firm the Carlyle Group, who has invested over US\$440 million. The company has global operations throughout North America, the UK, Australia, Japan, and Spain.

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>

Amp Finalises Commercial Agreements for Cape Hardy Advanced Fuels Precinct

Adelaide, Australia – 21st May 2024 – Amp Energy (“Amp” or the “Company”) announced today it has finalised all required commercial agreements for the development of the Cape Hardy Advanced Fuels Precinct – one of the leading green hydrogen, green ammonia and advanced fuel projects in Australia. The agreements, which were executed with Iron Road Ltd, include the purchase of a 630-hectare parcel of land at Cape Hardy as well as finalised royalty structure and common user infrastructure agreement. Amp will continue to build upon development progress made since announcing the Strategic Framework Agreement with Iron Road Ltd in April 2023 to bring advanced fuel production capacity to Cape Hardy.

The Cape Hardy Advanced Fuels Precinct will provide production at scale with up to 10 GW of planned electrolyser capacity. Development will be structured to initially bring 1 GW online with incremental stages to reach 10 GW of total capacity. The project will both cater to the domestic Australian market, supporting the Australian Government's net zero goals, while also featuring global export capabilities. To facilitate distribution, Cape Hardy will be equipped with Australia's first purpose-built advanced fuels export terminal.

Amp has been in discussions to develop the Cape Hardy Advanced Fuels precinct, in collaboration with Iron Road Ltd and The Government of South Australia, for the past two years. During that time, Amp has made significant development progress. The project's concept, design, and pre-Front End Engineering Design (FEED) phase have been studied and reviewed by two leading global engineering firms, Arup and Technip Technologies, as Amp targets completion of pre-FEED studies for the first 1 GW electrolyser phase over the next 9 months. FEED scoping and contracting is currently underway ahead of awarding the FEED contract in late 2024 or early 2025.

Desalinated water is to be sourced from the recently announced Northern Water Supply (NWS) seawater desalination plant that will be located at Cape Hardy to meet the project's demand for electrolyser feed water, cooling water, process plant water, and fire water. Amp is co-funding pre-FID expenditures for the NWS project.

Additionally, Amp is working closely with the Barngarla Determination Aboriginal Corporation RNTBC (“BDAC”). With continued support from the BDAC, Amp is confident the Cape Hardy Advanced Fuels Precinct will have a meaningful economic impact on the region. Amp currently estimates this will include approximately 4,000 direct and 6,000 indirect jobs for the first gigawatt of electrolyser capacity alone.

“We are seeing growing demand for Advanced Fuels both in Australia and abroad. This includes green ammonia, liquid hydrogen, methanol, and sustainable aviation fuel. The Cape Hardy Advanced Fuels Precinct will allow for large-scale production of these fuels that will be critical to the energy transition and achieving net zero targets. We could not be more excited about the project's potential impact, and we are grateful for the partnership and continued support from Iron Road Ltd, the South Australian Government and BDAC as we progress full steam ahead on development” said Paul Ezekiel, Amp President and Co-founder.

Minister for Trade and Investment, Joe Szakacs said *“The State Government recognises the strategic importance of the Cape Hardy Advanced Fuels Precinct attracting investment into the state for domestic and export opportunities, as there is an increasing flight to quality for hydrogen projects worldwide.”*

About Amp

Amp Energy is a global energy transition development platform, which delivers renewables, battery storage, Advanced Fuels and green AI data centers at scale, together with proprietary AI-enabled grid flexibility through its Amp X platform. Since its inception 15 years ago, Amp has developed and built or contracted 14 GW of assets globally. Amp is backed by major investments from institutional capital partners including global private equity firm the Carlyle Group, who has invested over US\$440 million. The company has global operations throughout North America, the UK, Australia, Japan, and Spain.

For more information, please visit amp.energy