INTERIM REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2017

ABN 51 128 698 108

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 project, which will produce a high grade, low impurity iron concentrate for export. 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 a subsequent optimisation study confirms the compelling commercial case 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.

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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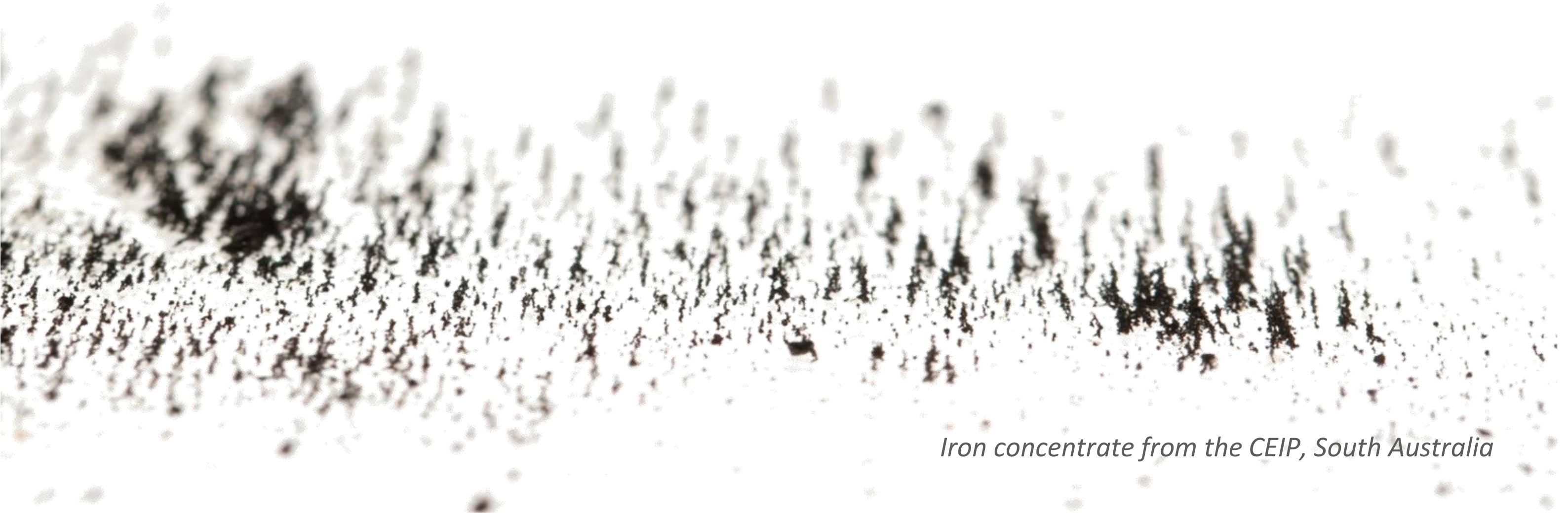

Iron concentrate from the CEIP, South Australia

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DIRECTORS' REPORT

The Directors present the consolidated report of Iron Road Limited and its controlled entities for the half year ended 31 December 2017.

Throughout this report, the consolidated entity is referred to as the Group.

Directors

The following persons were directors of Iron Road Limited during the whole of the half-year and up to the date of this report:

Peter Cassidy	Chairman
Andrew Stocks	Managing Director
Jerry Ellis AO	Non-Executive Director
Leigh Hall AM	Non-Executive Director
Julian Gosse	Non-Executive Director
Ian Hume	Non-Executive Director

Highlights

Central Eyre Iron Project

- Agreement on contracting framework and implementation strategies for the Central Eyre Iron Project (CEIP) with project partner China Railway Group (CREC)
- Submission of Program for Environment Protection and Rehabilitation (PEPR) to Department of the Premier & Cabinet (DPC) for assessment
- Construction Environmental Management Plan (CEMP) for the CEIP infrastructure components circulated to relevant government agencies and others for comment
- DPC approval of Iron Road's CEIP Community Engagement Plan
- The Minister for Mineral Resources and Energy announced the formation of a CEIP Task Force during December 2017 as part of the release of the Government's Magnetite Strategy
- Memorandum of Understanding (MoU) signed with Eyre Peninsula Co-operative Bulk Handling Limited (EPCBH) to progress development of a world class, globally competitive grain terminal and export facility at Cape Hardy
- The formation of a CEIP Community Development Group progressed with the adoption of a Memorandum of Understanding and Terms of Reference by the Wudinna District Council during its November 2017 meeting
- Mine plan and schedule review identifies additional upfront capital efficiencies that further enhance value
- Ongoing financial support from major shareholder, The Sentient Group

DIRECTORS' REPORT

Review of Operations

With the Project Commercialisation Programme complete, both Iron Road Limited and China Railway Group Limited (CREC) teams have progressed the construction contract framework. Incorporating a revised mine plan, contracting schedules and operational readiness plan, the proposed construction framework will provide the foundation for implementation of the Central Eyre Iron Project (CEIP).

The preparation of the two secondary approvals required for the CEIP – Program for Environment Protection and Rehabilitation (PEPR) for the mine and Construction Environmental Management Plan (CEMP) for the infrastructure progressed as planned, with the former submitted to the Department of Premier and Cabinet (DPC) for assessment in December 2017 and the latter circulated for comment in November 2017.

Iron Road's Community Engagement Plan for the CEIP was approved by DPC on 27 October 2017 and is available on the Company's website for viewing or downloading.

The Minister for Mineral Resources and Energy announced the formation of a CEIP Task Force on 8 December 2017 as part of the release of the Government's Magnetite Strategy. Iron Road representatives have met with the Task Force and hosted a CEIP site visit for Task Force representatives. Third party and regional benefits and opportunities will be a key topic of study by the group in 2018.

A Memorandum of Understanding (MoU) with Eyre Peninsula Co-operative Bulk Handling was signed in November 2017. The MoU aims to establish a globally competitive grain terminal and export facility at Iron Road's planned Cape Hardy port. The MoU complements the existing partnership with Emerald Grain, a wholly owned subsidiary of Sumitomo, with the parties working together to develop a new grain distribution and supply chain network.

The formation of a CEIP Community Development Group (CEIP CDG) progressed with the adoption of a Memorandum of Understanding (MoU) and Terms of Reference by the Wudinna District Council during its November 2017 meeting. The CEIP CDG will comprise representatives from the community, Council and Iron Road and will be a key stakeholder group to discuss matters relating to the CEIP, particularly social and economic benefits that the mine and long-term employee village will bring to the region.

Thiess-RWE, a leading expert and contractor in continuous mining systems, such as in-pit crushing and conveying, concluded a review of the CEIP mine plan. The review focussed on opportunities relating to early ore access and mine establishment costs whilst leveraging efficiencies offered by the application and flexibility of proven, continuous mining systems. Targeted objectives of the mine plan review included:

- reducing upfront capital requirements
- extracting ore reserves earlier to accelerate the ramp-up profile of iron concentrate output
- decreasing the upfront pre-strip/waste mining period
- identifying other efficiencies

Adoption of early stage selective mining strategies rapidly advance the ore production ramp-up profile and high quality iron concentrate production (66.5% Fe), commencing two years earlier. Upfront mine capital cost estimate (excluding pre-strip) is reduced by US$130 million to US$965 million. Importantly, when combined with lower early pre-strip volumes and accelerated ore production profile, results in only a modest upward revision to life-of-mine average FOB operating costs of less than US$1.50/dmt.

Iron Road's short term working capital requirements have been serviced by debt finance from its major shareholder, The Sentient Group. The loan facility attracts a zero rate of interest and does not bear any fees.

Mineral Resources and Reserves

Table 1 – CEIP Ore Reserve Summary

Resource Classification	Metric Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)
Proved	2,131	15.55	53.78	12.85
Probable	1,550	14.40	53.58	12.64
Total	**3,681**	**15.07**	**53.70**	**12.76**

The Ore Reserves estimated for CEIP involving mine planning is based on and fairly represents information and supporting documentation compiled by Mr Bob McCarthy, a Member of the Association of Professional Engineers and Geoscientists of British Columbia (Canada) and a full time employee of SRK Consulting (North America). Mr McCarthy has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McCarthy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The Ore Reserves estimated for the CEIP involving aspects other than mine planning is based on and fairly represents information and supporting documentation compiled by Mr Larry Ingle, a Member of the Australian Institute of Mining and Metallurgy and a full-time employee of Iron Road Limited. Mr Ingle has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ingle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. This report includes results that have previously been released under JORC 2012 by the Company on 2 May 2016. The Company is not aware of any new information or data that materially affects the information included in this announcement and all material assumptions and technical parameters underpinning the Ore Reserve continue to apply and have not materially changed.

Table 2 – CEIP Global Mineral Resource

Location	Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
	Measured	2,222	15.69	53.70	12.84	0.08	4.5
Murphy South/Rob Roy	Indicated	474	15.6	53.7	12.8	0.08	4.5
	Inferred	667	16	53	12	0.08	4.3
Boo-Loo/Dolphin	Indicated	796	16.0	53.3	12.2	0.07	0.6
	Inferred	351	17	53	12	0.09	0.7
Total		**4,510**	**16**	**53**	**13**	**0.08**	**3.5**

The Murphy South/Rob Roy Mineral Resource estimate was carried out following the guidelines of the JORC Code (2004) by Iron Road Limited and peer reviewed by Xstract Mining Consultants. The Murphy South - Boo-Loo/Dolphin oxide and transition Resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Limited. The Boo-Loo/Dolphin fresh Mineral Resource estimate was carried out following the guidelines of the JORC Code (2012) by Iron Road Limited and peer reviewed by AMC Consultants. This report includes results that have previously been released under JORC 2004 and JORC 2012 by the Company on 30 June 2010, 28 May 2013 and 27 February 2015. The Company is not aware of any new information or data that materially affects the information included in this announcement and all material assumptions and technical parameters underpinning the Mineral Resource continue to apply and have not materially changed.

Table 3 – CEIP Indicative Concentrate Specification – 100 micron (p80)*

Iron (Fe)	Silica (SiO_2)	Alumina (Al_2O_3)	Phosphorous (P)
66.7%	3.36%	1.90%	0.009%

* The concentrate specifications given here are based on current data from metallurgical test work, bulk samples and simulation modelling designed specifically to emulate the proposed beneficiation plant.

DIRECTORS' REPORT

Results of Operations

The Group incurred a loss for the half-year ended 31 December 2017 of $1,821,985 (2016: $1,847,139).

Events after the Reporting Date

No matters or events have arisen since 31 December 2017 which have significantly affected, or may significantly affect, the operations of the Group, the results of the operations, or the state of affairs of the Group in future years.

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 5.

This report is made in accordance with a resolution of directors and is signed on behalf of the directors by Andrew Stocks.

Andrew Stocks
Managing Director
Adelaide, South Australia
9 March 2018

Managing Director Andrew Stocks taking questions during the Iron Road Annual General Meeting held on 17 November 2017.

AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration

As lead auditor for the review of Iron Road Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Iron Road Limited and the entities it controlled during the period.

M. T. Lojszczyk
Partner
PricewaterhouseCoopers

Adelaide
9 March 2018

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	Half-year 2017 $	Half-year 2016 $
Revenue from continuing operations			
Interest income		1,188	2,795
Expenses			
Impairment of exploration expenses	2	(16,157)	-
Depreciation	3	(48,479)	(108,770)
Employee benefits expense	4	(813,367)	(738,621)
General expenses		(63,966)	(138,802)
Professional fees		(423,946)	(402,548)
Travel and accommodation		(104,676)	(126,465)
Marketing		(85,335)	(76,454)
Rent		(196,297)	(196,694)
Administration costs		(70,950)	(61,580)
Loss before income tax		**(1,821,985)**	(1,847,139)
Income tax expense		-	-
Loss for the period		**(1,821,985)**	(1,847,139)
Other comprehensive loss for the period		**-**	-
Total comprehensive loss for the period attributable to owners of Iron Road Limited		**(1,821,985)**	(1,847,139)

Loss per share for loss attributable to the ordinary equity holders of the company:

	Note	**Cents**	Cents
Basic and diluted loss per share (cents)	8	**(0.27)**	(0.28)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	31 December 2017 $	30 June 2017 $
ASSETS			
Current assets			
Cash and cash equivalents	1	**711,983**	1,262,109
Bank term deposits	1	**90,000**	90,000
Receivables and prepayments		**243,526**	120,287
Total current assets		**1,045,509**	1,472,396
Non-current assets			
Exploration and evaluation expenditure	2	**121,021,934**	120,397,386
Property, plant and equipment	3	**9,922,098**	9,968,272
Total non-current assets		**130,944,032**	130,365,658
Total assets		**131,989,541**	131,838,054
LIABILITIES			
Current liabilities			
Trade and other payables	5	**3,815,541**	1,884,400
Provisions		**470,959**	456,361
Total current liabilities		**4,286,500**	2,340,761
Non-current liabilities			
Provisions		**53,907**	40,385
Total non-current liabilities		**53,907**	40,385
Total liabilities		**4,340,407**	2,381,146
Net assets		**127,649,134**	129,456,908
EQUITY			
Contributed equity	7	**160,916,191**	160,916,191
Reserves	7	**5,067,440**	5,053,229
Accumulated losses	7	**(38,334,497)**	(36,512,512)
Total equity		**127,649,134**	129,456,908

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

		Attributable to owners of Iron Road Limited			
	Note	Contributed Equity $	Accumulated losses $	Reserves $	Total Equity $
Balance at 1 July 2016		**152,423,991**	**(32,586,228)**	**4,939,698**	**124,777,461**
Total loss for the half-year		-	(1,847,139)	-	(1,847,139)
Total other comprehensive income for the half-year		-	-	-	-
Transactions with owners in their capacity as owners:					
Contributions to equity net of transaction costs		8,492,200	-	-	8,492,200
Share based payments		-	-	57,233	57,233
Balance at 31 December 2016		**160,916,191**	**(34,433,367)**	**4,996,931**	**131,479,755**
Balance at 1 July 2017		**160,916,191**	**(36,512,512)**	**5,053,229**	**129,456,908**
Total loss for the half-year		-	(1,821,985)	-	(1,821,985)
Total other comprehensive income for the half-year		-	-	-	-
Transactions with owners in their capacity as owners:					
Contributions to equity net of transaction costs		-	-	-	-
Share based payments	7	-	-	14,211	14,211
Balance at 31 December 2017		**160,916,191**	**(38,334,497)**	**5,067,440**	**127,649,134**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

		Half-year	
		2017	2016
	Note	**$**	$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		**(1,950,641)**	(1,923,556)
Interest received		**1,216**	2,979
Net cash outflow from operating activities	4	**(1,949,425)**	(1,920,577)
Cash flows from investing activities			
Payments for exploration and evaluation		**(598,396)**	(540,834)
Payments for property, plant and equipment		**(2,305)**	(1,702)
Net cash outflow from investing activities		**(600,701)**	(542,536)
Cash flows from financing activities			
Proceeds from issue of shares		**-**	**8,509,938**
Share issue transaction costs		**-**	**(252,993)**
Proceeds from borrowings/(Repayment of borrowing)	6	**2,000,000**	**(4,000,000)**
Net cash inflow from financing activities		**2,000,000**	**4,256,945**
Net increase in cash and cash equivalents		**(550,126)**	1,793,832
Cash and cash equivalents at the beginning of the half-year		**1,262,109**	858,413
Cash and cash equivalents at the end of the half-year		**711,983**	2,652,245

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Structure of Notes and materiality

Note disclosures are split into four sections shown below to enable better understanding of how the Group performed.

KEY NUMBERS	STRUCTURES AND CAPITAL	ADDITIONAL INFORMATION	UNRECOGNISED ITEMS
1. Cash	6. Related parties	9. Segment information	12. Contingencies
2. Exploration	7. Equity and reserves	10. Accounting policies	13. Events after reporting date
3. Property, plant and equipment	8. Loss per share	11. Dividends	
4. Operating activities			
5. Trade and other payables			

Information is only included in the Notes to the extent that is has been considered material and relevant to the understanding of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

KEY NUMBERS

1: Cash

The Consolidated Statement of Cash Flows, shows total cash expended during the half-year ended 31 December 2017 was $2,551,343 (2016: $2,719,085), utilised in the following areas:

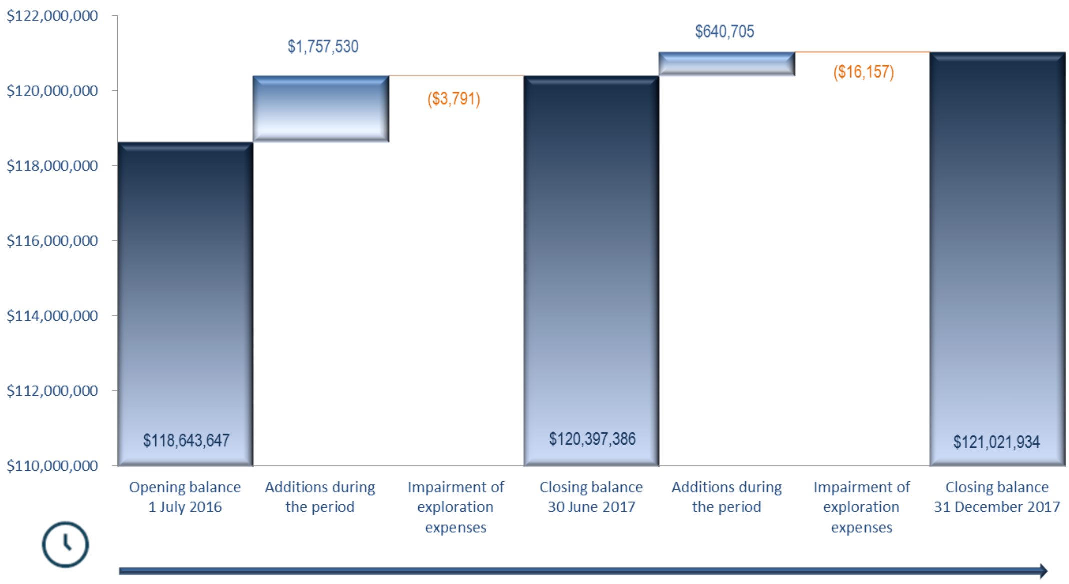
	Half-year	
	2017	2016
	$	$
Exploration and evaluation	598,396	540,834
Employee benefits expense	769,105	734,621
Professional fees	423,946	371,548
Rent and administration	227,299	258,274
Share issue transaction costs	-	252,993
Marketing	75,217	76,454
Travel and accomodation	104,676	126,465
Property, plant and equipment	2,305	1,702
Other	350,398.83	356,194
Total	**2,551,343**	2,719,085

Cash and cash equivalents at 31 December 2017 was $711,983 (June 2017: $1,262,109) and bank term deposits remain unchanged at $90,000. The bank term deposit is held as security for the Group's credit card facility.

Cash at bank earns a floating interest rate on the at call daily rate. Funds held in a term deposit facility for greater than 3 months have been reclassified to bank term deposits in the consolidated statement of financial position per AASB 107.

2: Exploration

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for the evaluation of mineral resources.



Exploration and evaluation expenditure in relation to the CEIP's exploration licence 5932 for the half-year ended 31 December 2017 was $640,705 (2016: $693,819). This exploration and evaluation asset is tested for impairment periodically or when events or circumstances indicate the carrying value may not be recoverable. For the half-year ended 31 December 2017, the directors deemed the current capitalisation of development of the CEIP resource to be appropriate, as the Group continues to refine capital cost estimates.

Recoverability of exploration and evaluation assets

Recoverability of the carrying amount of the exploration and evaluation asset is dependent on successful development and commercial exploitation, or alternatively sale of the respective area of interest. The Group fully impaired iron ore rights of $1,961,018 in the Gawler Iron Project (GIP) in the year ended 30 June 2016 with a subsequent impairment of $16,157 in the half year ended 31 December 2017.

The Group's accounting policy requires management to make certain assumptions as to future events and circumstances. Exploration and evaluation costs are carried forward based on the accounting policy set out above. Should development not be possible, or the existence of reserves does not allow for economic development, amounts recorded may require impairment in future periods. Iron Road periodically evaluates the economic potential of the CEIP using discounted cashflow modelling technique. The model includes assumptions for production volumes, forecast iron ore pricing, foreign exchange rates and project costs, which are updated for the latest available data.

3: Property, plant and equipment

During the period ended 31 December 2017, the Group invested $2,305 (2016: $1,702) in property, plant and equipment.

Reconciliation of the carrying amounts of property, plant and equipment:

	LAND AND BUILDINGS		**PLANT AND EQUIPMENT**		
	Land $	**Buildings & Improvements $**	**Equipment $**	**Motor Vehicles $**	**Total $**
At 30 June 2017					
Cost or fair value	9,025,418	1,040,190	1,081,409	64,839	11,211,856
Accumulated depreciation	-	(303,188)	(878,332)	(62,064)	(1,243,584)
Net book amount	**9,025,418**	**737,002**	**203,077**	**2,775**	**9,968,272**
Half-year ended 31 December 2017					
Opening net book value	9,025,418	737,002	203,077	2,775	9,968,272
Additions	-	-	2,305	-	2,305
Depreciation charge	-	(10,822)	(37,418)	(239)	(48,479)
Closing net book amount	**9,025,418**	**726,180**	**167,964**	**2,536**	**9,922,098**
At 31 December 2017					
Cost or fair value	9,025,418	1,040,190	1,083,714	64,839	11,214,161
Accumulated depreciation	-	(314,010)	(915,750)	(62,303)	(1,292,063)
Net book amount	**9,025,418**	**726,180**	**167,964**	**2,536**	**9,922,098**

4: Operating activities

Operating expenses were $1,823,173 for the half-year ended 31 December 2017 (2016: $1,849,934).
Loss before tax includes the following specific expenses:

	Half-year	
	2017	2016
	$	$
Salaries and wages	544,845	550,919
Defined contribution superannuation expense	58,885	59,462
Directors' fees	125,000	120,834
Share based payments expense	14,211	57,233
Other employee benefits expense	70,426	(49,827)
Total employee benefits expense	**813,367**	738,621

Reconciliation of loss after income tax to net cash outflow from operating activities is as follows:

	Half-year	
	2017	2016
	$	$
Net loss for the period	**(1,821,985)**	(1,847,139)
Depreciation	48,479	108,770
Share based payments	14,211	57,233
Non cash - rent incentive	-	(25,000)
Impairment of exploration expenses	16,157	-
Change in operating assets and liabilities		
(Decrease)/Increase in trade and other receivables	(123,239)	(60,776)
Decrease in trade payables	(111,167)	(69,319)
Increase in other provisions	28,119	(84,346)
Net cash outflow from operating activities	**(1,949,425)**	(1,920,577)

5: Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the reporting period, which are unpaid. The amounts are presented as current liabilities unless payment is not due within 12 months from the reporting date.

	Trade payables	
	31 December 2017	30 June 2017
	$	$
Trade payables	815,541	770,906
Accruals	-	112,122
Short term loan facility	3,000,000	1,000,000
Other payables	-	1,372
Total trade and other payables	**3,815,541**	1,884,400

6: Related parties

The parent entity of the Group is Iron Road Limited and the ultimate parent entity and controlling party is The Sentient Group (incorporated in the Cayman Islands) which at 31 December 2017 owns 73.73% (30 June 2017 – 73.73%) of the issued ordinary shares of Iron Road Limited.

The following transactions occurred with The Sentient Group:

	Related parties	
	31 December 2017	31 December 2016
	$	$
Reimbursement of travel related expenditure	4,320	8,848
Director's fees	25,000	25,000
Share issue transaction costs	-	302
Short term finance - (loan)/repayment	(2,000,000)	4,000,000
Consulting fees	100,002	100,002
Total	**(1,870,678)**	**4,134,152**

The Group received $4,000,000 in short term debt finance from The Sentient Group which was repaid in full in July 2016. A subsequent loan totalling $3,000,000 has been provided by The Sentient Group, $2,000,000 of which was drawn between July 2017 and December 2017.

7: Equity and reserves

SHARE CAPITAL

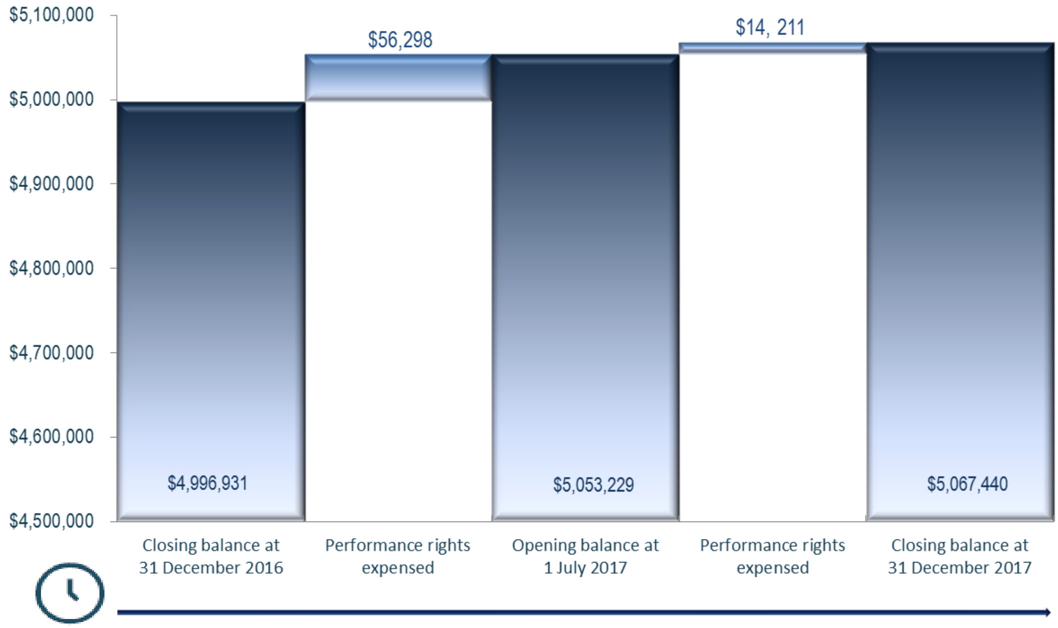
	Share Capital			
	31 December 2017 Shares	31 December 2016 Shares	**31 December 2017 $**	31 December 2016 $
Ordinary shares - fully paid	677,554,286	677,554,286	160,916,191	160,933,929
Cost of capital raising	-	-	-	(17,738)
Balance	**677,554,286**	677,554,286	**160,916,191**	160,916,191

Ordinary shares entitle the holder to participate in dividends and to share in the proceeds of winding up of the Group in proportion to the number of and amounts paid on the shares held. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are deducted from equity, net of tax. Ordinary shares have no par value and the company does not have a limited amount of authorised capital. All shares have been issues and are fully paid.

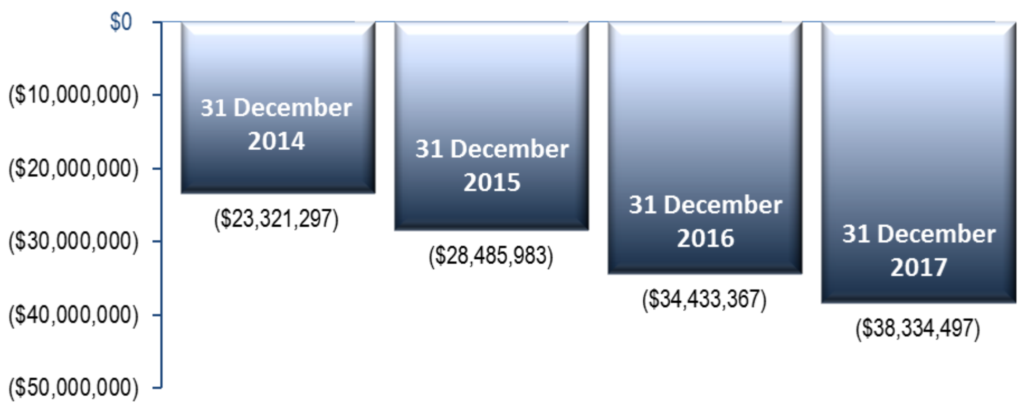
7: Equity and reserves

RESERVES

The share based payment reserve is used to recognise the value of options and performance rights issued. Options and performance rights that are vested on issue are fully expensed on issue whereas options and performance rights with vesting conditions that are yet to be satisfied are expensed throughout the vesting period. If options fail to vest, no amount is recognised in the financial statements.



ACCUMULATED LOSSES



STRUCTURES AND CAPITAL

8: Loss per share

	31 December 2017 $	31 December 2016 $
Loss attributable to the members of the Group used in calculating basic loss per share	(1,821,985)	(1,847,139)
Weighted average number of shares used as the denominator in calculating basic loss per share	677,554,286	669,411,225
Total basic loss per share attributable to the ordinary equity owners of the company (cents)	**(0.27)**	(0.28)

ADDITIONAL INFORMATION

9: Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors and management of the Group. These internal management reports are reviewed on a monthly basis and are aligned with the information provided in the statement of comprehensive income, statement of financial position and statement of cash flows. The Group does not have any customers or operating segments with discrete financial information and all of the Group's assets and liabilities are located within Australia, as a result no reconciliation is required.

10: Accounting policies

Basis of Preparation of the Interim Financial Report

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2017 has been prepared in accordance with requirements of the *Corporations Act 2001* (Cth) and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by Iron Road Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

NOTES TO THE FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

10: Accounting policies

Going concern

The interim financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. With cash reserves of $711,983 at 31 December 2017, cash-flow projections indicate that additional capital will be required for continued operations. The Directors are confident that additional financial support will be obtained from its shareholders when required to enable the Group to meet its obligations as and when they fall due. In addition, alternative sources of funding are actively being sought. Accordingly, the Directors believe that the going concern assumption is appropriate.

11: Dividends

There were no dividends provided for or paid during the half-year ended 31 December 2017.

UNRECOGNISED ITEMS

12: Contingencies

There are no material contingent liabilities or contingent assets of the Group at 31 December 2017.

13: Events after reporting date

No matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations or the state of affairs of the Group in the future financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

a) the financial statements and notes set out on pages 6 to 17 are in accordance with the *Corporations Act 2001* (Cth), including:

   i.) complying with the *Corporations Regulations 2001* (Cth) and *Australian Accounting Standard AASB 134 Interim Financial Reporting* and other mandatory professional reporting requirements; and

   ii.) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

b) there are reasonable grounds to believe that Iron Road Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Andrew Stocks
Managing Director
Adelaide, South Australia
9 March 2018

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF IRON ROAD LIMITED

Independent auditor's review report to the members of Iron Road Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Iron Road Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of comprehensive income for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Iron Road Limited. The consolidated entity comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Iron Road Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Iron Road Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date;

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

M. T. Lojszczyk
Partner

Adelaide
9 March 2018