INTERIM REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2021

ABN 51 128 698 108

CONTENTS

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DIRECTORS' REPORT

The Directors present the consolidated report of Iron Road Ltd and its controlled entities for the half-year ended 31 December 2021.

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

Directors

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

Peter Cassidy	Non-Executive	Chairman
Jerry Ellis AO	Non-Executive	Director
Ian Hume	Non-Executive	Director
Glen Chipman	Executive	Director

Review of Operations

Cross reference announcements:

- 2021 AGM Chief Executive Officer's Presentation

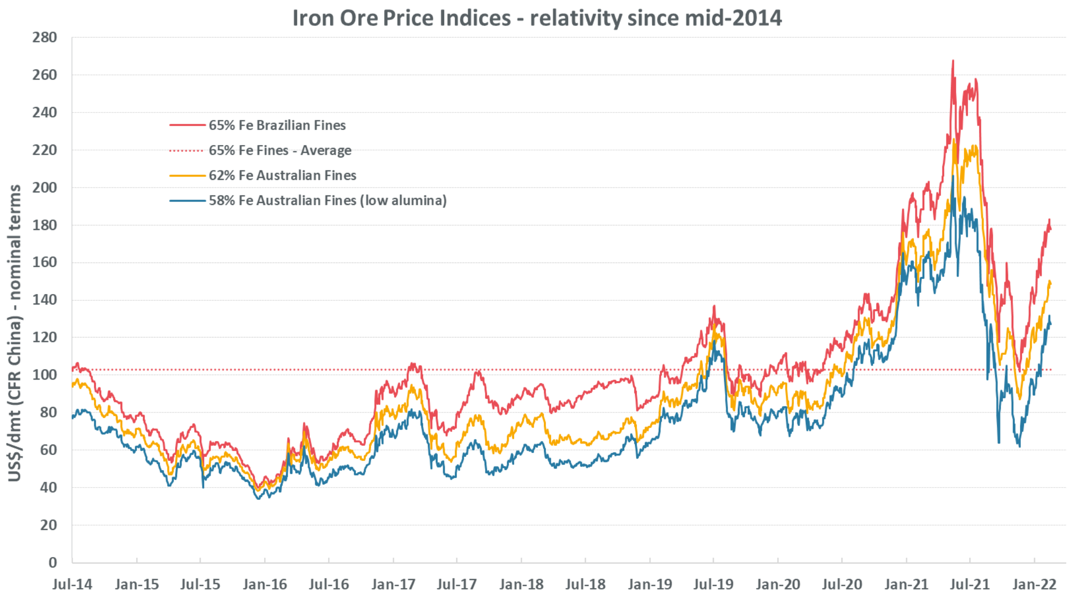
CEIP Iron Ore

Despite COVID-19 challenges, Central Eyre Iron Project (CEIP) discussions with potential partners continued to progress, including those assisted by South Australia's Department for Trade and Investment (DTI) and Austrade representatives within Australia and Asia.

The CEIP remains well placed as the most advanced greenfield high-grade iron concentrate project in Australia (not yet in construction), hosting Australia's largest magnetite Ore Reserve with a Definitive Feasibility Study (DFS) and optimisation studies complete.

Iron Ore Market

Spot benchmark (62% Fe Fines) and high grade (65% Fe Fines) iron ore price indices remain resilient in contrast with market consensus adopting a bearish price forecast stance in 4Q 2021. As of mid-February 2022, the 65% Fe Fines index is trading at a circa 20% premium to the spot 62% Fe Fines index. Sustained strength in high-grade premiums highlight the growing trend for steel mills to source higher quality feedstock combined with comparatively tighter supply-side availability in the seaborne market.



Source: Bloomberg, Mysteel

Cape Hardy port

Iron Road, Eyre Peninsula Co-operative Bulk Handling (EPCBH) and Macquarie Capital (Macquarie) are parties to a Joint Development Agreement (JDA) based on advancement of the proposed Cape Hardy Stage I multi-user, multi-commodity (grain-led) port facility.

Portalis (the joint venture) confirmed that in conjunction with a grain trading business of international standing, work commenced on evaluating potential operating models that feature a reduced capital expenditure (for Cape Hardy Stage I). A modified scenario is being assessed that considers strategic grower-owned upcountry grain storage, whilst maintaining export facility scalability and wider port precinct optionality.

Iron Road and Ardent Underground (Ardent) executed a Memorandum of Understanding (MoU) to collaborate on the potential for Ardent to develop and construct their storage technology at Cape Hardy for green hydrogen. Ardent provides a unique hydrogen storage system which offers cost effective, safe, large-scale storage of compressed hydrogen gas in purpose built underground vertical shafts.

Iron Road and Andromeda Metals Ltd (Andromeda, ASX: ADN) executed an MoU to investigate options for Andromeda to establish an export facility at Cape Hardy for processed and unprocessed bulk commodities. The proposed development of a deep-water port at Cape Hardy and the proximity to Andromeda's projects such as those in the Mount Hope region, presents opportunities that support Andromeda's future growth plans.

Cross referenced announcements:

- Iron Road Consolidates Cape Hardy Port Precinct Land Package
- September Quarter Review
- Portalis Grain-led Cape Hardy Stage I Port Update and Iron Road Green Hydrogen Strategy
- December Quarter Review

Green Hydrogen / Green Manufacturing Planning

The SA Government has identified Cape Hardy as one of three hubs for green hydrogen production, liquefaction / conversion, water desalination, storage, and export (SA Hydrogen Export Prospectus, 2020).

Introductions and various meetings with several interested parties have been facilitated by an advisor connected with both the Australia-Korea Business Council (AKBC) and Australia Japan Business Co-operation Committee (AJBCC). These discussions have centred around CEIP iron concentrate specifications and associated green hydrogen opportunities including "green iron" pellet manufacturing.

The State Government announced the selection of seven short listed projects for converting the state-owned site at Port Bonython, in the Upper Spencer Gulf, into an export hub for green and blue hydrogen. Iron Road is preparing an Expression of Interest (EOI) process targeting Australian and international green hydrogen project proponents for the 100% owned site at Cape Hardy. Experienced industry consultants are assisting the Company in the early phase of this process.

CEIP Indigenous Land Use Agreement (ILUA)

Following an extended period of collaboration and negotiations through 2021, the parties to the CEIP ILUA executed a Deed of Novation and Variation of the CEIP ILUA. An application has been submitted to the Native Title Registrar to register the amended CEIP ILUA in the Register of Indigenous Land Use Agreements. This will give effect to the agreement pursuant to the *Native Title Act 1993* (Cth), which, among other things, includes native title consents for the CEIP, including the proposed Cape Hardy port. Flexibility has now been embedded into the location of the CEIP infrastructure corridor to enable an optimised mine to port export route.

Cross referenced announcements:

- Amended Indigenous Land Use Agreement Endorses Cape Hardy Multi-Commodity Port

Community and stakeholder engagement

The Company continued to engage with the general community and directly with various South Australian state government agencies and the CEIP Taskforce, which includes representatives from Department of Energy and Mines (DEM), as well as independent advisors. The Company also continued engagement with the Department for Trade and Investment (DTI) and Austrade representatives within Australia and Asia.

Corporate

On 16 December 2021 Iron Road announced a placement of ordinary shares in the Company (Shares) raising up to $5 million for an aggregate subscription of up to $5.175 million. The placement involved three investments; initial investment raised $1.25m for $1.34m worth of IRD shares; the second investment (at Iron Road’s discretion) may raise $1.25m for $1.34m worth of IRD shares and; the third investment, raising up to $2.5m may be conducted by mutual consent of the Investor and the Company.

Mineral Resources and Reserves

Table 1 – CEIP Ore Reserve Summary – 24Mtpa option

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 Ltd. 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 Ltd 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 Ltd 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 – 106 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.

Results of Operations

The Group incurred a loss for the half-year ended 31 December 2021 of $2,358,698 (2020: $2,098,042). The increased loss is mostly attributable to recognising the fair value of equity based payments during the period in employee benefits expense and finance charges related to the share subscription agreement referred to in Corporate above.

Events after the Reporting Date

No matters or events have arisen since 31 December 2021 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 6.

This report is made in accordance with a resolution of directors and is signed on behalf of the directors by Dr Peter Cassidy.

Peter Cassidy
Chairman
Adelaide, South Australia
7 March 2022

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Auditor's Independence Declaration

As lead auditor for the review of Iron Road Limited for the half-year ended 31 December 2021, 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
7 March 2022

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CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

		Half-year	
		2021	2020
	Note	**$**	$
Revenue from continuing operations			
Other income		**23**	50,197
Expenses			
Loss on disposal of assets		**-**	(34,000)
Depreciation	3	**(23,850)**	(23,719)
Employee benefits expense	4	**(1,615,491)**	(882,072)
Exploration expenses	2	**(12,452)**	(53,924)
Finance charges		**(155,500)**	-
General expenses		**(62,122)**	(34,892)
Professional fees		**(330,067)**	(252,466)
Travel and accommodation		**(5,682)**	(12,332)
Marketing		**(11,370)**	(7,309)
Rent and administration costs		**(126,074)**	(135,568)
Share based payments - Cape Hardy Stage I Warrants	8	**(16,113)**	(711,957)
Loss before income tax		**(2,358,698)**	(2,098,042)
Income tax expense		**-**	-
Loss for the period		**(2,358,698)**	(2,098,042)
Other comprehensive loss for the period		**-**	-
Total comprehensive loss for the period attributable to owners of Iron Road Ltd		**(2,358,698)**	(2,098,042)

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

		Cents	Cents
Basic and diluted loss per share (cents)	9	**(0.30)**	(0.30)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	31 December 2021 $	30 June 2021 $
ASSETS			
Current assets			
Cash and cash equivalents	1	**3,429,086**	4,747,945
Bank term deposits	1	**45,000**	45,000
Prepayments and other receivables		**161,154**	94,080
Total current assets		**3,635,240**	4,887,025
Non-current assets			
Exploration and evaluation expenditure	2	**122,981,982**	122,725,631
Property, plant and equipment	3	**10,578,485**	9,699,192
Total non-current assets		**133,560,467**	132,424,823
Total assets		**137,195,707**	137,311,848
LIABILITIES			
Current liabilities			
Trade and other payables	5	**525,366**	1,212,609
Subscription to be settled	6	**1,224,400**	-
Provisions		**313,627**	271,695
Total current liabilities		**2,063,393**	1,484,304
Non-current liabilities			
Provisions		**3,353**	1,097
Total non-current liabilities		**3,353**	1,097
Total liabilities		**2,066,746**	1,485,401
Net assets		**135,128,961**	135,826,447
EQUITY			
Contributed equity	8	**178,065,232**	177,406,872
Reserves	8	**8,555,378**	7,552,526
Accumulated losses		**(51,491,649)**	(49,132,951)
Total equity		**135,128,961**	135,826,447

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 2021

		Attributable to owners of Iron Road Ltd			
	Note	Contributed Equity $	Accumulated losses $	Reserves $	Total Equity $
Balance at 1 July 2020		**162,093,715**	**(43,697,356)**	**4,766,758**	**123,163,117**
Total loss for the half-year		-	(2,098,042)	-	(2,098,042)
Transactions with owners in their capacity as owners:					
Contributions to equity net of transaction costs	8	10,379,069	-	10,379,069	
Share based payments – employees	8	-	-	408,374	408,374
Share based payments – Cape Hardy Stage I Warrants	8	-	-	711,957	711,957
Balance at 31 December 2020		**172,472,784**	**(45,795,398)**	**5,887,089**	**132,564,475**
Balance at 1 July 2021		**177,406,872**	**(49,132,951)**	**7,552,526**	**135,826,447**
Total loss for the half-year		-	(2,358,698)	-	(2,358,698)
Transactions with owners in their capacity as owners:					
Contributions to equity net of transaction costs	8	658,360	-	-	658,360
Share based payments – employees	8	-	-	986,739	986,739
Share based payments – Cape Hardy Stage I Warrants	8	-	-	16,113	16,113
Balance at 31 December 2021		**178,065,232**	**(51,491,649)**	**8,555,378**	**135,128,961**

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 2021

	Note	Half-year 2021 $	2020 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		**(1,547,865)**	(1,206,479)
Government grant received		**-**	50,000
Interest received		**23**	197
Net cash outflow from operating activities	4	**(1,547,842)**	(1,156,282)
Cash flows from investing activities			
Payments for term deposits		**(90,000)**	(90,000)
Receipts from term deposits		**90,000**	90,000
Payments for exploration and evaluation		**(252,016)**	(175,029)
Payments for property, plant and equipment	3	**(903,143)**	-
Proceeds from sale of assets		**-**	13,000
Net cash outflow from investing activities		**(1,155,159)**	(162,029)
Cash flows from financing activities			
Proceeds from issue of shares	8	**496,868**	10,422,225
Share issue transaction costs		**(19,608)**	(6,558)
Subscriptions received	6	**1,250,000**	-
Proceeds of short term finance	7	**-**	1,000,000
Repayment of short term finance	7	**(343,118)**	(8,656,882)
Net cash inflow from financing activities		**1,384,142**	2,758,785
Net increase/(decrease) in cash and cash equivalents		**(1,318,859)**	1,440,474
Cash and cash equivalents at the beginning of the half-year		**4,747,945**	340,455
Cash and cash equivalents at the end of the half-year		**3,429,086**	1,780,929

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

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	7. Related parties	10. Segment information	13. Contingencies
2. Exploration	8. Equity and reserves	11. Accounting policies	14. Events after reporting date
3. Property, plant and equipment	9. Loss per share	12. Dividends	
4. Operating activities			
5. Trade and other payables			
6. Subscription to be settled			

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

1: Cash

The Consolidated Statement of Cash Flows, shows total cash expended during the half-year ended 31 December 2021 was $3,065,749 (2020: $10,044,948), utilised in the following areas:

	Note	2021 $	2020 $
Exploration and evaluation		481,359	520,670
Employee benefits expense		670,142	294,918
Professional fees		330,067	252,466
Rent and administration		301,261	135,568
Share issue transaction costs		19,607	6,558
Purchase of property, plant and equipment	3	903,143	-
Repayment of borrowings	7	343,118	8,656,882
Other		17,052	177,886
Total		**3,065,749**	10,044,948

The balance of cash and cash equivalents at 31 December 2021 was $3,429,086 (June 2021: $4,747,945) and bank term deposits was $45,000 (June 2021: $45,000). The bank term deposit is held as security for the Group's credit card facility.

Funds held in a term deposit facility for greater than 3 months are classified as bank term deposits in the consolidated statement of financial position.

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 capitalised in relation to CEIP for the half-year ended 31 December 2021 totalled $256,351 (2020: $382,390). The total capitalised exploration and evaluation expenditure relating to the CEIP at 31 December 2021 was $122,981,982 (June 2021: $122,725,631).

From 1 January 2019 expenditure on maintaining the mining lease that has not progressed the CEIP has been expensed. The total exploration expense for the half year was $12,452 (2020: $53,924).

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 exploration and evaluation assets are tested for impairment periodically or when events or circumstances indicate the carrying value may not be recoverable. For the half-year ended 31 December 2021, the directors deemed the current capitalisation of development of the CEIP resource to be appropriate, as the Group continues to refine mining and processing methods and capital cost estimates.

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 2021, the Group invested $903,143 (2020: Nil) in property, plant and equipment. Reconciliation of the carrying amounts of property, plant and equipment:

	LAND AND BUILDINGS		PLANT AND EQUIPMENT		
Reconciliation of the carrying value of property, plant and equipment	**Land $**	**Buildings & Improvements $**	**Plant & Equipment $**	**Motor Vehicles $**	**Total $**
At 30 June 2021					
Cost or fair value	8,978,418	847,518	772,039	40,097	10,638,072
Accumulated depreciation	-	(198,752)	(700,909)	(39,219)	(938,880)
Net book amount	**8,978,418**	**648,766**	**71,130**	**878**	**9,699,192**
Half-year ended 31 December 2021					
Opening net book value	8,978,418	648,766	71,130	878	9,699,192
Additions/(Disposals)	898,044	-	5,099	-	903,143
Depreciation charge	-	(10,881)	(12,729)	(240)	(23,850)
Closing net book amount	**9,876,462**	**637,885**	**63,500**	**638**	**10,578,485**
At 31 December 2021					
Cost or fair value	9,876,462	847,518	777,139	40,097	11,541,216
Accumulated depreciation	-	(209,633)	(713,639)	(39,459)	(962,731)
Net book amount	**9,876,462**	**637,885**	**63,500**	**638**	**10,578,485**

In July 2021 the Group purchased 24 hectares of gulf front land at Cape Hardy for $0.9 million plus transaction costs, adding to the 1,100+ hectare greenfield site.

The Group's land holdings are predominantly located at the Cape Hardy Port precinct. Other Cape Hardy project costs are included in the capitalised exploration and evaluation balance (refer Note 2).

4: Operating activities

Operating expenses were $2,203,221 for the half-year ended 31 December 2021 (2020: $2,148,239) excluding finance charges. Share based payments – employee benefits expense includes the value of performance rights granted to Non-executive Directors, KMP, employees and consultants of $986,739 - Refer Note 8 (2020 $408,374).

Share based payments – Cape Hardy Stage I Warrants expense of $16,113 relates to professional services supplied by Macquarie Capital (2020: 711,957). Refer Note 8 for additional information.

Loss before tax includes the following specific expenses:

	Note	**2021** $	2020 $
Salaries and other employee benefits		580,639	446,557
Superannuation		54,899	40,949
Directors' fees		107,500	142,500
Share based payments - employees	8	986,739	408,374
Sub-total		1,729,777	1,038,380
Less: allocated to exploration		(114,286)	(156,308)
Total employee benefits expense		**1,615,491**	882,072

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

	Note	**2021** $	2020 $
Net loss for the period		**(2,358,698)**	(2,098,042)
Depreciation		23,850	23,719
Finance charges		155,500	-
Share based payments - employees	8	986,739	408,374
Share based payments - Cape Hardy Stage I Warrants	8	16,113	711,957
Loss on disposal of assets		-	34,000
Change in operating assets and liabilities			
Increase in other receivables		(67,074)	(101,470)
Decrease in trade payables		(348,460)	(160,711)
Increase in other provisions		44,188	25,891
Net cash outflow from operating activities		**(1,547,842)**	(1,156,282)

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.

	31 December 2021	30 June 2021
	$	$
Trade payables	310,366	713,252
Accruals	215,000	156,239
Short term loan facility	-	343,118
Total trade and other payables	**525,366**	1,212,609

During the period the Group repaid the remaining balance of $343,118 in short term loan facility from Sentient Global Resources Fund IV through the issue of shares as approved by shareholders at the General Meeting on 24 August 2021 (see Note 7).

6: Subscription to be settled

	6-months to 31 December 2021	Year to 30 June 2021
	$	$
Opening balance 1 July	-	-
Subscription funds received	1,250,000	-
Initial Subscription Shares issued	(113,100)	-
Finance charge	87,500	-
Closing balance	**1,224,400**	-

During the year, the Company entered into a Subscription Agreement (Agreement) with Bulk Commodity Holdings, LLC (the Investor), an US based investor, for a private placement of shares for an aggregate subscription price of up to $5,175,000 over three separate investments. Proceeds from the placement, along with existing cash reserves, are to be used to further advance the Company's assets and fund general working capital requirements. The bespoke terms of the placement effectively defer the issuance of shares to the Investor across three separate investments (by up to 12 months for each of the first & second investments) and are specifically targeted to minimise the dilutionary impact for current shareholders.

The agreement provides for an initial investment of $1.25 million for $1.3375 million worth of ordinary shares (Subscription Shares), by way of the Investor making a prepayment for Subscription Shares. The Company received the first investment of $1.25 million prepayment on 22 December 2021 and will issue the Subscription Shares, at the Investor's request, within 12 months of the date of the funding. The Purchase Price of the Subscription Shares will be equal to $0.40 initially, representing a premium of approximately 111% to the closing price of the Company's shares on 15 December 2021. Subject to the Floor Price described below, the Purchase Price will reset to the average of the five daily volume weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor's notice to issue shares, less a 7.5% discount (or a 10% discount if the Subscription Shares are issued later than nine months after the initial investment). The difference between proceeds of the initial investments and the value of the subscription shares that may be issued has been treated as a finance cost.

The Purchase Price will, nevertheless, be the subject of the Floor Price of $0.15. If the Purchase Price formula results in a price that is less than the Floor Price, the Company may forego issuing shares and instead opt to repay the applicable subscription amount in cash (with a 5% premium), subject to the Investor's right to receive Subscription Shares at the Floor Price in lieu of such cash repayment. The Purchase Price will not be the subject of a cap/ceiling price. The Company will also have the right (but no obligation) to forego issuing shares in relation to the Investor's request for issuance and instead opt to repay the subscription amount by making a payment to the Investor equal to the market value of the shares that would have otherwise been issued.

The Company made an initial issuance of 580,000 Subscription Shares (Initial Subscription Shares) to the Investor on 16 December 2021, towards the ultimate number of Subscription Shares to be issued. Alternatively, in lieu of applying these shares towards the aggregate number of the Subscription Shares to be issued by the Company, the Investor may make a further payment to the Company equal to the value of these shares determined using the Purchase Price (incorporating a 7.5% discount) at the time of the payment. The fair market value of the Initial Subscription Shares has been offset against any Subscription to be settled.

Under the agreement, the Company issued 337,771 fully paid ordinary shares on 16 December 2021, in satisfaction of a fee payable to the Investor. This amount has been expenses as a finance charge.

The second investment may raise $1.25 million for $1.3375 million worth of Subscription Shares and its funding is expected to occur within the next nine months. The second investment is at the discretion of the Company and will only be completed if the Company exercises its option to do so within four months of the first investment.

A third investment of raising up to $2.5 million may be undertaken by mutual consent of the Investor and the Company. The Company is under no obligation to draw down on this investment and the Investor is under no obligation to provide it.

STRUCTURES AND CAPITAL

7: Related parties

The parent entity of the Group and the ultimate parent entity and controlling party is The Sentient Global Resources Funds (Sentient) which at 31 December 2021 owned 72.71% (2020: 74.91%) of the issued ordinary shares of Iron Road Ltd.

The following transactions occurred with Sentient:

	31 December 2021 $	31 December 2020 $
Proceeds of issue from shares	496,868	8,656,882
Short term finance - loan	-	1,000,000
Short term finance - repayment	(343,118)	(8,656,882)
Director's fees - Glen Chipman April 2018 to December 2020	-	(137,500)

In August 2021 the Group issued 2,311,014 shares to Sentient Global Resources Fund IV to repay the remaining balance of $343,118 in short term loan facility and Director fees relating to the period April 2018 to March 2021 of $153,750, as approved by shareholders at the General Meeting on 24 August 2021 (see Note 8).

At the Company's Annual General Meeting (AGM) held on 24 November 2020 shareholders approved the establishment of a Performance Share Plan and a Share Option Plan, both designed to provide the Company's directors, executives, employees and contractors with an incentive to maximise the return to Shareholders over the long term and to assist in the attraction and retention of key personnel.

Shareholders also approved the issue of the following securities issued to Glen Chipman under the Performance Share Plan at the General Meeting held on 24 August 2021;

Employee Performance Rights granted to Glen Chipman – rights that vest subject to various performance conditions as follows:

KPI	Grant date	Expiry date	Fair value at grant date	Balance at start of period	Granted during the period	Lapsed during the period	Balance at end of period	Vested and exercisable at end of period
31 December 2021								
#1	24 August 2021	31 December 2024	$ 0.161	-	1,080,000	-	1,080,000	1,080,000
#2	24 August 2021	31 December 2024	$ 0.144	-	720,000	(720,000)	-	-
#3	24 August 2021	31 December 2024	$ 0.153	-	450,000	(450,000)	-	-
#4	24 August 2021	31 December 2024	$ 0.153	-	1,800,000	(1,800,000)	-	-
Total				-	4,050,000	(2,970,000)	1,080,000	1,080,000

KPI 1 - IRD share price 1 - VWAP for calendar year 2021 of a minimum 20 cents
KPI 2 - IRD share price 2 - VWAP for July-December 2021 of a minimum 30 cents
KPI 3 - Attract non-grain trade value accretive Cape Hardy port business commitments via respective indicative agreements
KPI 4 - Obtaining initial investment in the Central Eyre Iron Project (CEIP) from a single partner of no less than $50 million in relation to a % interest in the CEIP at an IRD see-through valuation determined substantial and acceptable by the Board of the Company, which amount will be set prior to the date of issue.

The table below outlines the inputs used in Monte Carlo fair valuation of the Employee Performance Rights:

Exercise Price	Nil
Right Life	3.3 years
Underlying Share Price	$0.195
Expected Share Price Volatility	112.65%
Risk Free Interest Rate	0.02%
Weighted Average Fair Value	$0.154
Weighted Average Contractual Life	3.0 years

8: Equity and reserves

SHARE CAPITAL

Share capital	**6-months to 31 December 2021 Shares**	Year to 30 June 2021 Shares	**6-months to 31 December 2021 $**	Year to 30 June 2021 $
Opening balance 1 July	**792,279,280**	693,683,634	**177,406,872**	162,093,715
Shares issued as part of 1 for 7 non-renounceable rights issue	**-**	74,444,467	**-**	10,422,225
Issue of shares in Share placement	**2,311,014**	19,767,444	**496,868**	4,250,000
Issue of shares to consultant as consideration for services	**-**	465,116	**-**	100,000
Issue of shares in Share Purchase Plan (SPP)	**-**	3,918,619	**-**	842,503
Issue of initial placement shares under subscription agreement	**580,000**	-	**113,100**	-
Issue of shares as consideration for fees under subscription agreement	**337,771**	-	**68,000**	-
Cost of issues	**-**	-	**(19,608)**	(301,571)
Closing balance	**795,508,065**	792,279,280	**178,065,232**	177,406,872

In August 2021 the Group issued 2,311,014 shares to Sentient Global Resources Fund IV to repay the remaining balance of $343,118 in short term loan facility and Director fees relating to the period April 2018 to March 2021 of $153,750, as approved by shareholders at the General Meeting on 24 August 2021.

On 16 December 2021 Iron Road announced a placement of ordinary shares in the Company raising up to $5 million for an aggregate subscription of up to $5.175 million. Proceeds from the placement, along with existing cash reserves, are to be used to further advance the Company's assets and fund general working capital requirements. In accordance with the terms of the placement 337,771 shares were issued in satisfaction of a fee payable to the Investor and 580,000 initial shares were issued which may contribute towards the ultimate number of Subscription Shares to be issued (See Note 6).

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 issued and are fully paid.

RESERVES and SHARE-BASED PAYMENTS

Share Based Payment Reserve	**6-months to 31 December 2021 Options & Rights**	Year to 30 June 2021 Options & Rights	**6-months to 31 December 2021 $**	Year to 30 June 2021 $
Opening balance 1 July	58,201,000	-	7,552,526	4,766,758
Past Director Performance Rights granted	-	2,601,000	-	377,145
Future Director Performance Rights granted	-	5,000,000	-	683,500
Employee Performance Rights granted	4,050,000	10,600,000	1,047,779	508,622
Employee Performance Rights lapsed	(10,270,000)	-	(61,040)	-
Share-based payments - employee benefits expense			**986,739**	1,569,267
Cape Hardy Stage I Warrants granted	-	40,000,000	**16,113**	1,216,501
Share-based payments - Cape Hardy Stage I Warrants expense			**16,113**	1,216,501
Closing balance	**51,981,000**	58,201,000	**8,555,378**	7,552,526

The share-based payment reserve is used to recognise the value of options and performance rights granted. Options and Performance rights with vesting conditions are expensed throughout the vesting period and should they fail to vest before the expiry date, no amount is recognised.

During the half-year Share based payments – employee benefits expense included the value of performance rights granted to Non-executive Directors, KMP, employees and consultants of $1,047,779 (2020: $408,374), offset by the reversal of performance rights expense where the performance conditions were not met of $61,040 (2020: Nil).

Share based payments – Cape Hardy Stage I Warrants expense of $16,113 relates to professional services supplied by Macquarie Capital (2020: $711,957).

Of the 51,981,000 options and rights outstanding at 31 December 2021, 4,380,000 Employee Performance Rights (June 2021: Nil) and 7,601,000 Directors Performance Rights (June 2021: 7,601,000) are vested and exercisable.

Share-based compensation benefits are provided to Directors, KMP, employees and consultants through the Iron Road Ltd Performance Share Plan and Share Option Plan.

9: Loss per share

	31 December 2021	31 December 2020
Loss attributable to the members of the group used in calculating loss per share	(2,358,698)	(2,098,042)
Weighted average number of shares used as the denominator in calculating basic and diluted loss per share	793,974,320	699,347,887
Total basic and diluted loss per share attributable to the ordinary equity owners of the company (cents)	(0.30)	(0.30)

There were 51,981,000 warrants and performance rights outstanding at the end of the year (2020: 47,601,000) that have not been considered in calculating diluted loss per share due to their effect being anti-dilutive.

ADDITIONAL INFORMATION

10: 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.

11: 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 2021 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 2021 and any public announcements made by Iron Road Ltd 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.

Going concern

For the half-year ended 31 December 2021 the Group has experienced a loss for the period of $2,358,698 and operating and investing cash outflows of $1,547,842 and $1,155,159 respectively.

The Group currently has no cash generating assets in operation and $3,429,086 of available cash at 31 December 2021. The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due is dependent on the Group being successful in:

- raising further funds through a placement or entitlement offer; and/or
- funding from a project partner.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the directors believe that the Group will be successful in implementing a combination of the above matters and, accordingly, have prepared the financial report on a going concern basis.

If the above matters are not executed successfully, the going concern assumption may not be appropriate and result in the Group having to potentially realise assets and extinguish liabilities at amounts different to those stated in the financial report. No allowance for such circumstances has been made.

12: Dividends

There were no dividends provided for or paid during the half-year ended 31 December 2021.

UNRECOGNISED ITEMS

13: Contingencies

There are no material contingent liabilities or contingent assets of the Group at 31 December 2021.

14: 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 7 to 21 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 2021 and of its performance for the half-year ended on that date; and

b) there are reasonable grounds to believe that Iron Road Ltd 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.

Peter Cassidy
Chairman
Adelaide, South Australia
7 March 2022

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

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Iron Road Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated income statement and statement of comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

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

1. giving a true and fair view of the Group's financial position as at 31 December 2021 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*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor’s responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty relating to going concern

We draw attention to Note 11 in the half-year financial report, which indicates that the Group incurred a net loss of $2,358,698 and negative operating and investing cash flows of $1,547,842 and $1,155,159 respectively during the half-year ended 31 December 2021. The Group currently has no cash generating assets in operation and with $3,429,086 of available cash at balance date requires additional funds as detailed in Note 11, in order to be able to meet its debts as and when they fall due. These conditions, along with other matters set forth in Note 11, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

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Responsibilities of the directors 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 gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2021 and of 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*.

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.

PricewaterhouseCoopers

PricewaterhouseCoopers

M. T. Lojszczyk
Partner

Adelaide
7 March 2022