2013 ANNUAL REPORT

For the year ended 30 June 2013

Iron Road limited

Corporate Directory

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

General Manager
Larry Ingle

Company Secretary
Graham Anderson

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Contents

The financial statements are the consolidated financial statements of the consolidated entity Iron Road Limited and its subsidiaries. The financial statements are presented in Australian dollars.

Iron Road Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is 14 Emerald Terrace, West Perth WA and principal place of business is 30 Currie Street, Adelaide SA.

A description of the nature of Iron Road Limited's operations and its principal activities are included in the review of operations and activities on pages 42 to 43 and in the directors' report on pages 26 to 40 both of which are not part of the financial statements.

The financial statements were authorised for issue by the directors on 25 September 2013. The directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Shareholder's centre on our website: **www.ironroadlimited.com.au**

Chairman's Letter

Dear Shareholder,

It is with pleasure I present to you the Annual Report for the year ended 30 June 2013, on behalf of the Board of Iron Road Limited. The past year has seen a series of important milestones reached by the company, as we move towards bringing our flagship Central Eyre Iron Project (or CEIP) into production on the South Australian Eyre Peninsula. Notably, we have also made a number of advances in the expected life of the project, together with enhancements in the processing route which are expected to decrease our production costs and increase the attractiveness of our product. This will have positive implications for CEIP's position financially, when compared to other iron ore producers. In all, CEIP is now a larger, longer life project than contemplated under our initial prefeasibility just two years ago.

In one of the most noteworthy decisions of the year and after careful consideration of the available options on the Eyre Peninsula, Iron Road moved to acquire sufficient land at Cape Hardy to support a deep water, 30 million tonnes per annum (Mtpa) bulk export facility, in order to provide a necessary export solution for the CEIP. Principally, by advancing our own Port development, with room for potential third parties, we are ensuring that the timely development of one of the key components for a successful CEIP is in our hands.

This decision was vindicated with another port proponent on the Eyre Peninsula recently announcing their project would take at least a further one to two years to develop to the same stage CEIP reached in mid-2011. Coupled with the port at Cape Hardy will be an infrastructure corridor, by which the mine and port will be linked by a modern heavy haul rail system, alongside other necessary infrastructure.

Most significantly, the integrated infrastructure component of the CEIP, namely the port, rail line and associated pipeline and power line have now been declared a Major Development by the South Australian State Government. This declaration is meaningful, as it both recognises the importance of our project to the State of South Australia and ensures that approvals for the project will be considered through one centralised process, rather than across various local governments or state departments. We look forward to working with the State Government, local community and other key stakeholders to progress the important approvals process in a timely manner.

In seeking approval for the CEIP, we must acknowledge both the benefits and the interruptions our project will bring to the local communities on the Eyre Peninsula. We predict that the project will employ on a long term basis around 650 employees during operations over the project life. Equally, during construction our project will have an impact on the communities, including some directly affected land holders. Iron Road is working to minimise these impacts and maximise the benefits the project can bring, whilst seeking to have open and accountable relationships.

During the year we also saw further increases to the resources at CEIP, which now stand at 3.7 billion tonnes of magnetite gneiss, at an average grade of 16% iron. This now places our project as the largest Measured + Indicated magnetite resource in Australia and one of the top 20 projects globally. Crucially, our magnetite mineralisation is one of the easiest to process in the country, with significantly less grinding required than other large scale projects in Australia. A lower grinding requirement equates to less power usage and lower operating costs.

We do not expect our resources to end there. Further review of the CEIP ore body, coupled with the knowledge gained from over 110,000 metres of drilling during the past five years, has lead us to conclude that the exploration potential at CEIP now lies between 8 billion to 17 billion tonnes (at 14-20% iron) over and above the 3.7 Bt already in Resources. By any measure this is a prodigious potential and gives us the confidence to comfortably declare that the CEIP should be in production for well over 30 years, and potentially much more.

On the engineering front we saw some significant innovation through the introduction of a gravity separation circuit to our proposed processing method for CEIP. This simple one stage addition of 'off the shelf' technology should see our power costs reduced, whilst also improving the quality of the final product produced.

All of these events build towards one current overriding objective for the company – the completion of our Definitive Feasibility Study (DFS) for the CEIP. Significant progress on the study has been made and we expect to have the final estimates complete at the end of 2013. The work of over 300 professional contributors is now drawing to a close. This will be a very significant milestone in the development of our company, and we look forward to it with anticipation.

We expect our operating costs coming from the DFS to fall around the middle of the world cost curve, especially when taking into account our pricing advantage in comparison to other Australian producers with lesser quality products.

Completion of the DFS will also flow into the culmination of our discussions with potential partners for the Project. As the largest active resources development in the State of South Australia and a significant global iron ore project in its own right, our prospective partners for CEIP demand a high degree of thoroughness and accuracy in our project planning, studies and assumptions. This is, as you would expect, from parties entering into a potential multi-billion dollar development partnership. The DFS has been designed from the beginning to deliver this necessary level of rigour for our prospective global partners.

I am also pleased to have seen the iron ore price during the year maintain a relatively consistent level, well in excess of our long term pricing assumptions for iron ore. The continuing robust outlook for iron ore demand, particularly as the world economy continues to recover from the 2008 global recession, will strengthen the economics of our project. A high quality product such as that envisaged from the CEIP will only become more attractive as the average quality of iron ore reduces over time as current high grade sources of world production deplete. CEIP product will retain the same high quality throughout its life.

To sustain our drive towards conclusion of the DFS we have conducted two capital raisings since the year ended 30 June 2012 – Rights Issues to raise $38.5 million and $50.7 million (after costs). These funds have mostly been invested into the completion of our DFS, acquisition of strategic property and associated resource drilling. The DFS is a very significant endeavour, and we are now fully funded to its successful conclusion.

Alongside our efforts on the CEIP, we also invested in a drilling programme and a scoping stage study at our smaller Gawler Iron Project. Gawler has the potential to establish shorter term production and sustaining cash flows for Iron Road, with lower capital outlay.

Since joining the Board in October 2012, I can say it has been a time of significant progress for Iron Road towards our vision of becoming a trusted and reliable supplier of premium iron concentrates to the Asian marketplace. Joining me on the Board this year was also Mr Leigh Hall AM, whilst one of our founding directors, Mr Mathew Keegan, departed with our warm wishes.

On behalf of the Board of Iron Road, I thank our dedicated staff, partners and service providers for their efforts during the year as well as our loyal shareholders for their support. I look forward to a significant year ahead as we continue to move ever closer to achieving our vision.

Cassidy

Peter Cassidy
Non-Executive Chairman

Managing Director's Report

"Iron Road Limited has made significant steps on its path to advance from project developer to an iron ore producer and exporter of high quality concentrates."

Mr Andrew Stocks,
Managing Director Iron Road Limited

This year has seen significant progress at both our flagship Central Iron Project (CEIP) and the smaller Gawler Iron Project (GIP).

At CEIP, located on the Eyre Peninsula of South Australia, the Definitive Feasibility Study (DFS) has progressed to within sight of completion.

The DFS is progressing at an accelerated pace as a result of funding obtained through an entitlement offer of $50.7 million (after costs) in July 2013. Of these funds, $31 million has been allocated to further studies in the areas of ore processing, environmental studies, regulations and approvals and infrastructure. This has facilitated the need for additional staff and the Adelaide office now employs 30 staff working alongside 40 specialist engineering consultants.

Coupled with further studies has been substantial drilling activity in the Warramboo area of the CEIP. In May 2013, the company announced an upgrade of the Mineral Resource, increasing to 3.7 billion tonnes at 16% iron[1]. Importantly, the Measured and highest confidence level part of the resource makes up 2.2 billion tonnes or 60% of the overall mineral resource. The CEIP now has the largest Measured + Indicated magnetite resource in Australia and ranks in the top 20 of magnetite projects globally.

Iron Road also displayed its commitment to the CEIP and the Eyre Peninsula region with the purchase of approximately 1,100 hectares of land at Cape Hardy. This location for a port offers sheltered deep water with no dredging or breakwater required and will be the first Capesize port in South Australia.

With the CEIP DFS progressing on schedule, Iron Road has also committed to further scoping activities and studies at the Gawler Iron Project (GIP), 200 kilometres south west of Coober Pedy. GIP is of much smaller scale and is nearby to existing infrastructure. This year further drilling and scoping activities have been undertaken with pleasing progress being accomplished.

The year ahead should see the finalisation of the CEIP DFS with significant findings in ore processing, preferred rail and infrastructure corridors, and concentrate export facilities. With a successful outcome on securing a partner, 2014 is likely to see Iron Road move from an iron ore explorer to the developer of Australia's largest magnetite resource.

[1] **Refer to Mineral Resource Estimates table at Appendix 1 and Competent Persons Statement at Appendix 2.**

Central Eyre Iron Project (CEIP)

- Significant global Mineral Resource increase for CEIP, increasing by 71% to 3.7Bt magnetite gneiss at a grade of 16% iron[2]. Additional project potential also increased to between 8 - 17 billion tonnes magnetite gneiss at a grade of 14-20% iron[3].
- CEIP is the largest Measured + Indicated magnetite resource in Australia and ranks within the top 20 magnetite projects globally by tonnage.
- Definitive Feasibility Study (DFS) continues to progress well and on schedule in all areas – including mine site, infrastructure and port.
- DFS studies identified that the addition of a gravity beneficiation circuit following the grinding stage in the process plant design is expected to result in lower power use, potentially smaller ball mills and a more attractive concentrate product.
- Test work confirms positive attributes during both mineral processing and steel making, with positive implications for both costs and concentrate pricing.
- Community Engagement initiatives intensified pace and are well established across the project scope.
- Major Development Status declared by the South Australian Government for the infrastructure component of CEIP, comprising the port and infrastructure corridor.

Gawler Iron Project (GIP)

- The Stage III drilling programme of 21 holes was completed and assays received.
- Scoping study underway evaluating the feasibility of an iron ore operation producing 1-2 million tonnes of high quality iron concentrates per annum.

Corporate

- The Iron Road Board and executive team was strengthened in preparation for the next stages of development. Mr Peter Cassidy was appointed to be the Chair of the Board and Mr Leigh Hall AM as a Non-Executive Director.
- Two fully underwritten capital raisings were completed. Funds are being used to complete the CEIP definitive feasibility and infrastructure studies, as well as enabling Iron Road to continue strategic acquisitions of property. GIP has also been provided funding beyond completion of the current scoping study.

[2] Refer to Mineral Resource Estimates table at Appendix 1 and Competent Persons Statement at Appendix 2.

[3] It is common practice for a company to comment on and discuss its exploration in terms of target size, grade and type. The potential quantity and grade of an exploration target is conceptual in nature since there has been insufficient work completed to define the prospects as anything beyond exploration target. It is uncertain if further exploration will result in the determination of a Mineral Resource, in cases other than the Boo-Loo and Murphy South/Rob Roy prospect.

Figure 2: Location of CEIP, highlighting mine site, infrastructure corridor and proposed port precinct

South Australia – Central Eyre Iron Project

The Central Eyre Iron Project (CEIP) is located on the Eyre Peninsula of South Australia approximately 30 kilometres southeast of the regional centre of Wudinna (Figure 2). Project studies incorporate mining and ore processing, as well as rail and concentrate export facilities. Concentrate is being marketed as a 67% iron, high quality blending feedstock to the international sinter market, which feeds the majority of blast furnaces.

Iron Road Limited has made significant steps on its path to advance from project developer to an iron ore producer and exporter of high quality concentrates. The CEIP is being studied for an operating life of 20 years, with potential well beyond 30 years. The defined Mineral Resources at Warramboo contain continuous and consistent mineralisation over more than 6 kilometres of strike and are amenable to large scale, conventional open pit extraction methods.

The Murphy South - Rob Roy prospect area at Warramboo was remodelled incorporating new drilling results and global Mineral Resources at the CEIP were upgraded to 3.7 billion tonnes magnetite gneiss at 16% iron[4].

CEIP Resource Expansion

The Mineral Resources were expanded considerably at the CEIP, increasing from 2.1 billion tonnes to 3.7 billion tonnes at a grade of 16% iron[1]. The global mineral resource of 3.7 billion tonnes includes the Murphy South, Rob Roy and Boo-Loo prospects, collectively known as the Warramboo Project Area (Figure 3).

The Measured and highest confidence level portion of the resource now makes up 2.2 billion tonnes or 60% of the overall Mineral Resource estimate.

Drill holes used in the mineral resource estimate are shown in Figure 4 and the resulting solids model in Figures 4 and 5.

Mineral Resource highlights

The Global Mineral Resource for CEIP increased by 71% to 3.7Bt at a grade of 16% iron at Warramboo (Table 1). The Mineral Resource contains 2.7Bt in the Measured and Indicated categories at a grade of 15.7% iron, which is eligible for conversion to a Mining Reserve (Table 1 and Figure 6).

CEIP has the largest Measured + Indicated magnetite resource in Australia – whilst test work also indicates the project is one of the easiest to process with significantly less grinding required than other large scale projects.

Globally, the project now ranks in the top 20 of magnetite projects alongside producing projects from Russia and the Ukraine, together with advanced development projects in Canada.

The upgrade demonstrates the potential for a long mine life that is expected to impact positively on discussions with development and financing partners, whilst also enhancing the potential returns from the associated rail and port infrastructure.

[4]Refer to Mineral Resource Estimates table at Appendix 1 and Competent Persons Statement at Appendix 2.

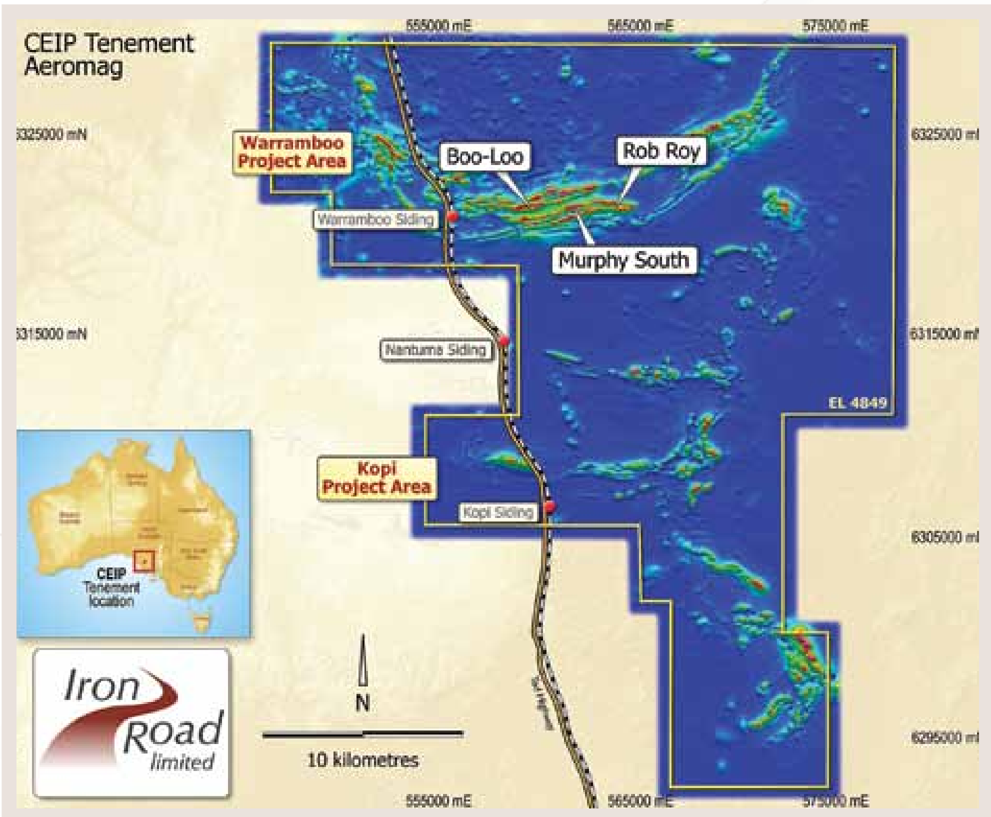


Figure 3: CEIP tenement highlighting the Murphy South, Rob Roy and Boo-Loo prospects of the Warramboo Project Area

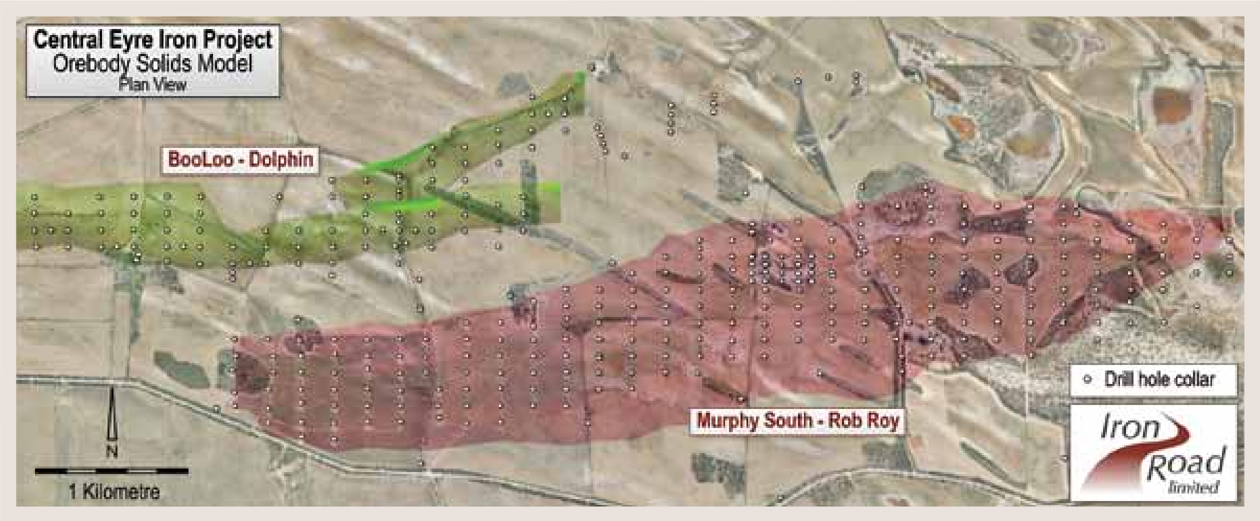


Figure 4: Drill hole locations at Warramboo, Central Eyre Iron Project superimposed on the solids model

Figure 5: Cross section through Murphy South-Rob Roy and Boo-Loo-Dolphin solids model of the CEIP

Table 1	CEIP Global Mineral Resource					
Location	**Classification**	**Tonnes (Mt)**	**Fe (%)**	**SiO_2 (%)**	**Al_2O_3 (%)**	**P (%)**
	Measured	2,222	15.69	53.70	12.84	0.08
Murphy	Indicated	474	15.6	53.7	12.8	0.08
South/Rob Roy	Inferred	667	16	53	12	0.08
Boo-Loo	Inferred	328	17	52	12	0.09
Total		3,691	16	53	13	0.08

CEIP Indicative Concentrate Specification – 106 micron (p80)				
Iron (Fe)	**Silica (SiO_2)**	**Alumina (Al_2O_3)**	**Phosphorous (P)**	**Loss on ignition (LOI)**
67%	3.3%	1.9%	0.005%	-2.4%

The updated Mineral Resource estimate for the Murphy South – Rob Roy prospect was completed by Heather Pearce following the guidelines of the JORC Code (2004) and peer reviewed by Xstract personnel including Dr Isobel Clark, Kevin Lowe and Michelle Smith. The Mineral Resource Estimate for Boo-Loo was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd

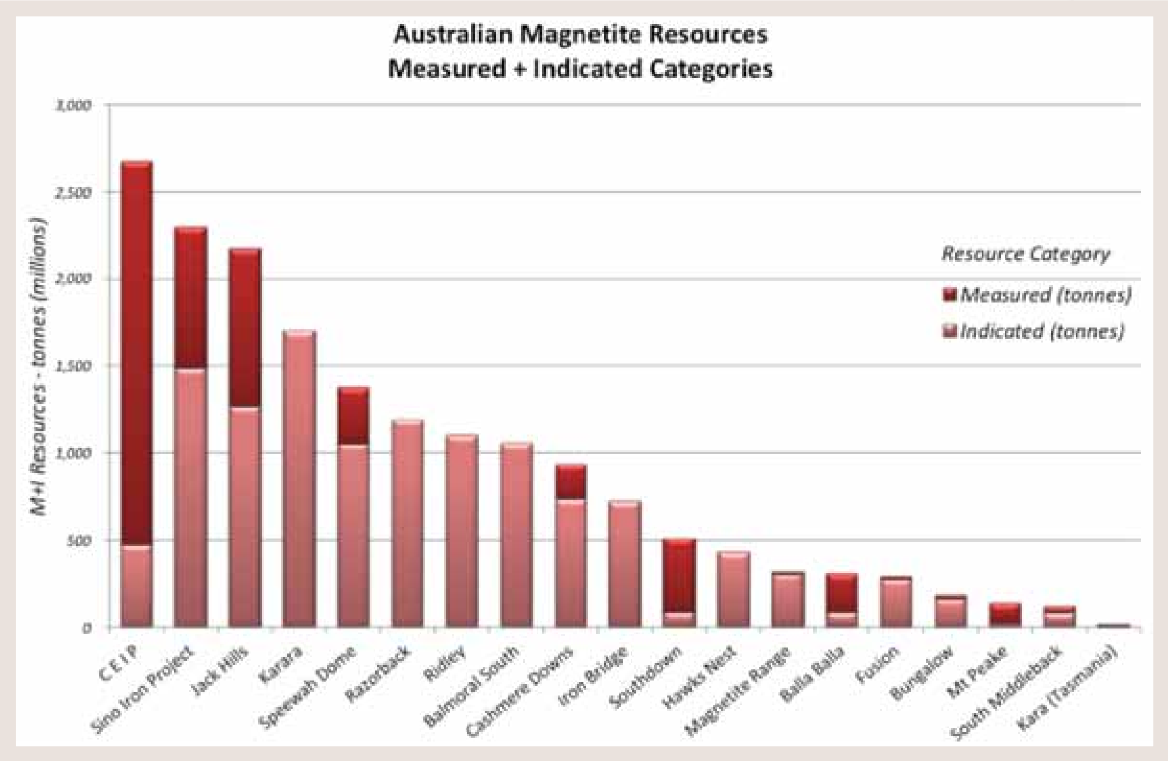


Figure 6: Australian Magnetite Resources detailing categories. Source: Public company reports

Results from drilling at Stage VIII Murphy South suggest flattening of the mineralisation, presenting opportunity for future resource expansion at Murphy South (Figure 7).

In addition to the increase in resources, Iron Road also released the results of a review of the potential in areas beyond the existing resource base for iron mineralisation at CEIP. The review identified a conceptual exploration potential of 8 to 17 billion tonnes of magnetite gneiss in the range of 14% to 20% iron[5]. This is in addition to the existing mineral resource estimate of 3.7 Billion tonnes at 16% iron[6].

Definitive Feasibility Study (DFS)

The DFS is studying the viability of establishing an integrated iron concentrate export business on the Eyre Peninsula of South Australia. Major components include large scale open pit mining, ore beneficiation on site, standard gauge heavy haul rail, a deep-water port and ancillary works.

Open pit optimisation and mine planning is progressing well following the completion of the upgraded Mineral Resource estimate. Ore treatment by conventional crushing, milling and magnetic separation is being planned to deliver high quality concentrate containing 67% iron at a relatively coarse size distribution of -106μm, or 150 mesh (80% passing; P80). Fine and coarse tailings will be distributed into a storage facility at the mine site via conventional slurry spigotting and beaching and into bulk storage respectively.

Planning is underway to construct a heavy haul, standard gauge rail line between the mine and port sites. The rail line may potentially be expanded to connect with the existing national standard gauge rail network, extending port access for the large Capesize vessels to approximately 25% of Australia's land mass.

Iron Road acquired 1,100 hectares of land at Cape Hardy for a Capesize port facility as part of its integrated export solution for the CEIP iron concentrate. The port is planned to have an initial capacity of 30Mtpa, with 10Mtpa of the capacity potentially available to third parties. The site has relatively benign weather all year round, with no seasonal cyclonic activity to hinder operations.

Studies are continuing for the delivery of power and water to the sites. A water treatment and storage facility at the mine site is being investigated to supply fresh water for concentrate washing as well as potable water for construction and operational uses. The majority of water used in the project will be untreated seawater.

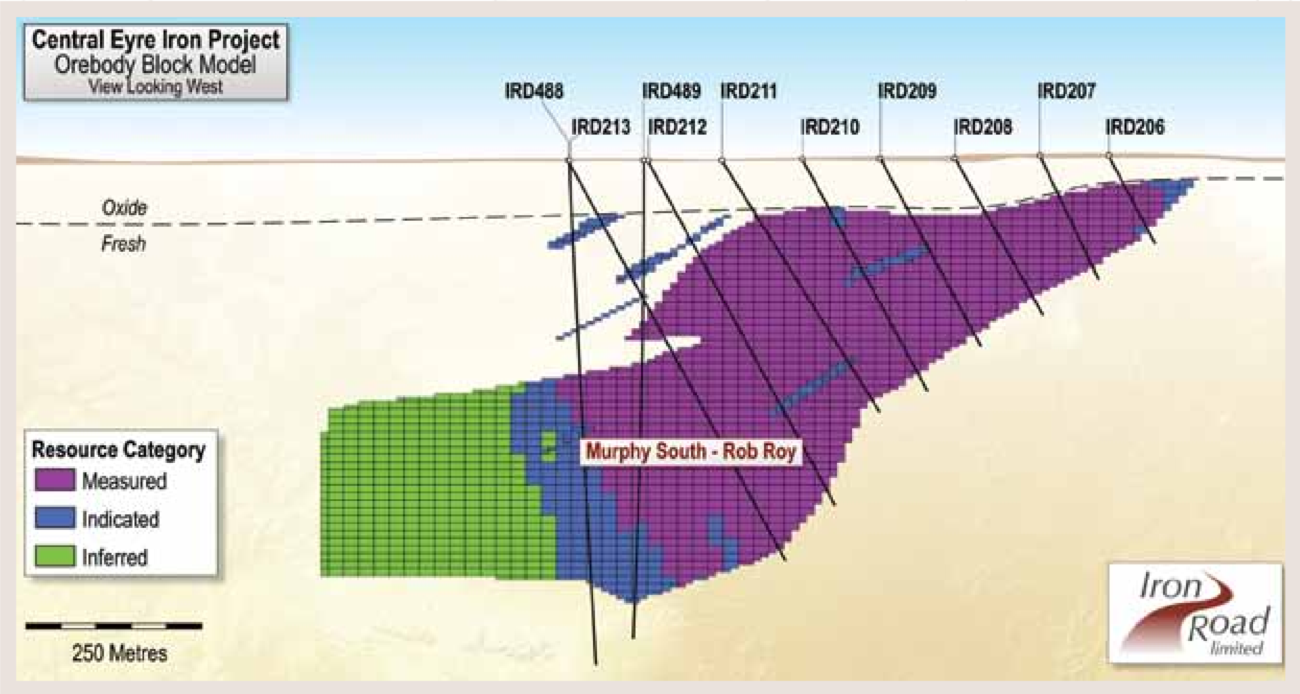


Figure 7: Cross section through the Murphy South - Rob Roy area of the Warramboo Resource block model

[5]The information in this report relating to exploration targets should not be misconstrued as an estimate of Mineral Resources of Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade of an exploration target is conceptual in nature since there has been insufficient work completed to define the prospects as anything beyond exploration target. It is uncertain if further exploration will result in the determination of a Mineral Resource, in cases other than the Boo-Loo and Murphy South/Rob Roy prospects.

[6]Refer to Mineral Resource Estimates table at Appendix 1 and Competent Persons Statement at Appendix 2.

Figure 8: Iron Road's core preparation facility at Kyancutta

Environmental impact and benefit assessments are progressing well in the areas of air (including dust), water (ground, surface and marine), flora and fauna. Preparations are underway for studies in the areas of social, transport, noise and tailings assessments, as these will be a focus in the first quarter of the new financial year.

Mine, Processing Plant and Associated Infrastructure

Coffey Mining is conducting the open pit optimisation and mine planning following the close-out of the Murphy South – Rob Roy drilling programme and upgraded mineral resource estimate. This planning exercise results in pit designs for the Murphy South and Boo-Loo resources, generating indicative life of mine production schedules, together with improved confidence in site layouts and infrastructure configuration. Progressive mine production schedules, generated during the course of feasibility studies, will be used to refine mining cost models and mining equipment requirements.

Pit optimisation and planning utilises recent open pit geotechnical analysis and assessment. The geotechnical database is extensive, totalling 338 diamond core holes that have been geotechnically assessed, including 295 angled holes that provide defect orientation data. In addition to the primary acquisition of rock defect data, geotechnical investigations over recent months include compressive and shear strength test work, rock-fall analysis and rock-mass and structural stability analysis.

SKM commenced the second phase of hydrogeological investigation and assessment, building on findings from the initial investigations completed in 2012.

Earlier investigations considered the broader characterisation of the ground water regime, along with a conceptual understanding of potential influences of likely mining activities on the groundwater system. The first programme included installation of eight long-term monitoring bores suitable for detecting changes to groundwater levels and quality as the CEIP progresses from exploration through to operation. The second phase of investigation includes additional test bores and pumping test work. Hydrogeological studies will specifically quantify the likely dewatering requirements and consider dewatering infrastructure associated with open pit mining and other activities and assessment of potential influences on the groundwater in the vicinity of the open pit.

A preliminary study into the tailings storage facility (TSF) was completed in 2012 and has subsequently been the subject of intense internal and external review. The final stage of the tailings study commenced in June 2013 and is being conducted ATC Williams Pty Ltd, an Australian engineering

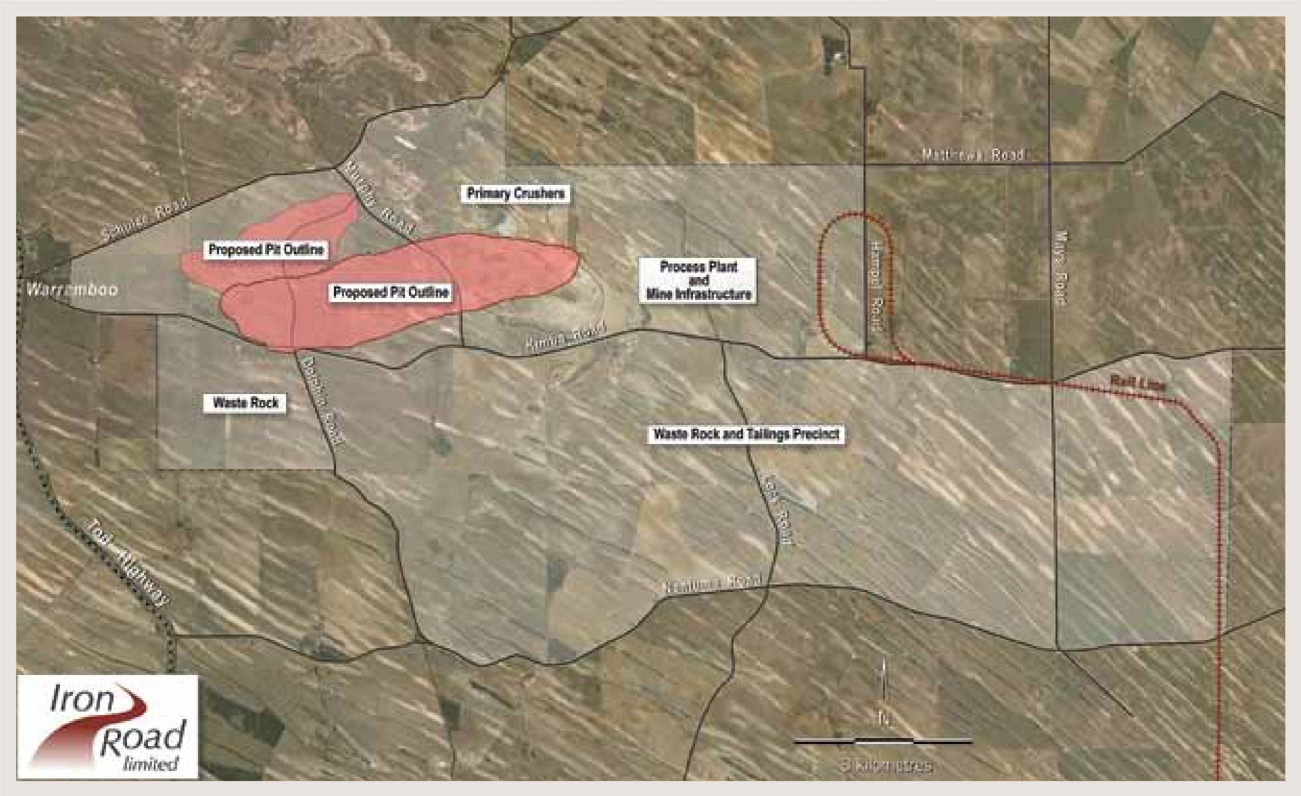


Figure 9: Area of proposed mine footprint, at August 2013

consultancy with international experience in the areas of mine tailings storage and management. Investigations are analysing and assessing TSF design proposals, providing robust and safe disposal of tailings over the life of mine, a suitable closure time-frame and long-term arrangements for site rehabilitation.

Infrastructure studies are well advanced and design and engineering has ramped-up smoothly. Investigations and study of concentrate delivery facilities also continued, with the basis of design established for the following facilities.

- Port marine – design development of tug harbour, wharf and jetty arrangements and module offloading facilities (Figure 10), including confirmation of the general arrangement of facilities.
- Port infrastructure – optimisation of cut and fill, building layout and configuration, drainage design and improved alignment of access roads.
- Materials handling – design development including confirmation of stockyard machines and length of stockpile, conveyors alignment and profiles, rail car dumper and dust controls.
- Rail system – simulation of the network was completed based on steady state production of concentrate.

Studies of seawater supply to the ore processing facilities, treatment of sea water to provide desalinated water for concentrate washing, as well as for the construction camp and operations village have commenced.

Tenova Projects has made significant progress through the preliminary engineering of the process plant and associated facilities. Sizing and budget costing of all major equipment in the current layout has been completed and costs estimates are well underway.

Recently completed modelling, based on data derived from microscopic analysis of the ore body, has indicated that potential benefits may be gained from a gravity circuit in the milling area scalping off a high grade, coarser concentrate. This is expected to yield further early rejection of tailings with an overall saving in milling power and reduction in the number of operating units required in the screening and cleaner magnetic separation circuits, as less material is required to pass through. The overall outcome is a reduction in consumed power as well as a potential reduction in both capital and operating costs. The gravity test work campaign is due for completion in the December 2013 quarter and will quantify the benefits and provide information for the design basis of the circuit.

Figure 10: Current port layout at Cape Hardy including tug harbour and module offloading facilities (MOF).

Metallurgical Test Work

AMDEL-BV, a leading mineral testing service provider, is conducting metallurgical investigation of core intersections from mineralised zones likely to be mined early in the mine life. Testing has advanced to completion of the pilot milling campaign on a bulk sample, generating a 'rougher' concentrate sample that in turn underwent further confirmatory classification test work in the USA. The products of this screening investigation are being used for the gravity recovery test work and a cleaner magnetic separation pilot trial. This definitive test work programme will confirm process design criteria for improved iron recovery and product coarseness as well as generate additional concentrate for marketing purposes.

A programme of metallurgical Davis tube recovery tests (MDTR), at the target grind size of the process plant (106μm), were conducted in parallel with *geological* Davis tube recovery tests (GDTR) on the same core intervals. The GDTR tests are conducted at a finer grind size, and provide a much swifter procedure for magnetite recovery determination compared to conventional metallurgical test work. More than 5000 GDTR tests have been conducted to date across the CEIP. The results from both DTR test data sets were analysed statistically and demonstrated a strong, positive, linear relationship between the MDTR and GDTR recoveries (R^2 = 0.95, Figure 11). This outcome permits the GDTR tests results to be applied to the prediction of metallurgical recovery of mineralisation across the mining zones, enabling Iron Road to avoid the costly requirement to run additional MDTR tests.

The Davis tube recovery test apparatus containing a CEIP magnetite sample during testing is shown in Figure 12. The black accumulation in the glass tube in the middle of the image is the magnetite concentrate being held in the Davis tube magnetic field while the gangue minerals are washed clear through to the discharge stream.

Bulk composite material, obtained from large diameter PQ cores, was subjected to high pressure rolls crushing (HPRC) and wet screening to the target rougher magnetic separation (RMS) feed size. RMS testing of the bulk sample was conducted in wet conditions to reflect plant operation and an expected small increase in the efficiency of fine particle separation was realised. A 100 kilogram portion of the RMS concentrate was subsequently milled and put through cleaner magnetic separation (CMS) to generate final concentrate and tailings samples for further test work to confirm tailings

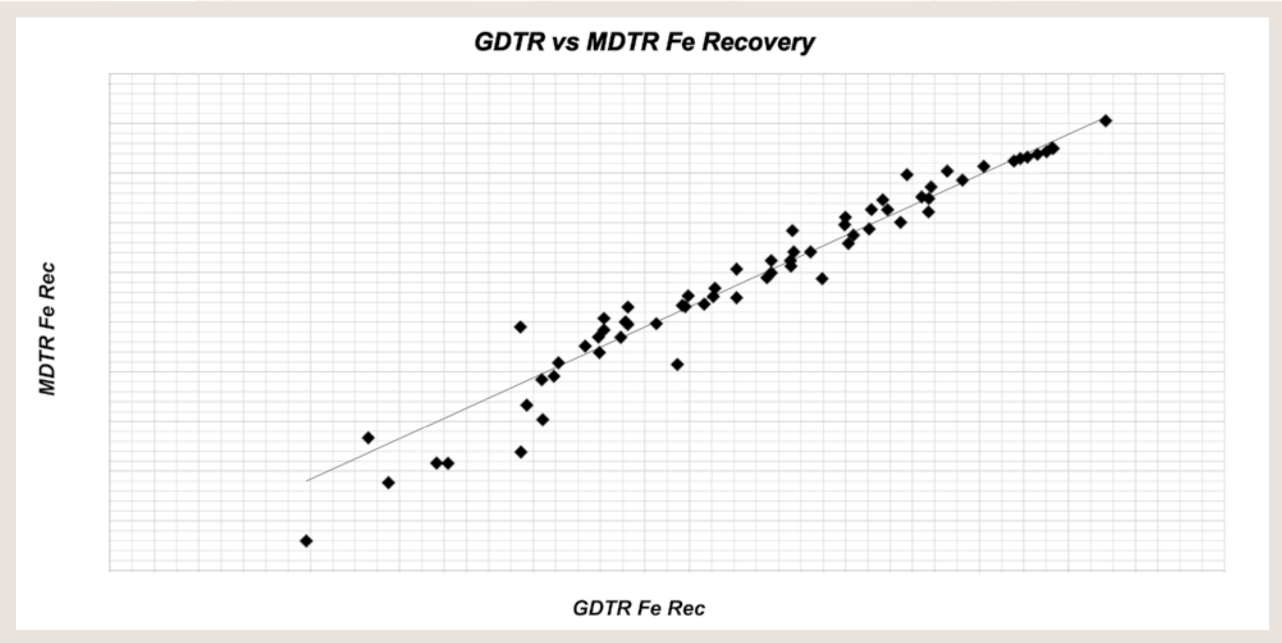


Figure 11: The strong linear relationship between geological and metallurgical DTR iron recoveries is clear.

properties and mass recovery in this section of the flowsheet. Figure 13 shows the CMS concentrate and tailings (unfiltered). The pilot milling circuit used for the test work is shown at Figure 14.

Ancillary works

Construction Aggregates.

Preliminary investigations into the supply of construction aggregates, including concrete aggregate, rail ballast and foundation stone have been completed. These investigations included a broad assessment of external quarry sites along with the suitability of rock expected to be generated during early mining and construction activities. Preliminary aggregate test work, on drilling cores from both the Cape Hardy port site and from the CEIP mine site has been conducted with encouraging results. Sourcing of aggregate materials from early CEIP activities offers attractive project synergies and further investigations into aggregate supply will prioritise the suitability and availability of internally sourced materials.

Construction Camp

Following on from work completed by GHD, Iron Road is currently preparing enquiries to be issued to accommodation camp providers/operators to obtain costings. Final sizing of camp accommodation will be determined during the current phase of engineering after confirmation of construction manning and schedule with completion of the project execution plan.

Operations Village

Consultation with Wudinna District Council continued with respect to community impacts and opportunities in relation to the size and location of operational accommodation in the town of Wudinna. Iron Road is currently preparing enquiries to be issued to accommodation camp provider/operators to obtain DFS costing. Final sizing of the operations village will be determined during the current phase of the DFS engineering after confirmation of operational manning with completion of the project operational readiness report.

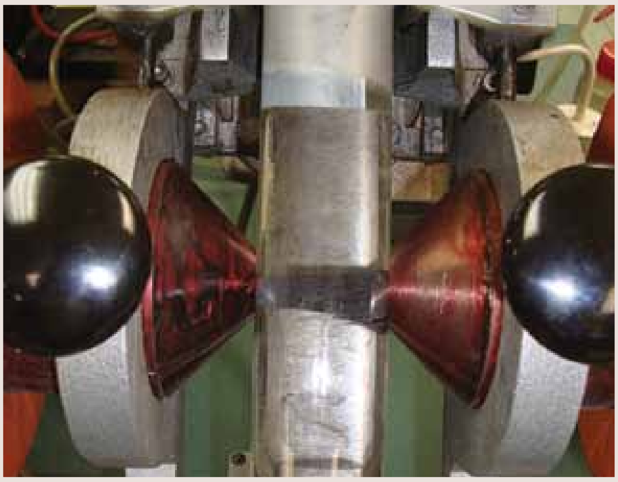


Figure 12: Davis Tube Recovery Test apparatus. Magnetite concentrate is suspended between the two magnetic poles.

Figure 13: Final concentrate (left) and cleaner magnetic separation tails (right)

Figure 14: Pilot milling circuit in operation at Amdel. The mill is located within the yellow guarding in centre right of the picture.

Airport Upgrade

Iron Road is providing funding to Wudinna District Council for the purpose of preparing the study for the upgrade of Wudinna airport to service the construction and operational requirements of the CEIP.

Construction Water

Studies are continuing into the supply of water prior to commissioning of the seawater pipeline for the construction phase of the project. Water demand for each project area is being collated to determine the total construction water requirement. Sources of potable and non-potable water have been identified and are currently under investigation.

Fuel Supply

British Petroleum (BP) has provided costings for the supply and transportation of fuel to Cape Hardy (rail operations) and Warramboo (mine operations). Detailed drawings of the tank farm and fuel handling equipment are complete.

Modularisation

The process plant design and layout together with favourable transport corridors and options has enabled the opportunity to consider and include the benefits of modularisation in the project delivery of the CEIP. Initial reviews of transportation options and routes have been carried out and the proposed module envelope will be defined in the near future.

Discussions have been held with engineering design service providers regarding the modularisation of plant and infrastructure components. The design parameters will maximise modularisation benefits for the CEIP. Global heavy lifting engineering company Sarens NV of Autoweg, Belgium has completed a feasibility route study confirming the viability of transporting pre-assembled modules from the Cape Hardy port to the Warramboo mine site.

NMA Maritime & Offshore Contractors BV and COSCO Heavy Transport of Rotterdam, the Netherlands have reviewed the design of the module unloading facility and their recommendations have been incorporated into the Cape Hardy port design.

The modularisation study within the current phase of engineering includes:

- Review and selection of pre-assembly yards in Asia;
- Enquiries with and review of heavy lift shipping companies;
- Determination of size , mass and number of pre-assembled modules;
- Determination of land transport and heavy lift requirements; and
- Determination of DAFF Bio-Security and Customs requirements for importation of pre-assembled modules.

Operational Readiness and Project Execution

Development of the Operational Readiness plan and the Project Execution plan for the CEIP has commenced.

Iron Ore Marketing

Iron Road marketing and senior staff continue to visit the Chinese steel market and receive strong expressions of interest in the CEIP as a future provider of iron concentrate. The possibility of Iron Road providing the market with earlier iron concentrate from the Gawler Iron Project (GIP) has also been well received.

Iron Road has significantly increased marketing related visits to Chinese steel mills as it approaches completion of its DFS.

The China Iron & Steel Research Institute Group (CISRI), based in Beijing (Figure 15), completed an extensive suite of test work on an 840 kilogram bulk sample of typical CEIP iron concentrate. The test work programme was designed to establish the sintering performance of the concentrate across potential uses in the Chinese steel industry and to test the pelletising characteristics of the concentrate in a typical Chinese pelletising environment. Exceptional results from the test programme verify that the CEIP concentrate performs well in both sintering and pelletising applications.

Sintering tests confirm that CEIP concentrate may be readily substituted for Brazilian and Pilbara fines as well as Chinese domestic concentrates. In replacing Pilbara fines, CEIP concentrate lowers the fuel level required for sintering, contributing to cost savings in the sintering process. Pelletising test results show that CEIP concentrate was an amenable substitute for domestic Chinese concentrates in forming pellets, demonstrating added product versatility. In all, the results further endorse the attractiveness of CEIP concentrate to the Chinese steel industry and will enhance ongoing marketing and partnership initiatives as the CEIP definitive feasibility study continues.

Testing Overview

The test work commissioned by Iron Road was designed to first and foremost examine the performance of the expected 67% iron (-106 micron p80) CEIP magnetite concentrate as a substitute for either Brazilian or Pilbara fines in typical sinter plant blends for coastal and southern Chinese plants. Additional tests where CEIP concentrate was substituted for high grade Chinese domestic concentrates in blends commonly used at inland and northern Chinese sinter plants were also performed. An alternate testing stream examined the viability of CEIP concentrate in pellet plants in ratios ranging from 10-100%, without further grinding.

Positive results were achieved in each series of tests, validating the use of CEIP concentrate as a value enhancing feedstock in sinter plants or as an amenable substitute in pellet plants. Results were particularly encouraging when replacing Pilbara fines in typical blends used in coastal and southern Chinese operations, with the higher iron content and low impurities of CEIP concentrate leading to lower solid fuel use and improved plant productivity for steel mills.

The positive outcomes, for both sintering and pelletising, are seen by Iron Road as verification of the ready acceptance that CEIP concentrate should receive, particularly in the Chinese market and the likelihood of realising a predicted quality differential averaging approximately 14% over Pilbara fines reference pricing.

Importantly these tests, which replicate commercial scale sintering and pelletising, were conducted in China by a well-recognised steel institute, according to national Chinese standards and with familiarity of the latest steel making operating practices.

Sintering Results

CISRI tests on the sintering plant characteristics of CEIP concentrate examined three broad scenarios:

- **Replacing Brazilian fines** in varying amounts for a typical sinter plant feed mix for a southern or coastal Chinese mill;
- **Replacing Pilbara fines** in varying amounts for a typical sinter plant feed mix for a southern or coastal Chinese mill; and
- **Replacing high grade domestic Chinese concentrate** in varying amounts for a typical sinter plant feed mix for a northern or inland Chinese mill.

Each scenario returned overall positive results for the use of CEIP concentrate in typical Chinese mill feeds. When replacing *Brazilian fines*, results show a decrease in the solid fuel requirement for sintering and similar productivity for mill operations. Softening and melting properties of the resulting sinter were improved with the use of CEIP concentrate.

Results when replacing *Pilbara fines* showed the best returns for potential Chinese customers with reduced solid fuel use per tonne of sinter produced. Moreover, greater productivity is achievable as a result of being able to load more feed into the same sintering pellet. Softening and melting properties of the resulting sinter were again improved with the use of CEIP concentrate.

Results when replacing *high grade domestic Chinese concentrate* were consistent, with sintering performance of the CEIP concentrate being nearly identical to high grade Chinese concentrate, demonstrating the similarity of the two products.

All results pointed to CEIP concentrate having beneficial characteristics compared to competitive iron products, with particular advantages when substituting for Pilbara fines products.

Pelletising Results

Whilst the CEIP concentrate product has been expressly designed and targeted for use in sinter plants, Iron Road also commissioned CISRI to examine the performance of the concentrate as pellet plant feedstock.

CISRI examined:

- Substituting between 10% to 30% of the usual high quality Chinese magnetite concentrate for CEIP concentrate; and
- Creating a pellet product completely from CEIP concentrate (ie. 100% CEIP).

When substituting CEIP concentrate for between 10-30% of Chinese concentrate, pellets were readily produced with similar performance characteristics and firing temperatures to pellets produced using 100% Chinese product. When using 100% CEIP concentrate for pellet feedstock, resulting pellets more than satisfied all minimum criteria, producing a competent pellet with a mildly increased firing temperature and an increase in the usage of bentonite (binder).

Figure 15: China Iron & Steel Research Institute Group (CISRI), Beijing

Summary

The flexibility of the CEIP concentrate to be readily usable as a feedstock in either sintering or pellet plant operations is expected to increase the attractiveness of the product to the larger Chinese steel makers, which operate both sintering and pellet plant facilities.

Unlike most Australian magnetite operations, Iron Road has chosen to target the much larger sinter feed market, rather than relying on the requirement for pellet plants. This strategy is possible due to the unusual nature of the iron gneiss at the CEIP, with a coarse grained concentrate readily able to be produced, similar to the high grade domestic Chinese concentrates.

Iron Road representatives have continued to undertake regular marketing visits to North Asia with a view to developing the basis of future product off-take arrangements.

Community Engagement

Community and stakeholder engagement has continued as a focus for Iron Road during the year. The community team was further strengthened with the appointment of Tim Scholz as Principal Advisor – Stakeholder Engagement. Mr Scholz is a farmer and former Chairperson of the Wudinna District Council. His appointment to the team also results in a permanent presence for the company on the Eyre Peninsula, making it simpler for interested people to make contact with the company.

Continuing community activities included the sponsorship of the Wudinna Area School, Girls U16 Pedal Prix Team, being the third year that Iron Road has sponsored Wudinna Area School's participation in the Pedal Prix.

Figure 16: Wudinna Area School, Girls U16 Pedal Prix Team

Warramboo/Wudinna area – proposed mine site

Numerous community information sessions and workshops were held during the year, particularly relating to the development of a Community Consultative Committee (CCC) for the proposed mine at Warramboo. An Independent Chairperson nominated by the community and endorsed by Iron Road has been appointed to assist the CCC.

General community meetings were held in both Warramboo and Wudinna during August 2013, providing attendees with a comprehensive update on the CEIP and a first look at the recently proposed mining lease boundary.

Tumby Bay/Port Neill – proposed port and infrastructure corridor

Public meetings were held in both Port Neill and Tumby Bay in March 2013 for interested community members to hear about the proposed port at Cape Hardy. Iron Road has since also presented an overview of the CEIP, with a particular focus on the proposed infrastructure corridor, to stakeholders and other interested parties.

Figure 17: Warramboo Community Meeting in August 2013

South Australia – Gawler Iron Project

The Gawler Iron Project (GIP) is located approximately 25 kilometres north of the standard gauge Trans-Australian Railway that connects to the Central Australia Railway at Tarcoola and ultimately a number of ports (Figure 18). The project hosts potential for a small to medium scale iron ore development with the potential to produce 1-2Mtpa of a high quality concentrate through simple beneficiation, with similar characteristics to that proposed for the larger CEIP. A scoping study to further define that potential is currently underway.

Exploration by Iron Road at the GIP commenced during July 2009. This work included the Stage I regional RC drilling programme (6,101 metres) and follow-up Stage II diamond drilling programme (1,433 metres). The results from Stage I and II drilling identified the Boomer prospect as a potentially significant iron deposit situated below 25m of unconsolidated sand. The iron mineralisation has a thin cap of hematite mineralisation and occurs in an approximate 110m wide zone of moderately to steeply dipping folded and faulted coarse-grained, magnetite-rich ironstone.

The ironstone has been mapped along strike for at least 1,000m and is open at depth. Drill samples from the Boomer prospect returned an average grade of 25% iron with high grade zones containing over 40% iron. During June 2012, Iron Road secured 90% ownership of the iron ore rights at the GIP. Shortly afterward a scoping study was initiated to review the economic viability of potential mining and beneficiation operations.

As part of the scoping study, the Stage III drilling programme commenced during March 2013 at the Boomer prospect and concluded at the end of May 2013. The programme comprised two large diameter PQ diamond drill holes totalling 669m and 21 RC (reverse circulation) holes totalling 3,795 metres, for an overall total of 4,464m (Figure 20).

All 21 RC drill holes were drilled on a northwesterly azimuth of 300° and dip at –60°, and drilled to depths varying from 108m to 319m, across eight drill-sections.

When combined, the metallurgical and resource definition drilling spanned 1,000m, comprising nine sections in total. All are perpendicular to the strike of the mineralisation (Figures 20 and 21).

Figure 18: Project location map

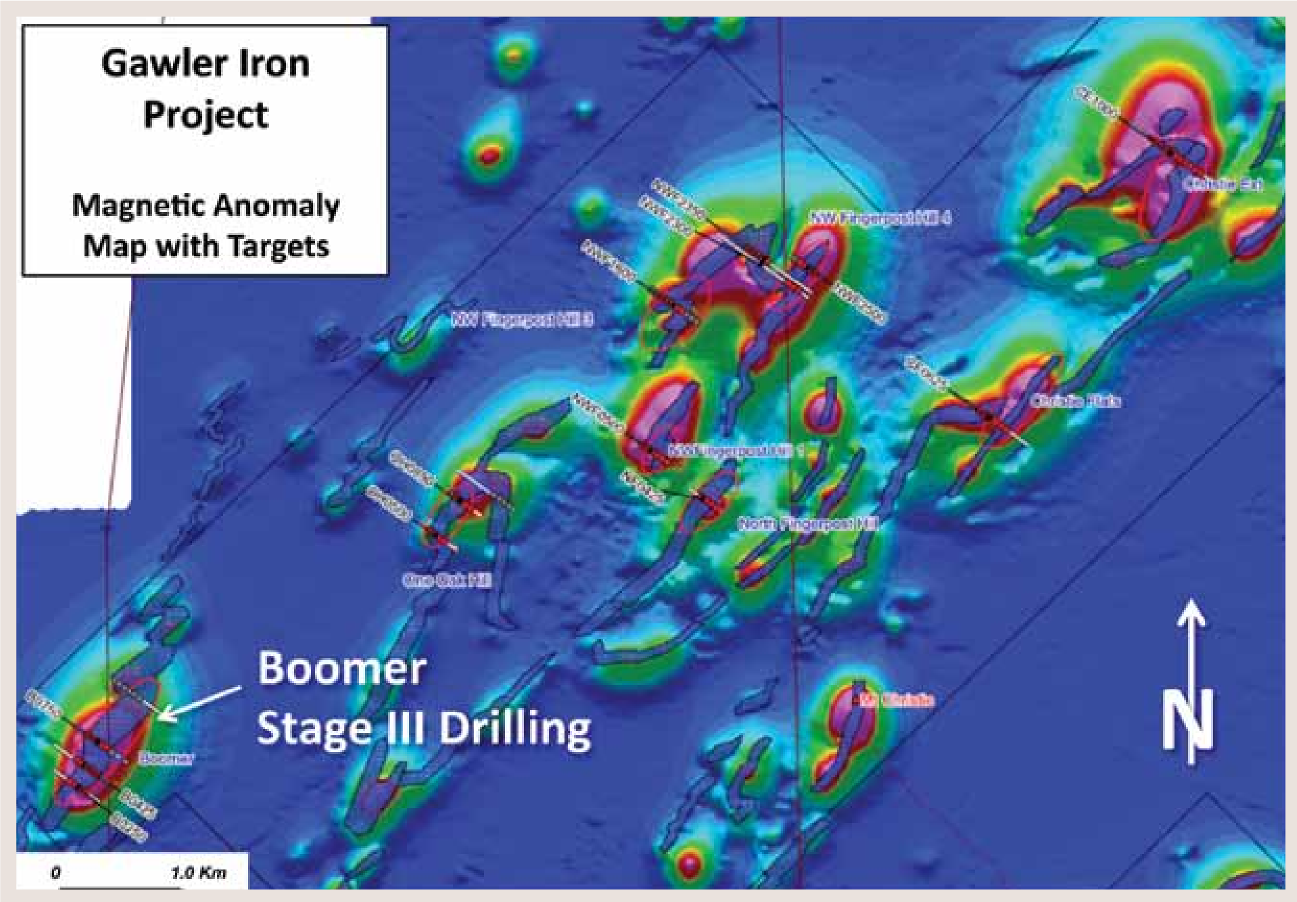


Figure 19: Magnetic anomaly and interpreted geology at the Boomer prospect showing Stage III drilling traverses

The larger diameter PQ holes were drilled to provide a four tonne bulk sample for dispatch to Europe for beneficiation test work. This programme will provide the data necessary for optimisation of a modular ore processing facility. A separate metallurgical test work programme is expected to be completed shortly and together with marketing insight will determine an ideal grind size for the magnetite concentrate. Previous test work indicates that a simple, possibly dry process may produce a high grade product at a grind size of -106μm (p80) to produce a coarse magnetite concentrate of between 67-70% iron with low impurities and an iron recovery of approximately 75-95%.

Eighteen of the 21 RC drill holes intersected magnetite-rich ironstone with significant downhole intervals shown at Appendix 3. All samples were assayed by XRF methods and RC chips were sampled using 2m composites. Drilling results indicate that iron mineralisation at the Boomer prospect extends over at least 600m along strike in a northeasterly direction with an apparent thickness of intercepts varying from 6 metres to 260 metres (Figure 22). Two drill holes were terminated within mineralisation due to technical problems; mineralisation intercepts in these drill holes are therefore unknown.

Geological and assay data is being used to create a mineral resource model and estimate. Work is also being undertaken in the areas of:

- Concentrate transport, including rail and port facilities;
- Haul road construction from the ore treatment facility to the (existing) rail siding;
- Provision of road haulage services for concentrate transport;
- Water supply and treatment; and
- Transportation of modularised ore treatment plant to site.

The similarities of the GIP concentrate with the expected Central Eyre Iron Project (CEIP) product is likely to lead to synergies when marketing GIP off-take. The GIP iron concentrate should serve as an excellent starting product in the market, particularly when combined with the opportunity to take substantially larger amounts of CEIP product in the longer term.

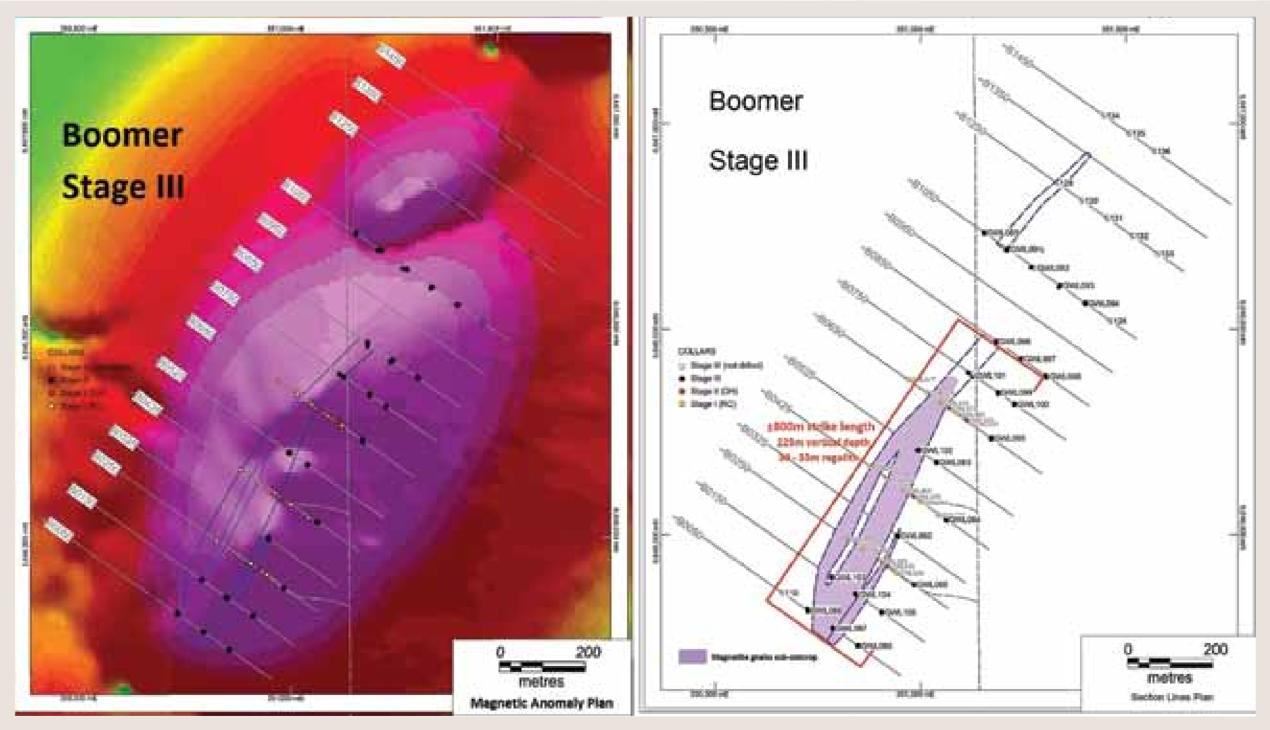


Figure 20: Magnetic anomaly and interpreted geology showing Stage III drilling traverses

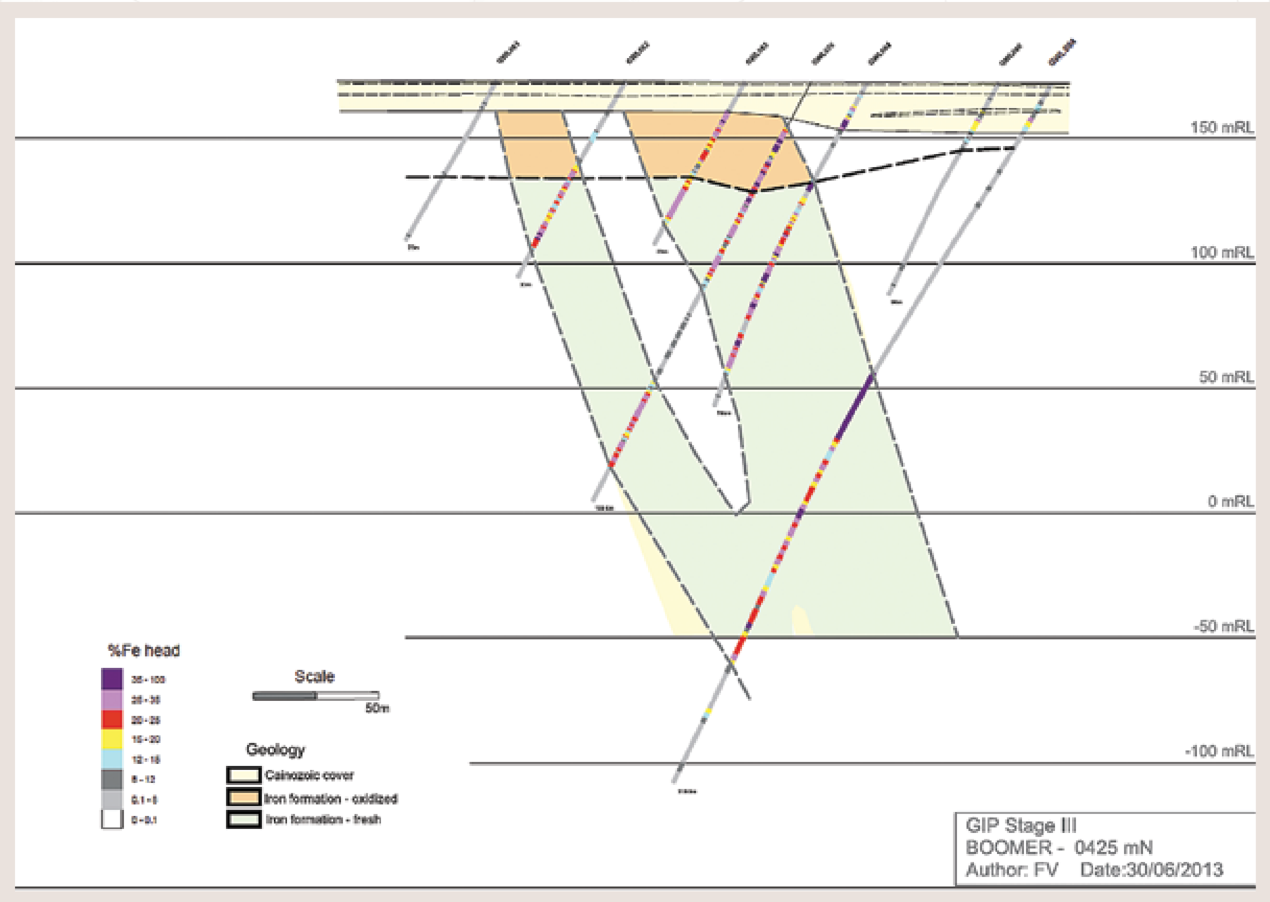


Figure 21: Cross-section looking northeast, section B0425, Stage III drilling, Boomer prospect

Figure 22: Typical mineralised PQ core from metallurgical drill hole GWL082

Corporate

Two new members of the Board were appointed during the year in preparation for the next stages of development.

Mr Peter Cassidy joined Iron Road as Chairman, with Mr Julian Gosse continuing as a Non-Executive Director. Mr Cassidy is a co-founder and Chairman of resources investment fund The Sentient Group, Iron Road's majority shareholder. He is also Chairman of Enirgi Group Corporation and a Director of Yunnan Xinli Nonferrous Metals Co Ltd. Prior to establishing The Sentient Group, Mr Cassidy established AMP Life's private equity division.

Mr Leigh Hall AM also joined the Board of Directors as an independent Non-Executive Director. Mr Hall is a highly experienced company director, with a strong background in finance and investment from a career spanning senior executive positions at AMP, membership of a range of investment oversight boards, board positions at securities industry organisations, and significant participation in government advisory boards related to the securities, corporate law, managed funds and superannuation sectors.

Iron Road completed two fully underwritten non-renounceable entitlement offers. The funds raised are being utilised to complete the Direct Feasibility Study (DFS), as well as enabling Iron Road to continue strategic acquisitions of property to support the combined mining, processing, rail and port operation. The smaller scale Gawler Iron Project received a portion of the funds to investigate the potential for shorter term production with lower capital outlay.

Andrew Stocks
Managing Director

Appendix 1 – Mineral Resource Estimates

CEIP Global Mineral Resource							
Location	Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Murphy South/Rob Roy	Measured	2,222	15.69	53.70	12.84	0.08	4.5
	Indicated	474	15.6	53.7	12.8	0.08	4.5
	Inferred	667	16	53	12	0.08	4.3
Boo-Loo	Inferred	328	17	52	12	0.09	2.1
Total		3,691	16	53	13	0.08	4.3

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 (Rob Roy). The Boo-Loo mineral resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.

CEIP Indicative Concentrate Specification – 106 micron (p80)				
Iron (Fe)	Silica (SiO_2)	Alumina (Al_2O_3)	Phosphorous (P)	Loss on ignition (LOI)
67%	3.3%	1.9%	0.005%	-2.4%

Murphy South - Rob Roy Mineral Resource Estimate							
Resource Classification	Oxidation (Mt)	Tonnes (%)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI
Measured	Fresh	2,222	15.69	53.70	12.84	0.08	4.5
Indicated	Fresh	474	15.6	53.7	12.8	0.08	4.5
	Fresh	548	16	53	12	0.09	4.0
Inferred	Transitional	32	16	51	14	0.05	5.5
	Oxide	87	16	51	14	0.05	5.8
Total	Murphy South/Rob Roy	3,363	16	53	13	0.08	4.5

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 (Rob Roy) – refer Attachment 2.

Boo-Loo Mineral Resource Estimate							
Resource Classification	Oxidation	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
	Fresh	277	17	52	12	0.01	0.5
Inferred	Transitional	13	17	52	12	0.09	10.7
	Oxide	38	17	52	12	0.09	10.8
Total		328	17	52	12	0.09	2.1

The Boo-Loo mineral resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.

Appendix 2 – Competent Persons Statement

It is common practice for a company to comment on and discuss its exploration in terms of target size, grade and type. The potential quantity and grade of an exploration target is conceptual in nature since there has been insufficient work completed to define the prospects as anything beyond exploration target. It is uncertain if further exploration will result in the determination of a Mineral Resource, in cases other than the Boo-Loo and Murphy South/Rob Roy prospect.

The information in this report that relates to exploration potential at the Central Eyre Iron Project is based on and accurately reflects information compiled by Mr Milo Res, who is a full time employee of Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Res 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Res consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Resources estimated for Boo-Loo is based on and accurately reflects information compiled by Mr Ian MacFarlane, Coffey Mining, who is a consultant and advisor to Iron Road Limited and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr MacFarlane 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Coffey Mining consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Resources estimated for Murphy South/Rob Roy is based on and accurately reflects information compiled by Ms Heather Pearce, who is a full time employee of Iron Road Limited. This estimation was peer review by Dr Isobel Clark of Xstract Mining Consultants. Dr Clark has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Xstract Mining Consultants consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Appendix 3 – Gawler Stage III Significant Intercepts

Gawler III - Table of Significant Intercepts				
Drillhole	**Depth from**	**Depth to**	**Average %Fe**	**Metre interval**
GWL083	*6*	*12*	*17*	*6*
GWL084	*10*	*22*	*16*	*12*
	136	*266*	*27*	*130*
GWL085	*120*	*132*	*33*	*12*
	150	*182*	*23*	*32*
	188	*224*	*23*	*36*
	256	*262*	*19*	*6*
GWL086	*108*	*126*	*18*	*18*
GWL087	*26*	*38*	*17*	*12*
	44	*90*	*17*	*46*
GWL088	*74*	*108*	*29*	*34*
GWL089	*120*	*126*	*25*	*6*
GWL091	*32*	*38*	*22*	*6*
GWL092	*118*	*134*	*22*	*16*
GWL095	*152*	*186*	*28*	*34*
	190	*244*	*22*	*54*
	250	*331*	*25*	*81*
GWL097	*158*	*178*	*24*	*20*
	188	*212*	*37*	*24*
GWL098	*184*	*232*	*24*	*48*
	266	*276*	*20*	*10*
	280	*300*	*31*	*20*
	304	*320*	*24*	*16*
GWL099	*118*	*140*	*28*	*22*
	148	*180*	*22*	*32*
	186	*204*	*26*	*18*
	208	*234*	*38*	*26*
GWL100	*154*	*172*	*24*	*18*
	176	*216*	*28*	*40*
	222	*270*	*24*	*48*
	280	*292*	*25*	*12*
GWL101	*52*	*70*	*30*	*18*
GWL102	*8*	*60*	*23*	*52*
	68	*112*	*27*	*44*
GWL103	*26*	*52*	*22*	*26*
	134	*148*	*18*	*14*
GWL104	*24*	*79*	*31*	*55*
	83	*115*	*25*	*32*

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Iron Road Limited and the entities it controlled at the end of, or during the financial year ended 30 June 2013.

Directors

The following persons were directors of Iron Road Limited during the financial year and until the date of this report:

Mr Peter Cassidy
Mr Andrew Stocks
Mr Jerry Ellis AO
Mr Leigh Hall AM
Mr Julian Gosse
Mr Ian Hume

Mr Peter Cassidy and Mr Leigh Hall were appointed as directors on 11 October 2012 and 31 October 2012 respectively and continue in office at the date of this report. Mr Matthew Keegan was a director from the beginning of the financial year until his resignation on 11 October 2012.

Peter Cassidy
Chairman

Mr Cassidy is co-founder and Chairman of The Sentient Group, Chairman of Enirgi Group Corporation and a Director of Xinli Titanium. Prior to co-founding Sentient in 2000, Mr Cassidy established AMP Life's private equity division, worked with the Ford Motor Company and was involved with industry development on behalf of Australian State and Commonwealth governments.

Mr Cassidy holds a degree in geology and a first class honours degree in chemistry from the University of Tasmania and a PhD in coal science from Monash University.

No other directorships of listed companies have been held in the last three years.

Ian Hume
Non-executive Director

Mr Ian Hume's career in the resources industry stretches back several decades, primarily in the fields of managed fund investments, capital raising and project development. Mr Hume was a Founding Partner of The Sentient Group, a manager of closed end private equity funds specialising in global investments in the natural resource industries.

He remains an independent advisor to The Sentient Group, following his retirement from the fund in 2009. Prior to the founding of The Sentient Group, Mr Hume was a consultant to AMP's Private Capital Division.

On 13 September 2013, Mr Hume was appointed as a non-executive director of African Energy Resources Limited.

In the 3 years immediately before the end of the financial year, Mr Hume served as a director of the following listed companies:

- Golden Minerals Company*
- Norsemont Mining Inc.
- Silver City Minerals Limited*
- Andean Resources Limited
- Marengo Mining Limited*
- African Energy Resources Limited*

* denotes current directorships

No other directorships of listed companies have been held in the last three years.

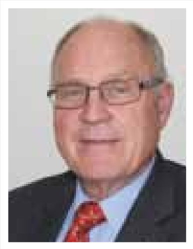
Jerry Ellis AO
Non-executive Director

Mr Ellis has had a long and distinguished career in business, particularly in the resources sector. Mr Ellis' career included three decades at BHP Ltd, chairing the company from 1997 to 1999. He also served on the boards of a number of listed companies and governing bodies including Newcrest Mining, Aurora Gold, the International Copper Association, Australia and New Zealand Banking Group, the International Council on Metals and the Environment and the American Mining Congress.

Mr Ellis is a former Chancellor of Monash University, former President of the Minerals Council of Australia and former Chairman of the Australia-Japan Foundation and the Australian National Occupational Health and Safety Commission. He is also a member of the Sentient Advisory Council and is on the Advisory Board of Anglo Coal Australia.

In 2012 Mr Ellis was elected Chairman of Alzheimer Australia NSW and in the 3 years immediately before the end of the financial year, Mr Ellis also served as a director of the Australia and New Zealand Banking Group Limited.

Mr Ellis is an Officer of the Order of Australia.



Leigh Hall AM
Non-executive Director

Mr Hall is a highly experienced company director, with a strong background in finance and investment from a career spanning senior executive positions at AMP, membership of a range of investment oversight boards, board positions at securities industry organisations, and significant participation in government advisory boards related to the securities, corporate law, managed funds and superannuation sectors.

Mr Hall is a Member of the Order of Australia, with a citation for service to business and commerce, in particular to the improvement of ethical and professional standards and the efficiency of the Australian securities markets. Mr Hall is also a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors.

In the 3 years immediately before the end of the financial year, Mr Hall served as a director of the following listed companies:

- Prime Infrastructure Holdings Limited
- Ivernia Inc.
- Natural Resources USA Corporation.

Julian Gosse
Non-executive Director

Mr Gosse has extensive experience in banking and broking both in Australia and overseas. He has previously worked in London for Rowe & Pitman, in the United States for Janney Montgomery & Scott and in Canada for Wood Gundy. He has also been involved in the establishment, operation and ownership of several small businesses.

In the 3 years immediately before the end of the financial year, Julian Gosse served as a director of the following listed companies:

- ITL Limited*
- WAM Research Limited*
- Clime Capital Limited*

* denotes current directorships

Andrew Stocks
Managing Director

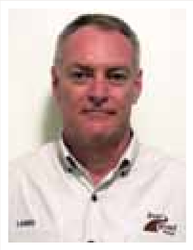
Mr Stocks is a Mining Engineer with over twenty five years' experience in the resources sector, primarily in mining operations and corporate roles. He has been particularly active in the areas of business optimisation, cost and production efficiency improvements, project evaluation and development of mining projects in Australia and overseas.

Mr Stocks was previously Managing Director and Chief Executive Officer of Siberia Mining Corporation until its merger with Monarch Gold. Prior to Siberia, he was Vice President, Operations of Crew Gold Corporation, a London based mining and exploration company.

Key Management Personnel

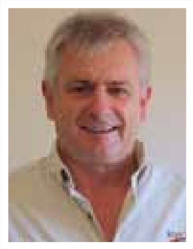
The following persons were key management personnel of Iron Road Limited during the financial year and until the date of this report:

Mr Larry Ingle
Mr Lex Graefe



Larry Ingle
General Manager

Mr Ingle is a Geologist with over 25 years' experience in a variety of mining, tunnelling, exploration, project development and business improvement roles in Australia and southern Africa. He has held senior positions with various global companies such as LHPC (JV), Barrick and Rio Tinto. Mr Ingle graduated with a BSc (Hons) & MSc in Geology from the University of Witwatersrand, Johannesburg and an MBA from the Graduate School of Business, Curtin University of Technology, Perth. Mr Ingle's strong expertise in mining geology and experience in project development is of immense value to Iron Road, particularly as the Company develops the Central Eyre Iron Project (CEIP) in South Australia.



Lex Graefe
Chief Financial Officer

Mr Graefe has over 30 years of extensive management and commercial experience in the mining industry in Australia, Africa and Asia. This includes leadership roles in project studies, engagements with governments and stakeholders, various CFO roles and extensive experience in the Iron Ore industry.

Mr Graefe worked for Rio Tinto for 22 years until 2004, where he was the President Director of Rio Tinto Indonesia following a term as General Manager Finance with Rio Tinto India and some 16 years with Rio Tinto's iron ore subsidiary Hamersley Iron.

Company Secretary

Graham Anderson

Company Secretary

Mr Anderson is a graduate of Curtin University and has over 25 years' commercial experience as a Chartered Accountant. He operates his own specialist accounting and management consultancy practice, providing a range of corporate advisory services to both public and private companies. From 1990 to 1997 he was an audit partner at Duesburys and from 1997 to 1999 he was an audit partner at Horwath Perth.

He is currently Director and Company Secretary of a number of ASX listed companies.

Key Area Managers

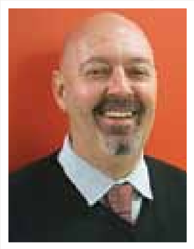
The following persons were key area managers of Iron Road Limited until the date of this report.

Peter Bartsch

Study Manager

Mr Bartsch graduated as a Metallurgist in South Australia and has over 34 years' experience in metal extraction and minerals processing industries. His capability covers most traded commodity metals and includes hematite and magnetite ores. Mr Bartsch has contributed to evaluations for many large and small resource organisations through management of investigations and designs, which included technology leadership across feasibility studies and project delivery.

He has also coordinated international missions for the International Atomic Energy Agency and has published technical articles in a range of metallurgical process fields.



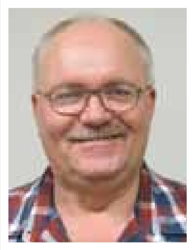
Aaron Deans

Project Manager

Mr Aaron Deans was appointed as Project Manager on 7 January 2013 and continues in office at the date of this report.

Mr Deans is a Project & Construction Manager with over 25 years' experience in all facets of the Mining and Construction industry. Mr Deans' most recent roles include Onshore Construction Manager of BHP Billiton's $1.6 billion Macedon Gas Project, Mine Construction Lead (Definitive Phase Study) for the FAST joint venture at BHP Billiton's $4 billion RGP 6 mine project and Construction Manager (Owner's team) for Worley Parsons on behalf of Fortescue Metals Group's $7 billion Heng Shan Expansion.

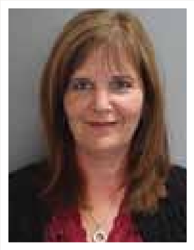
Previous experience spans Leighton Contractors, Rio Tinto and BHP Billiton including the nickel, iron ore and the power generation sectors.



Milo Res
Geology Manager

Mr Res is a geologist, with approximately 30 years mining industry experience in Australia and Africa. He graduated with a BSc (Hons) Geology degree from University of Pretoria and MSc Geology degree from Potchefstroom University in South Africa.

During his career Mr Res has been involved in wide range of mining and exploration activities including gold, nickel and iron ore. He was a key member of the Fortescue Metals Group Ltd team developing the Cloudbreak iron ore mining project in the Pilbara and more recently actively participated in the Jack Hills magnetite/hematite mining and development project for Crosslands Resources in mid-west region of Western Australia.



Laura Johnston
Regulations and Approvals Manager

Ms Johnston began her career with the Department of Mines and Energy in South Australia over 20 years ago and specialised in providing advice and assistance to land owners, the resource sector and various stakeholders on mining legislation.

A former Mining Registrar and Principal Advisor, Ms Johnston later consulted to numerous ASX listed resource companies including Iron Road Limited for four years before joining as a full time employee in 2011.

1. Principal activity

The principal activity of the Group during the year was the exploration and evaluation of the Group's Iron Ore holdings at both the Central Eyre Iron Project (CEIP) and the Gawler Iron Project (GIP).

During the year, Iron Road Limited continued to advance its objective of becoming a premium supplier of iron concentrates to the market place. Significant progress has been achieved at both the (CEIP) and (GIP).

The significant achievements of the group during the year were:

- Global mineral resource for CEIP was increased by 71% to 3.7Bt at a grade of 16% iron, of which 2.7Bt is in the Measured and Indicated category at a grade of 15.7%. This places CEIP as the largest Measured and Indicated magnetite resource in Australia and the top 20 magnetite projects globally (by tonnage).

- The Definitive Feasibility Study (DFS) continues to progress on schedule in all areas including mine site, infrastructure and port.

- Particular emphasis has been given to the evaluation of the Gawler Iron Project (GIP), with drilling finalised and further study on transportation, water supply and treatment and export facilities well underway.

- A fully underwritten capital raising was launched in June 2013 and completed in July 2013 to raise $50.7 million (after costs) to complete the DFS and fund the GIP beyond its current scoping study.

2. Interests in shares and options

As at the date of this report, the interests of the Directors in the shares and options of Iron Road Limited were:

	Ordinary shares	Options over ordinary shares
Peter Cassidy (appointed 11th October 2012)	7,568,686	-
Andrew Stocks	2,915,938	-
Jerry Ellis	284,000	500,000
Leigh Hall (appointed 31st October 2012)	400,000	-
Julian Gosse	591,000	2,500,000
Ian Hume	5,151,203	-
Matthew Keegan (ceased to be a director 11th October 2012)	3,600,036	-

3. Dividends

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

4. Operating and financial review

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the review of operations and activities on pages 42 to 43 of this Annual Report.

5. Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:
Contributed equity increased by $39,447,451 (from $60,659,503 to $100,106,954) as the result of a fully underwritten entitlement offer issued on 2 August 2012 and the exercise of options granted under the Iron Road Limited Employee Option Plan. Details of the changes in contributed equity are disclosed in note 12 to the financial statements.

The net cash received from the increase in contributed equity was used principally to fund the continuation of the CEIP DFS, purchase land at the proposed port site and undertake a scoping study for the GIP.

6. Matters subsequent to the end of financial year

Iron Road Limited announced a fully underwritten non-renounceable entitlement offer on 13 June 2013 to provide $50,700,000 (after costs) to fund the completion of the CEIP DFS and continue the scoping study for the GIP. The entitlement offer opened on 25 June 2013 and closed on 16 July 2013 with 173,044,538 new shares issued totalling $31,148,017.

The entitlement offer was fully underwritten by two of Iron Road Limited's major shareholders, Sentient Global Resources Fund III,L.P and Sentient Global Resources Fund IV,L.P. The shortfall of 117,923,914 new shares totalling $21,226,305 was issued to the underwriters subject to the underwriting arrangements.

As a result of this entitlement offer, a total of 290,968,452 fully paid ordinary shares were issued by Iron Road Limited, increasing the total number of fully paid ordinary shares on issue to 581,936,904.

7. Likely developments on expected results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have been included in the Operating and Financial review.

8. Environmental regulation and performance

The Group's operations are subject to environmental regulation in respect to its mineral tenements relating to exploration activities on those tenements. No breaches of any environmental restrictions were recorded during the financial year. The Group has reviewed its energy consumption and greenhouse gas emissions for the reporting year, with both found to be below the reporting threshold as specified within the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007. The Group remains committed to reducing the energy consumption and greenhouse gas footprint of its activities through the implementation of appropriate technologies wherever practicable.

9. Remuneration report

The remuneration report sets out remuneration information for Iron Road Limited's directors and key management personnel.

This report contains the following sections:

A. Directors and key management personnel disclosed in this report
B. Principles used to determine the nature and amount of remuneration
C. Use of Remuneration consultants
D. Details of remuneration
E. Service agreements
F. Share-based compensation
G. Additional information

The information provided in this remuneration report has been audited as required under section 308 (3C) of the *Corporations Act 2001*.

A. Directors and key management personnel disclosed in this report

Non-executive and executive directors
Peter Cassidy (appointed on 11th October 2012)
Andrew Stocks
Jerry Ellis AO
Leigh Hall AM (appointed 31st October 2012)
Julian Gosse
Ian Hume
Matthew Keegan (resigned 11th October 2012)

Other key management personnel

Name	Position
Larry Ingle	General Manager
Lex Graefe	Chief Financial Officer

B. Principles used to determine the nature and amount of remuneration

Remuneration Policy
The remuneration policy of Iron Road Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long term incentives where deemed appropriate. The board of Iron Road Limited believes the remuneration policy is appropriate and effective in its ability to attract and retain high calibre executives and directors to run and manage the Group.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:
The remuneration policy, setting the terms and conditions for directors and other senior executives, was developed by the board. All executives (with the exception of the Chief Financial Officer who is on a daily rate) receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

The executive directors and other senior executives receive a superannuation guarantee contribution required by the government, which is currently 9.25% (from 1 July 2013) and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

The board policy is to remunerate non executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non executive directors is currently $400,000 which was approved through the general meeting of shareholders held on 23 November 2012. Fees for non executive directors are not linked to the performance of the group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group.

Long term incentives
The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to directors and executives to encourage the alignment of personal and shareholder interests. Where options are granted they may have performance related vesting conditions (share price) or milestone related vesting conditions such as the completion of the DFS for the CEIP, which must be met in order for the options to be exercised. Once vested, the options must be exercised prior to their expiry date (five years from issue). Options are granted under the plan for no consideration and there are no participating rights or entitlements inherent in the options.
For details of directors and executives interests in options at year end, refer to note 15 in the financial statements. No market based performance remuneration has been paid in the current year.

Share trading policy
The trading of shares issued to participants under the company's option share plan is subject to and conditional upon compliance with the company's employee share trading policy. Executives are prohibited from entering into any hedging arrangements over unvested options under the company's employee option plan. The company would consider a breach of this policy as gross misconduct which may lead to disciplinary action.

Voting and comments made at the Group's 2012 Annual General Meeting
Iron Road Limited received more than 97% of "yes" votes on its remuneration report for the 2012 financial year.

C. Use of remuneration consultants

The board seeks independent advice on remuneration matters for the key management personnel and non-executive directors. Such advisors are appointed and directly engaged by the Chairman.

During the year the board engaged CRHR Consulting, a strategic human resources advisory business, to provide advice on the remuneration structure for key management personnel, including amendment to the long term incentive plan. Under this engagement CRHR Consulting provided remuneration recommendations as defined in section 9B of the Corporations Act 2001 and was paid $8,680 for these services. CRHR Consulting was also engaged to provide support on a range of other remuneration and human resources related matters for fees totalling $13,720.

The following arrangements were made to ensure that the remuneration recommendations were free from undue influence:
- CRHR Consulting was engaged by and reported directly to the Chairman. The agreement for the provision of remuneration consulting services was executed by the Chairman.
- The report containing the remuneration recommendations was provided by CRHR Consulting directly to the Chairman.
- CRHR Consulting was permitted to speak to management throughout the engagement to understand processes, practices and other business issues and obtain management perspectives. However, CRHR Consulting was not permitted to provide any member of management with a copy of their draft or final report that contained remuneration recommendations.

As a consequence, the board is satisfied that the recommendations were made free from undue influence from any member of the key management personnel to whom the recommendations related and that all decisions were made by the board.

D. Details of remuneration

The following tables show details of the remuneration received by the directors and the key management personnel of the group for the current and previous financial year.

There are no other executives who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

	Short term employee benefits			**Post employment benefits**	**Long term benefits**	**Share based payments**	
2013	Cash salary and fees $	Non-monetary benefits $	Allowances $	Superannuation $	Long service leave $	Options** $	Total $
Directors							
Julian Gosse	50,000	-	-	-	-	-	50,000
Peter Cassidy (appointed 11th October 2012)	39,494	-	-	-	-	-	39,494
Andrew Stocks	290,000	-	-	26,100	60,812	(74,683)	302,229
Jerry Ellis	50,000	-	-	4,500	-	-	54,500
Leigh Hall (appointed 31st October 2012)	33,333	-	-	3,000	-	-	36,333
Ian Hume	50,000	-	-	4,500	-	-	54,500
Matthew J Keegan (ceased to be a director 11th October 2012)	19,444	-	-	1,750	-	-	21,194
Other key management personnel							
Larry Ingle*	290,000	39,520	48,333	26,100	42,955	-	446,908
Lex Graefe	320,067	-	-	25,657	-	-	345,724
Total compensation	**1,142,338**	**39,520**	**48,333**	**91,607**	**103,767**	**(74,683)**	**1,350,882**

* In accordance with Iron Road Limited's policy on employee relocation, Mr Ingle was paid an allowance for his relocation from Perth to Adelaide in August 2012.
** Remuneration in the form of options includes negative amounts for unvested options that expired during the year.

2012	Short term employee benefits Cash salary and fees $	 Non-monetary benefits $	 Allowances $	Post employment benefits Superannuation $	Share based payments Options** $	 Total $
Directors						
Andrew J Stocks	290,000	-	-	26,100	-	316,100
Jerry Ellis	50,000	-	-	4,500	352,450	406,950
Julian Gosse	50,000	-	-	4,500	-	54,500
Ian Hume	50,000	-	-	4,500	-	54,500
Matthew J Keegan	-	-	-	-	-	-
Other key management personnel						
Larry Ingle	290,000	32,502	-	26,100	-	348,602
Lex Graefe (appointed 12 December 2011)	129,850	-	-	10,994	-	140,844
Total compensation	**859,850**	**32,502**	**-**	**76,694**	**352,450**	**1,321,496**

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed remuneration 2013	 2012	At risk - LTI* 2013	 2012
Directors				
Julian Gosse	100%	100%	-	-
Peter Cassidy (appointed 11th October 2012)	100%	-	-	-
Andrew Stocks	100%	96%	-	4%
Jerry Ellis	100%	12%	-	88%
Leigh Hall (appointed 31st October 2012)	100%	-	-	-
Ian Hume	100%	100%	-	-
Matthew J Keegan (ceased to be a director 11th October 2012)	100%	100%	-	-
Other key management personnel				
Larry Ingle	100%	100%	-	-
Lex Graefe (appointed 12 December 2011)	100%	100%	-	-

* Since long term incentives are provided exclusively by way of options, the percentage disclosed also reflects the value of remuneration consisting of options, based on the value of options expensed during the year. Where applicable, the expenses include negative amounts for expenses reversed during the year due to failure to satisfy a vesting condition.

There were no cash bonuses relating to directors or key management personnel during the year.

E. Service agreements

The details of service agreements of the key management personnel of Iron Road Limited are as follows:

Peter Cassidy, Chairman

- A chairman's fee of $50,000 per annum plus GST, to be reviewed annually by the board. No termination benefits are payable.

Andrew Stocks, Managing Director

- Annual base salary of $290,000, plus statutory superannuation, to be reviewed annually by the board.

- No fixed term agreement. Payment of termination benefit by the employer, other than for gross misconduct, includes any accrued leave entitlements and superannuation which does not exceed the maximum amount ascertained in accordance with the formula set out in section 200G of the Corporations Act 2001.

Jerry Ellis, Non-executive Director

- Director's fee of $50,000 per annum plus statutory superannuation, to be reviewed annually by the board. No termination benefits are payable.

Leigh Hall AM, Non-executive Director

- Director's fee of $50,000 per annum plus statutory superannuation, to be reviewed annually by the Board. No termination benefits are payable.

Julian Gosse, Non-executive Director

- Director's fee of $50,000 per annum plus GST, to be reviewed annually by the board. No termination benefits are payable.

Ian Hume, Non-executive Director

- Director's fee of $50,000 per annum plus statutory superannuation, to be reviewed annually by the board. No termination benefits are payable.

Larry Ingle, General Manager

- Annual base salary of $307,000 plus statutory superannuation, to be reviewed annually by the board.

- No fixed term agreement. Payment of termination benefit by the employer, other than for gross misconduct, includes any accrued leave entitlements and superannuation which does not exceed the maximum amount ascertained in accordance with the formula set out in section 200G of the Corporations Act 2001.

Lex Graefe, Chief Financial Officer

- Daily rate of $1,480 plus statutory superannuation to be reviewed annually by the board.

- No fixed term agreement, no termination benefits payable.

F. Share-based compensation

Options are issued to directors and executives of Iron Road Limited as part of their remuneration to increase goal congruence between executives, directors and shareholders.

Options exercised and expired during the year are as follows:

Share based compensation benefits (options)											
					Exercised			Expired			Expiry/exercise
2013	Grant date	Vesting date	Number of options	%	$	Number of options	%	$	Number of options		date
Directors											
Matthew Keegan	2008	2008	3,780,000	37	269,647	1,400,036	63	153,639	2,379,964		23/01/13
Andrew Stocks	2008	2008	9,420,000	-	-	-	100	602,664	9,420,000		23/01/13

When exercisable, each option is convertible into one ordinary share.

There were no options issued during the year, with 6,000,000 options vested as at 30 June 2013. The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date and the amount is included in the share based payment information in note 24. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Unissued ordinary shares of Iron Road Limited under option for directors and executives as at 30 June 2013 are as follows:

Date options granted	Expiry date	Vesting date	Exercise price	Number under option	Vested and exercisable
5th August 2008	6th August 2013	On issue	$ 0.3426	3,000,000	✓
23rd December 2009	15th December 2014	On issue	$ 0.1926	625,000	✓
23rd December 2009	15th December 2014	On issue	$ 0.2426	625,000	✓
23rd December 2009	15th December 2014	On issue	$ 0.2926	625,000	✓
23rd December 2009	15th December 2014	On issue	$ 0.3426	625,000	✓
25th July 2011	25th July 2016	On issue	$ 0.9926	500,000	✓
				6,000,000	

There are a further 300,000 unissued ordinary shares of Iron Road Limited under option held by non-key management personnel.

Options granted under the plan carry no dividend or voting rights. No option holder has any right under the options to participate in any other share issue of Iron Road Limited.

The amounts paid per ordinary share by each director and other key management personnel on the exercise of options at the date of exercise were as follows:

Exercise date	Number of ordinary shares issued on exercise of options	Value at exercise date	Value Paid	Amount paid per share
23 January 2013	1,400,036	$ 96,882	$ 269,647	$ 0.1926

No amounts are unpaid on any shares issued on the exercise of options.

G. Additional information

No market based performance bonuses have been paid to key management personnel during the financial year. As detailed within Section F: Share-based compensation, options can be issued to directors and executives as part of their remuneration to align their interest to that of Iron Road Limited's shareholders.

The table below sets out information about the Group's earnings and movements in shareholder wealth over the last 5 years:

	30-Jun-13 $	30-Jun-12 $	30-Jun-11 $	30-Jun-10 $	30-Jun-09 $
Revenue	794,279	457,306	116,133	95,402	199,355
Loss before tax	(5,469,066)	(3,239,233)	(2,076,551)	(11,299,132)	(4,604,591)
Share price at 30 June	0.170	0.305	0.840	0.590	0.175

This is the end of the audited remuneration report.

10. Directors meetings

The number of meetings of the company's board of directors held during the year ended 30 June 2013 and the numbers of meeting attended by each director were:

	Director meetings A	Director meetings B
Directors		
Peter Cassidy	6	6
Julian Gosse	8	9
Ian Hume	7	9
Jerry Ellis	9	9
Leigh Hall	4	4
Matthew Keegan	3	3
Andrew Stocks	9	9

A = Number of meetings attended   B = Number of meetings held during the time the director held office

11. Shares under option

At the date of this report, there were 3,300,000 unissued ordinary shares of Iron Road Limited under option.

Date options granted	Expiry date	Exercise price	Number under option	Vested and exercisable
23rd December 2009	15th December 2014	$0.1926	625,000	✓
23rd December 2009	15th December 2014	$0.2426	625,000	✓
23rd December 2009	15th December 2014	$0.2926	625,000	✓
23rd December 2009	15th December 2014	$0.3426	625,000	✓
25th July 2011	25th July 2016	$0.9926	500,000	✓
24th August 2011	24th August 2016	$0.9926	100,000	✓
24th August 2011	24th August 2016	$1.2426	100,000	✖
24th August 2011	24th August 2016	$1.4926	100,000	✖
			3,300,000	

Movement in shares under option during the reporting period:

	Number of options
Balance at the beginning of the year	**22,925,000**
Movement of share options during the financial year	
Exercise of unlisted options at $0.1926	(4,825,036)
Forfeiture of unlisted options at $0.3426	(4,920,000)
Forfeiture of unlisted options at $0.1926	(6,879,964)
Total number of options outstanding at 30 June 2013	**6,300,000**
Movement since the end of financial year	
Forfeiture of unlisted options at $0.3426	(3,000,000)
Total number of options outstanding as at the date of this report	**3,300,000**

Shares issued on exercise of options

The following ordinary shares of Iron Road Limited were issued to directors and key management personnel during the year ended 30 June 2013 on the exercise of options. No further shares have been issued since that date. No amounts are unpaid on any shares.

2013	Exercise date	Number of ordinary shares issued on exercise of options	Value at exercise date	Value Paid	Amount paid per share
Matthew Keegan	23 January 2013	1,400,036	$96,882	$269,647	$0.1926

* **The value at exercise date has been determined as the intrinsic value at that date**

No options were granted to directors or any of the five highest remunerated officers of the Group during or since the end of the financial year.

12. Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.
No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

13. Insurance of directors and officers

During the financial year, Iron Road Limited paid an insurance premium to insure the directors and officers of the Group and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The total amount of insurance contract premiums paid is confidential under the terms of the insurance policy.

The Company has entered into a Deed of Indemnity, Insurance and Access with each Director. In summary the Deed provides for:

- access to corporate records for each director for a period after ceasing to hold office in the company;
- the provision of directors and officers liability insurance; and
- indemnity for legal costs incurred by directors in carrying out the business affairs of the company.

14. Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important. The board of directors is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.
Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers (Australia)) for audit and non-audit services provided during the year are set out in note 16.

15. Auditors independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 41.

Signed in accordance with a resolution of the directors, and on behalf of the board by:

Andrew Stocks
Managing Director
25 September 2013

Auditor's Independence Declaration

As lead auditor for the audit of Iron Road Limited for the year ended 30 June 2013, 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 audit; and

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

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

Tim Goldsmith

Tim Goldsmith
Partner

Adelaide
25 September 2013

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Company Strategy and Operating Activities

Iron Road Limited was established in 2008 to capitalise on the growing global demand and resulting higher prices for iron ore. The global seaborne trade in iron ore grew from 444 million tonnes in the year 2000 to 832 million tonnes in 2008 when the company was formed and has continued growing since then reaching 1,113 million tonnes in 2012. Over the same period Australian Fines iron ore prices have moved from US$18 per tonne in 2000 to US$80 per tonne in 2008 and are now above US$120 per tonne on a Free On Board (FOB) basis. This six-fold increase in prices in just over 10 years, coupled with the consistently growing demand has made iron ore deposits historically considered uneconomic, worthy of reassessment in the light of the changed market conditions.

Following an initial broader review of opportunities, the company narrowed its principal focus to the large magnetite-gneiss deposits on the Central Eyre Peninsula, now known as the Central Eyre Iron Project (CEIP) approximately 30 kilometres south east of the regional centre Wudinna.

There are a number of key advantages associated with the CEIP. The project will produce a concentrate product at around 67% Fe to be used as a blended feed with Direct Shipped Ore (DSO) fines products (generally hematite) into steelmakers sintering plants to produce sinter for steelmaking. With the increased production volumes and increasing age of existing DSO mines from the traditional producers and the lower grades from the new DSO entrants we are expecting to see a continuation of the gradual but sustained decline in the overall average iron grade of DSO fines products. This has a deleterious effect on the productivity and costs for the steelmakers. The addition of higher graded concentrates such as the CEIP 67% Fe product can offset those negative effects for the steelmakers and so such products are expected to be increasingly sought after over time. As such, the CEIP product should be seen as complementary and value adding to the traditional DSO fines ores rather than being in direct competition with them. Being a processed ore, the CEIP concentrate will maintain its grade throughout the project life and will not be subject to grades reducing over time.

Further, the nature of the magnetite-gneiss ore at CEIP is different to most Australian banded iron formation (bif) magnetites. The physical characteristics of the ore in the CEIP deposit means that it separates fairly readily at a grind size of around 106 microns compared to the usual 30 to 40 microns for most bif magnetites. This gives rise to two key advantages. Firstly, the production process for magnetite-gneiss is less energy intensive than for bif magnetites, giving rise to lower production and capital costs for the producer. However, more importantly, magnetite-gneiss concentrates can be used directly in the sinter plant, whereas bif magnetites must be pelletised before they can be used by the steelmaker, adding significantly to costs. So both in production and in use by the steelmaker, the CEIP concentrates enjoy strong competitive advantage over the bif magnetites produced or being developed by most other Australian magnetite producers.

Another major advantage of the CEIP is that the size of the deposit allows for the establishment of a large scale long life project which supports the investment in the supporting infrastructure as well as providing a sustained return to investors in the project. The initial exploration target of 2.8–5.7 billion tonnes has already yielded 3.7 billion tonnes of resources with 2.7 billion tonnes in the Measured and Indicated categories making it the largest Measured + Indicated magnetite resource in Australia. The remaining exploration target (above the 3.7 billion tonnes) has now been re-assessed as 8-17 billion tonnes grading from 14% to 20% Fe.

Finally, while no suitable infrastructure currently exists in the area, the situation and conditions are relatively favourable for establishing such infrastructure. The mine site is approximately 150 kilometres from a suitable port location at Cape Hardy where 220,000 dead weight tonnes (DWT) cape size vessels can be berthed only 1,200 metres from shore in the protected waters of the Spencer Gulf. The rail route is much shorter than the rail routes of the major Australian and Brazilian producers and the area does not suffer from periodic cyclonic conditions in the way that the Pilbara region does.

A prefeasibility study completed in 2011 demonstrated the viability of a mining and beneficiation operation of premium iron ore concentrate for export and a DFS was commenced late that year.

The DFS has progressed well in the current financial year, with studies incorporating mining, ore processing, rail and concentrate export facilities. May 2013 saw a resource upgrade to 3.7 billion tonnes, 2.7 billion of which is in the Measured and Indicated categories. This supports a potential operating life of the mine in excess of thirty years.

The development of the CEIP will be a significant undertaking, incorporating a major mining and processing operation, a 150 kilometres railway and the deep water port, as well as power, water, accommodation and other infrastructure to support the operations and workforce. The company will need to align itself with strong industrial partners and off-takers in order to secure the necessary financing for such a substantial project and substantial efforts from the board and senior management are now being directed to those objectives.

While the Company remains confident of the underlying robustness of the CEIP and its ultimate successful development, the volatile capital and debt markets currently being experienced means that the timing of any such development remains subject to some uncertainty until funding is fully secured.

Bearing that in mind the Company has also begun work on assessing the much smaller Gawler Iron Project (GIP), located further to the north in South Australia, 200 kilometres west of Coober Pedy. At GIP, Iron Road is evaluating the feasibility of a small scale 1-2 mtpa iron ore concentrate operation, located in close proximity to existing transport infrastructure linked to a number of export ports. The Stage III drilling program was carried out during the second quarter and results of the scoping study are expected to be available during the fourth quarter of 2013. If viable, GIP may provide the Group with a much lower cost development option, which would then provide it with sufficient ongoing working capital to continue its day to day activities without drawing on further funding from shareholders.

Desktop studies are also being carried out to examine alternative fall-back options in the event that GIP does not meet current expectations.

Operating results for the year

Currently, Iron Road Limited's principal activities are exploration and evaluation which are funded by equity raised on Australian capital markets. The Company generated no income from operating activities, however interest income of $794,279 was generated in 2013 ($457,306 in 2012) from equity contributions being held in interest bearing deposits until required to fund activities. This increase is attributable to the successful outcome of the $40 million (before costs) entitlement offer announced in August 2012.

The operating loss after income tax of the group for the year ended 30 June 2013 increased by 90% to $4,829,389 ($2,542,228 in 2012). Underpinning the increase in expenses was the impairment of exploration expenses in relation to the GIP. Iron Road's accounting policy is to capitalise but impair these expenses until a JORC compliant resource is established. These expenses increased from $691,489 in 2012 to $1,700,787 in 2013 as a result of increase drilling and scoping activities performed on the GIP. Rent and employee expenses also increased in 2013 as Iron Road Limited's presence in Adelaide (South Australia) expanded following the opening of the office at 30 Currie Street in early 2012.

Shareholder returns per share were consistent with prior year (2013: -1.82 cents, 2012: -1.80 cents) as losses increased in line with the weighted average number of shares on issue. Refer note 23.

Changes in financial position

The company's net assets increased by 64%, compared with the previous year which is largely attributable to the current years capitalisation of $28,015,880 of exploration and evaluation expenditure on the CEIP. Capital purchases increased by 484% compared with the prior year, due largely to the acquisition of approximately 1,100 hectares of land at Cape Hardy on the east coast of the Eyre Peninsula for a proposed deep water port facility. There was a doubling of trade and other payables due to higher ongoing activity levels and late receipt of invoices at year end.

Risk management

Mining project development contains elements of significant risk. The successful development of Iron Road's projects will depend in part upon satisfactory world economic conditions and the flow on impacts on the consumption of steel throughout the world, but most directly in China and the other developing nations in Asia. This will in turn impact the levels of demand for iron ore and the prices that will be realised. Prices will also be impacted by other macroeconomic factors such as expectations regarding inflation, interest rates, exchange rates and general global economic conditions.

Successful development of the CEIP or GIP will also require a successful conclusion to the current studies, in conjunction with obtaining all the necessary regulatory approvals for implementation.

Once Iron Road has successfully completed the feasibility studies, it will still be required to raise significant amounts of additional capital and to seek suitable development partners to help fund the development of the CEIP and or the GIP. Prevailing economic conditions can impact on the availability of debt and equity funding that may be required to support the business. Iron Road's development may be affected by availability of funding which would impact on its ability to commence operations in the expected time frame and/or at its current levels.

The board is responsible for ensuring that risks and opportunities are identified on a timely basis and that activities are aligned with such risks and opportunities. The Company believes that it is crucial for all board members to be a part of this process and as such the board has not established a separate risk management committee.

The board has a number of mechanisms in place to ensure that management's objectives and activities address the risks identified by the board. These include the ongoing assessment of corporate strategy through regular board meeting discussions to ensure that company plans remain on track and appropriately focused to ensure that risks to the achievement of corporate objectives are being properly addressed and the implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

The Group has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The board is committed to administering the policies and procedures with openness and integrity and pursuing the true spirit of corporate governance commensurate with the company's needs. To the extent they are applicable; the company has adopted the Eight Essential Corporate Governance Principles and Best Practice Recommendations ("Recommendations") as published by ASX Corporate Governance Council.

As the company's activities develop in size, nature and scope, the size of the board and the implementation of additional corporate governance structures will be given further consideration.

The board sets out below its "if not, why not" report in relation to those matters of corporate governance where the company's practices depart from the recommendations.

Principle 1 Recommendation 1.1

Notification of Departure:

The company has not formally disclosed the functions reserved to the board and those delegated to management.

Explanation for Departure:

The board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and management. The board has established a framework for the management of the company and the roles and responsibilities of the board and management.

Due to the small size of the board and of the company, the board does not think that it is necessary to formally document the roles of the board and management as these roles are clearly understood by all members of the board and management. The board is responsible for the strategic direction of the company, establishing goals for management and monitoring the achievement of these goals, monitoring the overall corporate governance of the company and ensuring that shareholder value is increased.

Principle 2 Recommendation 2.1 & 2.2

Notification of Departure:

The board does not have a majority of independent directors, nor is the chairman an independent director.

Explanation for Departure:

The board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each director has the relevant industry experience and specific expertise relevant to the company's business and level of operations.

The board considers that its structure is, and will continue to be, appropriate in the context of the company's recent history. The company considers that the non-independent Directors possess the skills and experience suitable for building the company. Furthermore, the board considers that in the current phase of the company's growth, the company's shareholders are better served by directors who have a vested interest in the company. The board intends to reconsider its composition as the company's operations evolve, and may appoint independent directors as it deems appropriate.

Principle 2 Recommendation 2.4

Notification of Departure:

The full board carries out the role of a remuneration and nomination committee. On 22 February 2013 the board adopted a formal charter relevant to the specific functions of a remuneration and nomination committee.

Explanation for Departure:

The board considers that no efficiencies or other benefits would be gained by establishing a separate remuneration and nomination committee, in particular at this early stage of the company's operation, where the company's focus is on the retention of directors and senior executives.

Principle 2 Recommendation 2.5

Notification of Departure:

The company does not have in place a formal process for evaluation of the board, its committees, individual directors and key executives.

Explanation for Departure:

Due to the size and structure of the board a formal evaluation process is not conducted.

Principle 3 Recommendation 3.4 & 3.5

Notification of Departure:

There are as yet no measurable objectives or reporting systems in place in respect of the diversity policy that has been adopted.

Explanation for Departure:

In light of the very small number of employees currently engaged by the company, it is considered that no discernible benefits would be gained by establishing such measures, in particular at this early stage of the company's development.

Principle 4 Recommendation 4.1, 4.2, 4.3

Notification of Departure:

There is no separate audit committee.

Explanation for Departure:

The company's financial statements are prepared by the chief financial officer and reviewed in detail by the full board. The audit committee consists of the current full board. The board considers that no efficiencies or other benefits would be gained by establishing a separate audit committee, in particular at this early stage of the company's development.

Principle 7 Recommendation 7.1 & 7.2

Notification of Departure:

The company has an informal risk oversight and management policy and internal compliance and control system.

Explanation for Departure:

The board is aware of the various risks that affect the company and its particular business and reviews these risks on a regular basis. As the company develops, the board will further develop appropriate procedures to deal with risk oversight and management and internal compliance, taking into account the size of the company and the stage of development of its projects.

Principle 8 Recommendation 8.1 & 8.2

Notification of Departure:

The full board carries out the role of a remuneration and nomination committee. On 22 February 2013 the board adopted a formal charter relevant to the specific functions of a remuneration and nomination committee.

Explanation for Departure:

The board considers that no efficiencies or other benefits would be gained by establishing a separate remuneration and nomination committee, in particular at this early stage of the company's operation, where the company's focus is on the retention of directors and senior executives.

Consolidated Statement of Comprehensive Income

For the year ending 30 June 2013

	Notes	**2013 $**	2012 $
Revenue from continuing operations	4	**794,279**	457,306
Expenses			
Depreciation	5	**(137,059)**	(67,033)
Employee benefits expense	5	**(1,885,284)**	(1,551,107)
Impairment of exploration expenses	5	**(1,700,787)**	(691,489)
General expenses		**(303,343)**	(69,628)
Professional fees		**(798,532)**	(555,265)
Travel and accommodation		**(246,165)**	(216,413)
Marketing		**(502,381)**	(406,412)
Rent		**(459,968)**	(70,049)
Administration costs		**(229,826)**	(69,145)
Loss before income tax		**(5,469,066)**	(3,239,233)
Income tax benefit	6	**639,677**	697,005
Loss for the year		**(4,829,389)**	(2,542,228)
Other comprehensive loss for the year		**-**	-
Total comprehensive income for the year attributable to owners of Iron Road Limited		**(4,829,389)**	(2,542,228)
Loss per share for loss attributable to the ordinary equity holders of the company:		**Cents**	Cents
Basic loss per share (cents)	23(a)	**(1.82)**	(1.80)
Diluted loss per share (cents)	23(a)	**(1.82)**	(1.80)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Financial Position

As at 30 June 2013

	Notes	**2013 $**	2012 $
ASSETS			
Current assets			
Cash and cash equivalents	7	**6,909,986**	6,499,620
Trade and other receivables	8	**2,372,132**	835,982
Total current assets		**9,282,118**	7,335,602
Non-current assets			
Property, plant and equipment	9	**9,225,120**	1,580,868
Exploration and evaluation expenditure	9	**75,868,276**	47,852,396
Total non-current assets		**85,093,396**	49,433,264
Total assets		**94,375,514**	56,768,866
LIABILITIES			
Current liabilities			
Trade and other payables	10	**5,320,513**	2,584,279
Provisions	10	**320,355**	243,517
Total current liabilities		**5,640,868**	2,827,796
Non-current liabilities			
Provisions	11	**202,745**	-
Total liabilities		**5,843,613**	2,827,796
Net assets		**88,531,901**	53,941,070
EQUITY			
Contributed equity	12	**100,106,954**	60,659,503
Reserves	13	**4,745,896**	4,773,127
Accumulated losses	13	**(16,320,949)**	(11,491,560)
Total equity		**88,531,901**	53,941,070

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Changes in Equity

For the year ending 30 June 2013

		Attributable to owners of Iron Road Limited			
	Note	Contributed Equity $	Accumulated losses $	Reserves $	Total Equity $
Balance at 1 July 2011		27,141,875	(8,949,332)	4,298,799	22,491,342
Loss for the year as reported in the 2012 financial statements		-	(2,542,228)	-	(2,542,228)
Total Comprehensive Income for the year		**-**	**(2,542,228)**	**-**	**(2,542,228)**
Transactions with owners in their capacity as owners:					
Contributions to equity net of transaction costs		33,517,628	-	-	33,517,628
Share based payments	13	-	-	474,328	474,328
		33,517,628	**-**	**474,328**	**33,991,956**
Balance at 30 June 2012	12	**60,659,503**	**(11,491,560)**	**4,773,127**	**53,941,070**
Loss for the year		-	(4,829,389)	-	(4,829,389)
Total Comprehensive Income for the year		**-**	**(4,829,389)**	**-**	**(4,829,389)**
Transactions with owners in their capacity as owners:					
Contributions to equity net of transaction costs	12	39,447,451	-	-	39,447,451
Share based payments	13	-	-	(27,231)	(27,231)
		39,447,451	**-**	**(27,231)**	**39,420,220**
Balance at 30 June 2013	12,13	**100,106,954**	**(16,320,949)**	**4,745,896**	**88,531,901**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Cash Flows

For the year ending 30 June 2013

	Notes	**2013 $**	2012 $
Cash flows from operating activities			
Research and development tax refund		-	697,006
Payments to suppliers and employees (inclusive of GST)		**(4,453,446)**	(3,516,567)
Interest received		**795,214**	429,366
Other		-	(166,423)
Net cash outflow from operating activites	22	**(3,658,232)**	**(2,556,618)**
Cash flows from investing activities			
Payments for exploration and evaluation		**(27,288,688)**	(22,913,165)
Payments for property and equipment		**(7,781,310)**	(1,530,455)
Net cash outflow from investing activities		**(35,069,998)**	**(24,443,620)**
Cash flows from financing activities			
Proceeds from issue of shares/options		**40,908,867**	33,838,578
Share issue transaction costs		**(1,770,271)**	(464,323)
Net cash inflow from financing activities		**39,138,596**	**33,374,255**
Net increase in cash and cash equivalents		**410,366**	6,374,017
Cash and cash equivalents at the beginning of the year		**6,499,620**	125,603
Cash and cash equivalents at the end of the year	7	**6,909,986**	**6,499,620**

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

For the year ending 30 June 2013

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Iron Road Limited and its subsidiaries.

(a) Basis of preparation of historical financial information
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Iron Road Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS
The consolidated financial statements of Iron Road Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the group
None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and is not likely to affect future periods.

(iii) Historical cost convention
These financial statements have been prepared under the historical cost convention.

(iv) Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statement are disclosed in note 1(t).

(v) Changes to presentation – classification of general expenses
Having regard to AASB 101 Presentation of Financial Statements, general expenses have been reclassified in 2013 such that each material class of items of a similar nature or function are presented separately. The comparative financial information for 2012 has been amended to be consistent with the current year disclosure.

(vi) Going concern
The directors have prepared the financial statements on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. Whilst the Group incurred a net loss of $4,829,389 for the year (2012: $2,542,228), it had cash and cash equivalents of $6,909,986 (2012: $6,499,620) at balance date and had commenced a capital raising (in June 2013 and finalised in July 2013) to raise a further amount of $50,700,000 (as detailed in note 21). Management and the directors believe this level of cash reserves will be sufficient to cover expected expenditure in the next twelve months.

(b) Principles of consolidation
(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Iron Road Limited as at 30 June 2013 and the results of all subsidiaries for the year then ended. Iron Road Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(c) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segment.

(d) Foreign currency translation
(i) Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').The consolidated financial statements are presented in Australian dollars, which is Iron Road Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss.

(e) Revenue recognition
Interest income
Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(f) Income tax
The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Iron Road Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity.

(g) Impairment of assets
Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

(h) Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Investments and other financial assets
(i) Classification
The group classifies its financial assets as loans and receivables. Management determines the classification of its investments at initial recognition.
Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 8) in the balance sheet.

Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement
At initial recognition, the group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment
The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in profit or loss. Impairment testing of trade receivables is described in note 1(g).

(j) Trade and other payables
These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(k) Employee benefits
(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations
The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made

in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments
Share-based compensation benefits are provided to employees through the Iron Road Limited Employee Option Plan. Information relating to this scheme is set out in the share based payments note 24.

The fair value of options granted under the Iron Road Limited Employee Option Plan is recognised as a share based payments expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-market vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(l) Exploration and evaluation expenditure
Exploration and evaluation expenditure encompasses expenditures incurred by the group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Capitalisation of exploration and evaluation expenditure is considered to be appropriate upon the identification of a JORC compliant resource as it appropriately recognises that these projects are in the advanced exploration, evaluation or feasibility phase. Expenditure incurred prior to the identification of a JORC compliant resource is capitalised and subsequently impaired.

Expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition.

The recoverable amount of each area of interest is determined on a bi-annual basis and the provision recorded in respect of that area adjusted so that the net carrying amount does not exceed the recoverable amount. For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged to profit and loss.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(m) Contributed equity
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share
(i) Basic earnings per share
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, and
- the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(n) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(o) Leases
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(p) Provisions
Provisions including make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(q) Property, plant and equipment
All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:
- Computer equipment 3-4 years
- Office equipment 3-20 years
- Plant and equipment 3-20 years
- Motor vehicles 5-10 years

In the case of leasehold improvements, the allocation of cost is over the term of the lease. The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(r) Parent entity financial information
The financial information for the parent entity, Iron Road Limited, disclosed in note 25 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint ventures.
Investments in subsidiaries are accounted for at cost in the financial statements of Iron Road Limited.

(ii) Tax consolidation
Iron Road Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Iron Road Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Iron Road Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

(s) Adoption of new and revised accounting standards and interpretations
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

(i) *AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (effective from 1 January 2015)
AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The group has not yet decided when to adopt AASB 9.

(ii) AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities, revised* AASB 127 *Separate Financial Statements*, AASB 128 *Investments in Associates and Joint Ventures*, AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* and AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments* (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. The Group does not expect the new standard to have an impact on accounting for its subsidiaries.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. There are no joint venture arrangements in place at 30 June 2013 and the impact of the standard shall be assessed should a joint venture arrangement eventuate.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the Group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Group's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The Group is still assessing the impact of these amendments. The Group will adopt the new standards from their operative date. They will therefore be applied in the financial statements for the annual reporting period ending 30 June 2014.

(iii) AASB 13 *Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)
AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The group will adopt the new standard from its operative date, which means that it will be applied in the annual reporting period ending 30 June 2014.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(t) Critical accounting estimates and judgements
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of exploration and evaluation assets
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 in note 1(l). Should development not be possible, or the existence of revenues does not allow for economic development, amounts recorded may require impairment in future periods.

Income taxes
The group is subject to income taxes in Australia. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax liabilities based on the group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

2. Financial risk management

Overview
The Group's activities expose it to a variety of financial and market risks (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The board of directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks, to minimise potential adverse effects on the financial performance and position of the group.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations and arises principally from the Groups receivables from customers and cash and cash equivalents.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. There are no significant concentrations of credit risks, whether through exposure to individual customers or specific industry sectors. The group's maximum exposure to credit risk at the reporting date was:

	2013 $	2012 $
Financial assets		
Cash and cash equivalents	**6,909,986**	6,499,620
Trade and other receivables	**2,372,132**	835,982
	9,282,118	7,335,602

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Financial assets that are neither past due nor impaired are as follows:

	2013 $	2012 $
Counterparties without external credit rating:		
Financial assets with no default in the past	2,372,132	835,982
Cash at bank and short term deposits		
AA-	6,909,223	6,497,100
A	763	2,520
	6,909,986	6,499,620

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

There were no borrowing facilities in place during the current or prior year.

The following are the contractual maturities of undiscounted financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Contractural maturities of financial liabilities	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
At 30 June 2013							
Trade and other payables	5,320,513	-	-	-	-	5,320,513	5,320,513
Total non-derivatives	**5,320,513**	-	-	-	-	**5,320,513**	**5,320,513**
At 30 June 2012							
Trade and other payables	2,584,279	-	-	-	-	2,584,279	2,584,279
Total non-derivatives	**2,584,279**	**-**	**-**	**-**	**-**	**2,584,279**	**2,584,279**

There are no derivative financial instruments.

Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The following market risk exposures have been assessed:

(i) Currency risk
The Group operates in Australian dollars with few and low value transactions in other currencies. Such transactions present immaterial currency risk.

(ii) Interest rate risk
Exposure arises from assets bearing variable interest rates. The Group intends to hold fixed rate assets to maturity, hence interest rate risk is considered unlikely to be material.

Sensitivity Analysis
If the interest rates had weakened/strengthened by 1% at 30 June 2013, there would be no material impact on the statement of comprehensive income. There would be no effect on the equity reserves other that those directly related to the statement of comprehensive income movements (2012- nil).

(iii) Price Risk
Changes in commodity prices may impact the Group's projected cash flows in future years, and may impact the assessment of the carrying value of its assets. However, given the company is not yet in production, changes in commodity prices do not currently impact the Group's profit or loss or its cash flows.

Fair Values
All financial assets and liabilities have been recognised at the reporting date at amounts approximating their carrying value due to their short term nature.

3. Segment information

The Group does not have any customers, and all the Group's assets and liabilities are located within Australia. The Group does not have any operating segments with discrete financial information.

The board of directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the board to make strategic decisions.

4. Revenue

Revenue from continuing operations	2013 $	2012 $
Interest income	794,279	457,306
	794,279	**457,306**

5. Expenses

Loss before income tax includes the following specific expenses:

Depreciation	**2013 $**	2012 $
Plant and equipment	37,999	26,351
Computer equipment	58,800	31,444
Office equipment	28,170	3,016
Motor vehicles	12,090	6,222
Total depreciation	**137,059**	67,033
Employee benefits expense		
Defined contribution superannuation expense	133,913	160,628
Share based payments expense	(27,231)	474,328
Directors fees	242,271	150,000
Salaries and wages	1,383,040	635,348
Other employee benefits expense	153,292	130,803
Total employee benefits expense	**1,885,284**	1,551,107
Impairment of exploration expenses		
Exploration expenditure written off during the year*	**1,700,787**	691,489

* Exploration expenditure relating to Gawler and Windarling projects

6. Income tax

(a) Income tax benefit	2013 $	2012* $
Current tax benefit	(1,172,268)	(697,005)
Deferred tax expense	532,591	-
	(639,677)	(697,005)

(b) Reconciliation of income tax benefit to prima facie tax	2013 $	2012* $
Loss from continuing operations before income tax benefit	(5,469,066)	(3,239,233)
Tax at the Australian tax rate of 30% (2012: 30%)	**(1,640,720)**	(971,770)
Tax effect of amounts which are not deductible in calculating taxable income:		
Share based payments	(8,169)	142,298
Sundry	1,640	30
	(6,529)	142,328
Research and development tax credit	(1,172,268)	(697,005)
Prior year adjustment	94,098	695,580
Current year tax losses not recognised	2,085,742	133,862
Income tax benefit	**(639,677)**	(697,005)

(c) Tax expense recognised in equity	2013 $	2012* $
Deferred tax credited directly to equity	**532,591**	**-**

(d) Tax losses	2013 $	2012* $
Unused tax losses for which no deferred tax asset has been recognised	7,398,675	446,203
Potential tax benefit at 30%	**2,219,603**	**133,861**

(e) Deferred tax assets and liabilities	2013 $	2012* $
The balance of deferred tax assets comprises temporary differences attributable to:		
Tax losses	24,149,237	14,181,305
Business related costs	575,483	162,050
Accrued expenses	163,413	81,755
Total deferred tax assets	**24,888,133**	**14,425,110**

	2013 $	2012* $
The balance of deferred tax liabilities comprises temporary differences attributable to:		
Accrued income	8,319	8,599
Exploration expenditure	22,660,212	14,282,650
Total deferred tax liabilities	**22,668,531**	14,291,249
Net deferred tax assets	2,219,603	133,861
Deferred tax assets not recognised	(2,219,603)	(133,861)
Net deferred tax assets	-	-

* 2012 Income tax disclosures have been restated to align with the 2012 tax return. An adjustment of $21,377,295 was made to 2012 carried forward tax losses to reflect additional deductible exploration expenditure. As no deferred tax asset was recognised, the above adjustment has not impacted tax expense or deferred tax assets or liabilities recorded in the prior year.

A net deferred tax asset of $2,219,603 (2012: $133,861) has not been recognised as it is not probable within the immediate future that taxable profits will be available against which deductible temporary differences and tax losses can be utilised.

7. Current assets - Cash and cash equivalents

Cash and cash equivalents	2013 $	2012 $
Cash at bank and in hand	2,637,578	2,622,812
Fixed term deposits	4,272,408	3,876,808
	6,909,986	6,499,620

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balance per consolidated statement of cashflows	**6,909,986**	6,499,620

Cash at bank earns a floating interest rate based on the at call daily rate. Fixed term deposits are held from one to six months depending on the cash requirements of the business. As at 30 June 2013, $2,000,000 was held on deposit for 30 days and $2,000,000 was held on deposit for 3 months.
A term deposit for $272,408 is also held as security for the corporate credit card facility.

Risk exposure
The Groups exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalent mentioned above.

8. Current assets - Trade and other receivables

	2013 $	2012* $
Research and development tax refund	**1,172,268**	-
GST receivable	**1,079,972**	726,988
Interest receivable	**27,729**	28,664
Prepayments	**54,727**	56,170
Other receivables	**37,436**	24,160
	2,372,132	835,982

* **The comparative financial information for 30 June 2012 has been amended to be consistent with the current year disclosure.**

As at 30 June 2013, other receivables that were past due or impaired were nil (2012: nil).

Risk exposure
The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to note 2 for more information on the risk management policy of the Group and the credit quality of the Group's trade receivables.

9. Non-current assets

Property plant and equipment

Reconciliations of the carrying amounts of plant and equipment:

	Land and buildings	Plant and equipment	Computer equipment	Office equipment	Motor vehicles	Total
At 30 June 2011						
Cost	22,000	69,463	26,350	21,449	24,742	164,004
Accumulated depreciation	-	(11,653)	(10,526)	(17,087)	(7,294)	(46,560)
Net book value	**22,000**	**57,810**	**15,824**	**4,362**	**17,448**	**117,444**
Year ended 30 June 2012						
Opening net book value	22,000	57,810	15,824	4,362	17,448	117,444
Additions	1,199,545	100,782	156,329	38,438	35,364	1,530,458
Depreciation charged	-	(26,351)	(31,444)	(3,016)	(6,222)	(67,033)
Balance at 30 June 2012	**1,221,545**	**132,241**	**140,709**	**39,784**	**46,590**	**1,580,868**
At 30 June 2012						
Cost	1,221,545	170,244	182,678	59,886	60,105	1,694,457
Accumulated depreciation	-	(38,003)	(41,969)	(20,102)	(13,515)	(113,589)
Net book value	**1,221,545**	**132,241**	**140,709**	**39,784**	**46,590**	**1,580,868**
Year ended 30 June 2013						
Opening net book value	1,221,545	132,241	140,709	39,784	46,590	1,580,868
Additions	7,201,079	132,724	248,576	194,197	4,734	7,781,310
Depreciation charged	-	(37,999)	(58,800)	(28,170)	(12,090)	(137,059)
Balance at 30 June 2013	**8,422,624**	**226,966**	**330,485**	**205,810**	**39,234**	**9,225,120**
At 30 June 2013						
Cost	8,422,624	302,968	431,254	254,083	64,839	9,475,768
Accumulated depreciation	-	(76,002)	(100,769)	(48,272)	(25,605)	(250,648)
Net book value	**8,422,624**	**226,966**	**330,485**	**205,811**	**39,234**	**9,225,120**

Exploration and evaluation expenditure	2013 $	2012 $
Opening balance	47,852,396	24,939,230
Tenement acquisitions during the period	-	1,150,000
Additions during the period	29,716,667	22,454,655
Impairment of exploration expenses	(1,700,787)	(691,489)
Closing balance	**75,868,276**	47,852,396

Recoverability of the carrying amount of the exploration and evaluation asset is dependent on successful development and commercial exploitation or sale of the CEIP and GIP areas of interest.

10. Current liabilities

Trade and other payables	2013 $	2012 $
Trade payables	3,265,547	1,595,754
Accruals	2,054,134	987,914
Other payables	832	611
Total trade and other payables	**5,320,513**	2,584,279

Provisions	2013 $	2012 $
Employee benefits	220,691	143,517
Drilling program compensation provision	99,664	100,000
Total provisions	**320,355**	243,517

Drilling program compensation provision
Iron Road Limited has committed to providing financial compensation to land holders in the event of crop disturbance in relation to drilling activities. The Group anticipates compensation to be settled within 12 months and no additional provision are expected to be raised as resource drilling activities for the DFS have been finalised.

Movements in provisions

Movements in each class of provision during the financial year are set out below:

2013	Annual leave provision	Drilling compensation provision	Total
Carrying amount at the start of the year	143,517	100,000	243,517
Charged/(credited) to profit or loss			
- additional provision recognised	177,629	110,309	287,938
Amounts used during the year	(100,455)	(110,645)	(211,100)
Carrying amount at the end of the year	**220,691**	**99,664**	**320,355**

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes accrued annual leave. The entire amount of the provision is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. It is estimated that 40% of the carrying value will be carried beyond 12 months.

11. Non-current liabilities

Provisions	2013 $	2012 $
Employee benefits - long service leave	155,523	-
Other liabilities	47,222	-
Total provisions	**202,745**	**-**

12. Contributed equity

(a) Share capital

	Note	2013 Shares	2012 Shares	2013 $	2012 $
Ordinary shares - fully paid	12(b)	**290,968,452**	161,207,273	**101,568,371**	60,980,453
Deferred tax expense recognised in equity		-	-	**532,591**	-
Cost of capital raising		-	-	**(1,994,008)**	(320,950)
		290,968,452	161,207,273	**100,106,954**	60,659,503

(b) Movements in ordinary share capital

Date	Details	Note	Number of shares issued*	Issue price	$
1 July 2011	Opening balance		113,695,564	-	27,141,875
8 July 2011	Exercise of options		625,000	$ 0.20	125,000
8 July 2011	Exercise of options		625,000	$ 0.25	156,250
8 July 2011	Exercise of options		625,000	$ 0.30	187,500
8 July 2011	Exercise of options		625,000	$ 0.35	218,750
29 July 2011	Issue of ordinary shares		6,395,373	$ 0.90	5,755,836
4 August 2011	Issue of ordinary shares		9,637,643	$ 0.90	8,673,880
24 August 2011	Issue of ordinary shares		7,926,658	$ 0.90	7,133,993
25 August 2011	Issue of ordinary shares		25,000	$ 0.90	22,500
16 April 2012	Issue of ordinary shares		15,783,047	$ 0.55	8,680,676
13 June 2012	Issue of ordinary shares		5,243,988	$ 0.55	2,884,193
30 June 2012	Cost of capital raising		-	$ -	(320,950)
30 June 2012	**Balance**		**161,207,273**		**60,659,503**
16 August 2012	Issue of ordinary shares	12(e)	19,425,851	$ 0.32	6,216,272
11 September 2012	Issue of ordinary shares	12(e)	105,510,292	$ 0.32	33,763,293
23 January 2013	Exercise of unlisted options		2,825,036	$ 0.19	544,102
8 March 2013	Exercise of unlisted options		2,000,000	$ 0.19	385,200
30 June 2013	Cost of capital raising		-	-	(1,994,008)
30 June 2013	Deferred tax expense recognised in equity		-	-	532,591
30 June 2013	**Balance**		**290,968,452**		**100,106,954**

* All shares have been authorised for issue and are fully paid

(c) Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on shares held.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(d) Movements in unlisted options on issue

Date	Details	Number of shares	Issue price
1 July 2011	Opening balance	24,625,000	-
8 July 2011	Exercise of unlisted options	(625,000)	$ 0.20
8 July 2011	Exercise of unlisted options	(625,000)	$ 0.25
8 July 2011	Exercise of unlisted options	(625,000)	$ 0.30
8 July 2011	Exercise of unlisted options	(625,000)	$ 0.35
25 July 2011	Issue of unlisted options	500,000	$ 1.00
24 August 2011	Issue of unlisted options	100,000	$ 1.00
25 August 2011	Issue of unlisted options	100,000	$ 1.25
26 August 2011	Issue of unlisted options	100,000	$ 1.50
30 June 2012	**Balance**	**22,925,000**	
23 January 2013	Forfeiture of unlisted options	(3,420,000)	$ 0.34
23 January 2013	Forfeiture of unlisted options	(6,000,000)	$ 0.19
23 January 2013	Exercise of unlisted options	(2,825,036)	$ 0.19
23 January 2013	Forfeiture of unlisted options	(879,964)	$ 0.19
23 January 2013	Forfeiture of unlisted options	(1,500,000)	$ 0.34
8 March 2013	Exercise of unlisted options	(2,000,000)	$ 0.19
30 June 2013	**Balance**	**6,300,000**	

Additional information relating to the Iron Road Limited Employee Option Plan is set out in note 15 and note 24.

(e) Capital raising

On 2 August 2012, the company announced a fully underwritten 31 for 40 accelerated non-renounceable entitlement offer of new Iron Road Limited shares at an offer price of $0.32 per new share. 124,936,143 new shares were issued which rank equally with existing shares in Iron Road Limited.

(f) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern.

There were no changes to the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting. The Group is not subject to externally imposed capital requirements.

13. Other reserves and retained earnings

(a) Reserves

Share based payments reserve **Date**	**Details**	**$**
1 July 2011	Opening balance	4,025,549
	Directors and employee share options	474,328
30 June 2012	Balance	4,499,877
	Unvested options expired	(74,683)
	Options expensed	47,452
	Transfer from options issue reserve	273,250
30 June 2013	**Balance**	**4,745,896**

The share based payment reserve is used to recognise the value of options issued. Options that are vested on issue are fully expensed on issue whereas options with vesting conditions that are yet to be satisfied are expensed throughout the vesting period.

Options issue reserve **Date**	**Details**	**$**
1 July 2011	Opening balance	273,250
	Movement	-
30 June 2012	Balance	273,250
	Transfer to share based payment reserve	(273,250)
30 June 2013	**Balance**	**-**
Total Reserves		**4,745,896**

The options issue reserve is used to recognise the proceeds from the issue of options.

(b) Accumulated losses

Date	**Details**	**$**
1 July 2011	Opening balance	(8,949,332)
	Net loss for the year	(2,542,228)
1 July 2012	Balance	(11,491,560)
	Net loss for the year	(4,829,389)
30 June 2013	**Balance**	**(16,320,949)**

14. Dividends

Due to a net loss position, there have been no dividends paid during the current year or prior years.

15. Key management personnel disclosures

(a) Key management personnel compensation

	2013 $	2012 $
Short term employee benefits	1,230,191	892,352
Long term employee benefits	103,767	-
Post employment benefits	91,607	76,694
Share based payments	(74,683)	352,450
	1,350,882	1,321,496

(b) Option holdings

The numbers of options over ordinary shares in the Group held during the financial year by each director of Iron Road Limited and other key management personnel of the Group, including their personally related parties, are set out below:

2013	Balance at the start of period	Granted as compensation	Exercised	Expired	Balance at the end of year	Vested and exercisable	Unvested
Directors of Iron Road Limited							
Andrew Stocks	9,420,000	-	-	(9,420,000)	-	-	-
Jeremy Ellis	500,000	-	-	-	500,000	500,000	-
Julian Gosse	2,500,000	-	-	-	2,500,000	2,500,000	-
Matthew Keegan	3,780,000	-	(1,400,036)	(2,379,964)	-	-	-
Other key management personnel of the Group							
Larry Ingle	3,000,000	-	-	-	3,000,000	3,000,000	-
Lex Graefe	-	-	-	-	-	-	-

2012	Balance at the start of period	Granted as compensation	Exercised	Expired	Balance at the end of year	Vested and exercisable	Unvested
Directors of Iron Road Limited							
Andrew Stocks	9,420,000	-	-	-	9,420,000	7,920,000	1,500,000
Jeremy Ellis	-	500,000	-	-	500,000	500,000	-
Julian Gosse	2,500,000	-	-	-	2,500,000	2,500,000	-
Ian Hume	2,500,000	-	(2,500,000)	-	-	-	-
Matthew J Keegan	3,780,000	-	-	-	3,780,000	3,780,000	-
Other key management personnel of the Group							
Larry Ingle	3,000,000	-	-	-	3,000,000	3,000,000	-
Lex Graefe	-	-	-	-	-	-	-

(c) Share holdings

The numbers of shares in the company held during the financial year by each director of Iron Road Limited and other key management personnel of the company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2013	Balance at the start of period	Received during the year on exercise of options	Other changes during the year	Balance at the end of period
Directors of Iron Road Limited				
Peter Cassidy	-	-	3,784,343	3,784,343
Andrew Stocks	2,915,938	-	-	2,915,938
Jerry Ellis	80,000	62,000	-	142,000
Leigh Hall AM	-	-	200,000	200,000
Julian Gosse	591,000	-	-	591,000
Ian Hume	5,151,203	-	-	5,151,203
Matthew Keegan	2,200,000	1,400,036	-	3,600,036
Other Key Management Personnel of the Group				
Larry Ingle	-	-	-	-
Lex Graefe	-	-	-	-

2012	Balance at the start of period	Received during the year on exercise of options	Other changes during the year	Balance at the end of period
Directors of Iron Road Limited				
Andrew Stocks	2,915,938	-	-	2,915,938
Jerry Ellis	80,000	-	-	80,000
Julian Gosse	2,338,703	-	(1,747,703)	591,000
Ian Hume	2,651,203	2,500,000	-	5,151,203
Matthew Keegan	2,200,000	-	-	2,200,000
Other Key Management Personnel of the Group				
Larry Ingle	-	-	-	-
Lex Graefe	-	-	-	-

(d) Other transactions with key management personnel

The Group leases a property in Adelaide, South Australia for use by the General Manager, Larry Ingle and the Managing Director, Andrew Stocks when visiting Adelaide. The rental obligation is paid for by Iron Road Limited, totalling $39,520 in 2013 (2012: $32,502) which is recognised as an expense.

16. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices:

	2013 $	2012 $
PricewaterhouseCoopers (Australia)		
(a) Audit and other assurance services		
Audit and review of financial reports under the Corporations Act 2001	51,465	-
(b) Non audit services		
Taxation compliance services	8,500	-
Total remuneration of PricewaterhouseCoopers (Australia)	**59,965**	**-**
BDO Audit (WA) Pty Ltd		
(a) Audit and other assurance services		
Audit and review of financial reports under the Corporations Act 2001	15,456	42,216
(b) Non audit services		
Taxation compliance services	-	29,694
Total remuneration of BDO Audit (WA) Pty Ltd	**15,456**	71,910
Total auditors remuneration	**75,421**	71,910

It is Group policy to employ PricewaterhouseCoopers (PwC) on assignments additional to their statutory audit duties where PwC expertise and experience is important. These assignments are principally taxation advice.

17. Contingencies

There are no material contingent liabilities or contingent assets of the Group at reporting date.

18. Commitments

(a) Exploration commitments

All of the company's tenements are situated in the states of Western Australia and South Australia.

In order to maintain an interest in the mining and exploration tenements in which the company is involved, the company is committed to meet the conditions under which the tenements were granted and the obligations of any farm-in agreements. The timing and amount of exploration expenditure commitments and obligations of the company are subject to the minimum expenditure commitments required as per the Mining Act 1971, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. These obligations are not provided for in the financial report and are payable.

Outstanding exploration commitments are as follows (no estimate has been given of expenditure commitments beyond 12 months as this is dependent on the ongoing assessment of operations).

	2013 $	2012 $
Within one year	1,135,000	851,000

(b) Capital commitments

The Group has a contractual commitment to finalise land purchases at Cape Hardy in South Australia.

	2013 $	2012 $
Within one year	1,536,373	-
Later than one year but no later than two years	-	1,536,373
	1,536,373	1,536,373

(c) Lease commitments: Company as lessee

The Group leases various offices, expiring within one to four years. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum lease payments in relation to operating leases are payable as follows:

	2013 $	2012 $
Within one year	330,022	445,198
Later than one year but no later than five years	942,951	360,162
Later than five years	-	881,413
	1,272,973	1,686,773

19. Related party transactions

(a) Parent entities
The parent entity within the Group is Iron Road Limited. The ultimate parent entity and ultimate controlling party is The Sentient Group (incorporated in the Cayman Islands) which at 30 June 2013 owns 57.87% (2012 35.04%) of the issued ordinary shares of Iron Road Limited.

(b) Subsidiaries
Interests in subsidiaries are set out in note 20.

(c) Key management personnel
Disclosures relating to key management personnel are set out in note 15.

(d) Transactions with other related parties
The following transactions occurred with The Sentient Group:

	2013 $	2012 $
Reimbursement of travel related expenditure	26,411	25,418
Reimbursement of legal fees	-	257,879
Directors fees	39,494	-
Capital raising costs	80,356	98,346
Other reimbursements	52,625	-
	198,886	381,643

The following balances are outstanding at the end of the reporting period and are disclosed within trade and other payables in relation to transactions with The Sentient Group:

	2013 $	2012 $
Reimbursement of travel related expenditure	16,512	-
Directors fees	13,625	-
Capital raising costs	80,356	-
Other reimbursements	52,625	-
	163,118	-

There were no other related party transactions during the year.

(e) Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

20. Investment in controlled entities

Name of entity	Equity holding 2013 %	Equity holding 2012 %	Cost of parent entities investment 2013 $	Cost of parent entities investment 2012 $
Parent entity				
Iron Road Limited				
Controlled entities				
Eyre Properties Pty Ltd	100	100	10	10
IRD (Central Eyre) Pty Ltd	100	100	100	100
IRD (Windarling) Pty Ltd	100	100	100	100
IRD (Gawler) Pty Ltd	100	100	100	100
IRD (Port) Pty Ltd	100	100	100	100
IRD (Desalination) Pty Ltd	100	100	100	100
IRD (Admin) Pty Ltd	100	100	100	100
IRD (Railway) Pty Ltd	100	100	100	100

Iron Road Limited and all of its subsidiaries are located and incorporated in Australia.

21. Events occurring after the reporting period

Iron Road Limited announced a fully underwritten non-renounceable entitlement offer on 13 June 2013 to raise $50,700,000 (after costs) to fund the completion of the CEIP DFS and continue the scoping and study of the GIP.

As a result of this entitlement offer, 290,968,452 fully paid ordinary shares were issued by Iron Road Limited, increasing the total number of fully paid ordinary shares on issue to 581,936,904 on 30 July 2013.

22. Reconciliation of net loss after income tax

	2013 $	2012 $
Net loss for the period	(4,829,389)	(2,542,228)
Depreciation	137,059	67,033
Share based payments	(27,231)	474,328
Non cash - rent incentive	47,222	-
Non cash - tax expense on capital raising costs	532,591	-
Formation costs	-	200
Impairment of exploration expenses	1,700,787	691,489
Change in operating assets and liabilities		
(Increase) in trade and other receivables	(1,536,150)	(218,523)
Increase/(Decrease) in trade payables	84,182	(1,128,917)
Increase in other provisions	232,697	100,000
Net cash outflow from operating activities	**(3,658,232)**	(2,556,618)

23. Loss per share

(a) Basic and diluted earnings per share

	2013 cents	2012 cents
Total basic loss per share attributable to the ordinary equity owners of the company	**(1.82)**	(1.80)
Total diluted loss per share attributable to the ordinary equity owners of the company	**(1.82)**	(1.80)
Loss attributable to the members of the group used in calculating basic earnings per share: from continuting operations	**(4,829,389)**	(2,542,228)

(b) Weighted average number of shares used as the denominator

	Number of shares	
	2013	2012
Weighted average number of shares used as the denominator in calculating basic and diluted loss per share	**264,663,198**	140,980,038

(c) Information concerning the classification of options

As Iron Road Limited made a loss during the year, all options on issue are considered anti-dilutive and have not been included in the calculation of diluted loss per share. These options could potentially dilute the loss per share in the future.

24. Share based payments

As detailed in both the 2008 and 2009 Notices of Annual General Meeting and Explanatory Statements, the Board of Directors approved an employee share option plan for Directors. This was further broadened to include Iron Road Limited's employees, as approved by shareholders at the General Meeting on 25 July 2011.

The Employee Option Plan is designed to provide long-term incentives for directors and senior executives to deliver long-term shareholder returns. Under the plan, participants are granted options some of which vest on issue and others only vest if certain market and non-market conditions are met. Once vested, the options remain exercisable for a period of five years. Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

A participant in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Set out below is a summary of options under the plan:

Grant date	Expiry date	Exercise price	Balance at start of period	Granted during the year	Exercised during the year	Expired during the year	Balance at end of period	Vested and exercisable at end of period
30 June 2013								
Director options								
23/01/08	23/01/13	$0.3426	3,420,000	-	-	(3,420,000)	-	-
23/01/08	23/01/13	$0.1926	6,000,000	-	-	(6,000,000)	-	-
23/01/08	23/01/13	$0.1926	1,425,000	-	(1,425,000)	-	-	-
23/01/08	23/01/13	$0.1926	2,280,000	-	(1,400,036)	(879,964)	-	-
23/01/08	23/01/13	$0.3426	1,500,000	-	-	(1,500,000)	-	-
27/05/08	10/03/13	$0.1926	2,000,000	-	(2,000,000)	-	-	-
23/12/09	15/12/14	$0.1926	625,000	-	-	-	625,000	625,000
23/12/09	15/12/14	$0.2426	625,000	-	-	-	625,000	625,000
23/12/09	15/12/14	$0.2293	625,000	-	-	-	625,000	625,000
23/12/09	15/12/14	$0.3426	625,000	-	-	-	625,000	625,000
25/07/11	25/07/16	$0.9926	500,000	-	-	-	500,000	500,000
Employee Options								
07/08/08	06/08/13	$0.3426	3,000,000	-	-	-	3,000,000	3,000,000
24/08/11	24/08/16	$0.9926	100,000	-	-	-	100,000	100,000
24/08/11	24/08/16	$1.2426	100,000	-	-	-	100,000	-
24/08/11	24/08/16	$1.4926	100,000	-	-	-	100,000	-
Total			**22,925,000**	**-**	**(4,825,036)**	**(11,799,964)**	**6,300,000**	**6,100,000**
Weighted average exercise price			**$0.2821**	**-**	**$0.1926**	**$0.2551**	**$0.4010**	**$0.3693**

Grant date	Expiry date	Exercise price	Balance at start of period	Granted during the year	Exercised during the year	Expired during the year	Balance at end of period	Vested and exercisable at end of period
30 June 2012								
Director options								
23/01/08	23/01/13	$ 0.35	3,420,000	-	-	-	3,420,000	-
23/01/08	23/01/13	$ 0.20	6,000,000	-	-	-	6,000,000	-
23/01/08	23/01/13	$ 0.20	1,425,000	-	-	-	1,425,000	1,425,000
23/01/08	23/01/13	$ 0.20	2,280,000	-	-	-	2,280,000	2,280,000
23/01/08	23/01/13	$ 0.35	1,500,000	-	-	-	1,500,000	1,500,000
27/05/08	10/03/13	$ 0.20	2,000,000	-	-	-	2,000,000	-
23/12/09	15/12/14	$ 0.20	625,000	-	-	-	625,000	625,000
23/12/09	15/12/14	$ 0.25	625,000	-	-	-	625,000	625,000
23/12/09	15/12/14	$ 0.30	625,000	-	-	-	625,000	625,000
23/12/09	15/12/14	$ 0.35	625,000	-	-	-	625,000	625,000
23/12/09	15/12/14	$ 0.20	625,000		(625,000)		-	-
23/12/09	15/12/14	$ 0.25	625,000		(625,000)		-	
23/12/09	15/12/14	$ 0.30	625,000		(625,000)		-	
23/12/09	15/12/14	$ 0.35	625,000		(625,000)		-	
25/07/11	25/07/16	$ 1.00	-	500,000	-	-	500,000	500,000
Employee Options						-		
07/08/08	06/08/13	$ 0.35	3,000,000	-	-	-	3,000,000	3,000,000
24/08/11	24/08/16	$ 1.00	-	100,000	-	-	100,000	100,000
24/08/11	24/08/16	$ 1.25	-	100,000	-	-	100,000	-
24/08/11	24/08/16	$ 1.50	-	100,000	-	-	100,000	-
Total			**24,625,000**	**800,000**	**(2,500,000)**	**-**	**22,925,000**	**11,305,000**
Weighted average exercise price			**$0.2635**	**$1.0938**	**$0.2750**	**-**	**$0.2821**	**$0.3188**

There were no options issued, with 11,799,964 options expiring and 4,825,036 exercised during the reporting period 30 June 2013. There were 800,000 options granted and 2,500,000 options exercised during the reporting period 30 June 2012. The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2013 was $0.30. The weighted average remaining contractual life of options outstanding at 30 June 2013 is 1.02 years (2012: 0.98 years).

Total expenses arising from share based payment transactions recognised during the year were as follows:

	2013 **$**	2012 $
Options expensed	47,452	474,328
Unvested options expired	(74,683)	-
	(27,231)	474,328

25. Iron Road Limited parent company information

(a) Summary financial information

The individual financial statements for the parent entity show the following amounts:

	2013 $	2012 $
ASSETS		
Total current assets	**18,178,656**	8,537,536
Total non-current assets	**76,215,364**	48,235,472
Total assets	**94,394,020**	56,773,008
LIABILITIES		
Total current liabilities	**5,640,868**	2,828,496
Total non-current liabilities	**202,745**	-
Total liabilities	**5,843,613**	2,828,496
Net assets	**88,550,407**	53,944,512
EQUITY		
Issued capital	**100,106,954**	60,659,503
Reserves	**4,745,896**	4,773,127
Accumulated losses	**(16,302,443)**	(11,488,118)
Total equity	**88,550,407**	53,944,512
Total comprehensive loss for the year	**(4,814,325)**	(2,538,786)

(b) Guarantees entered into by the parent entity

The company has not provided any financial guarantees as at 30 June 2013.

(c) Contingent liabilities of the parent entity

The company had no contingent liabilities as at 30 June 2013.

(d) Contractual commitments

The company had no contractual commitments other than exploration and commitments disclosed in note 18 as at 30 June 2013.

Directors' Declaration

The Directors' of the Group declare that:

1. The consolidated financial statements, comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 and:

a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b) give a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the financial year ended on that date.

2. In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

3. The remuneration disclosures included in the Directors' report (as part of audited Remuneration Report), for the year ended 30 June 2013, comply with section 300A of the Corporations Act 2001.

4. The Directors' have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

5. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by Andrew Stocks.

Andrew Stocks
Managing Director
25 September 2013

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

Report on the financial report

We have audited the accompanying financial report of Iron Road Limited (the company), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Iron Road Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

a) the financial report of Iron Road Limited is in accordance with the *Corporations Act 2001* including:

i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

Report on the Remuneration Report

We have audited the remuneration report included in pages 42 to 48 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Iron Road Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Tim Goldsmith

Tim Goldsmith
Partner

Adelaide
25 September 2013

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is shown below. All information is current as at 24 September 2013.

a) Distribution of equity securities
Analysis of holders of fully paid ordinary shares by size of holding:

Spread of holding	Number of holders	Percentage of ordinary fully paid shares	Shares held
1-1,000	205	0.02%	107,967
1,001-5,000	458	0.23%	1,316,024
5,001-10,000	279	0.39%	2,297,878
10,001-100,000	657	3.47%	20,198,442
100,001 and over	142	95.89%	558,016,593
Total holdings on register	**1,741**	**100.00%**	**581,936,904**

b) Twenty largest shareholders
The twenty largest holders of fully paid ordinary shares are:

Holder name	Shares held	Percentage of ordinary fully paid shares
Sentient Executive GP IV Limited	343,259,453	58.99%
Sentient Executive GP III Limited	51,558,593	8.86%
National Nominees Limited	33,109,178	5.69%
Sentient Executive GP II Limited	29,131,005	5.01%
HSBC Custody Nominees Australia Limited	15,619,565	2.68%
SANBA II Inv Company	9,861,112	1.69%
Gothic Corporation	6,091,844	1.05%
DEVIPO Pty Ltd	5,151,203	0.89%
JP Morgan Nominees Australia Limited	4,252,616	0.73%
Cedarose Pty Ltd	4,082,061	0.70%
SEISUN Capital Pty Ltd	3,486,625	0.60%
Anderson, Graham Douglas	3,296,716	0.57%
UBS Wealth Management Australia Nominees	2,507,375	0.43%
Anderson, CM & SM	2,500,000	0.43%
Paul, Geoffrey John	2,200,000	0.38%
Duke Endowment	2,196,772	0.38%
Stonecot Pty Ltd	2,005,000	0.34%
Leadville Investments Pty Ltd	1,500,000	0.26%
Stocks, Claire Margaret	1,442,657	0.25%
Stocks, Andrew James	1,442,656	0.25%
	524,694,431	**90.16%**

c) Substantial shareholder
These substantial shareholders have notified the company in accordance with section 671B of the *Corporations Act 2001*:

	Shares held
Sentient Executive GP II, Limited	29,131,005
Sentient Executive GP III, Limited	51,558,593
Sentient Executive GP IV, Limited	343,259,453
Total holding	**423,949,051**

d) Voting rights
All ordinary shares are fully paid and carry one vote per share without restriction.

e) Interests in mining tenements
Iron Road Limited holds interests in the following mining tenements:

Location	Tenement	Percentage held
South Australia		
Warramboo	EL4849	100%
Gawler	EL5298 (replaced EL4014)	90% Iron Ore rights
Western Australia		
Windarling	EL77/1236	Expired 18 September 2013
	EL77/1237	100%
	EL77/1245	100%
	PL77/3508	Expired 30 September 2013

Glossary

Aeromagnetic survey (Aeromag) - a common type of geophysical method carried out using a magnetometer aboard or towed behind an aircraft. The aircraft typically flies in a grid like pattern with height and line spacing determining the resolution of the data. As the aircraft flies, the magnetometer records tiny variations in the intensity of the ambient magnetic field and spatial variations in the Earth's magnetic field. By subtracting the solar and regional effects, the resulting aeromagnetic map shows the spatial distribution and relative abundance of magnetic minerals (most commonly magnetite) in the upper levels of the crust.

Bentonite - an absorbent type of clay which increases its volume several times when in contact with water. Fine bentonite is mixed with iron ore fines and water and rolled in balling drums to create spherical balls or pellets. Once the bentonite absorbs the water, the sticky bentonite particles bind the iron ore particles together. The iron pellets may be used directly in a blast furnace or direct reduction steel-making plant.

Cleaner Magnetic Separation (CMS) – a process whereby an already partially upgraded ore containing minerals which respond to a magnetic field is passed over a rolling drum with a magnetic field applied. The magnetic minerals attach to the roll and are scraped off into a high grade concentrate. The non-magnetic material passes straight over the roll and is rejected to tailings. It is generally performed wet on material which has been milled to a fine grind size.

Downhole intervals - depth interval along the drill hole. Not necessarily a true depth below surface.

Davis Tube Recovery (DTR) – a test used to separate ferromagnetic and non-magnetic fractions in small samples of approximately 20g at a time. The test is suited to establishing the recoveries likely from a magnetic separation process. This can assist mineral body assessment for magnetite, hematite or combinations thereof.

Gravity survey - a geophysical method undertaken from the surface or from the air which identifies variations in the density of the earth from surface to depth. It is used to directly measure the density of the subsurface, effectively the rate of change of rock properties. From this information a picture of subsurface anomalies may be built up to more accurately target mineral deposits. For iron exploration gravity surveys are commonly overlain on magnetic surveys to help identify and target fresh and oxidised iron ore (ie. magnetite and hematite).

Hematite - a mineral, coloured black to steel or silver-grey, brown to reddish brown or red. Hematite is a form of Iron (III) oxide (Fe2O3), one of several iron oxides.

Loss on Ignition (LOI) – a test where a small weighed sample is heated at a controlled rate under controlled conditions to measure the volatile components of the sample (water from hydrates, carbon dioxide from carbonates, etc). The loss is reported as a percentage of the original weight. For iron ore, hematite usually returns a positive result, magnetite returns a negative result. Hematite ores report positive LOI readings mostly due to the presence of goethite which contains water in the lattice. When magnetite is heated it gains weight as it starts to convert to hematite. The gain in mass is reported as a negative LOI. The value of the LOI may be important in sales contracts where this has a direct bearing on the performance of the ore in smelting.

Magnetite - a form of iron ore, one of several iron oxides and a ferrimagnetic mineral with chemical formula Fe3O4 and a member of the spinel group. It is metallic or dull black and a valuable source of iron ore. Magnetite is the most magnetic of all the naturally occurring minerals on Earth, and these magnetic properties allow it to be readily refined into an iron ore concentrate.

Martite - the name given for Hematite pseudomorphs after Magnetite. More simply put primary magnetite that has been totally replaced by secondary hematite through oxidation.

Mineralisation - refers to the distribution and characteristics (including chemical formula, crystal structure, interaction with other minerals) of the various minerals contained with a mineral deposit.

Specularite - a black or grey variety of hematite with brilliant metallic lustre, occurring in micaceous / foliated masses or in tabular or disk-like crystals. Also known as specular iron.

Spigotting - a spigot is a device that controls the flow of liquid from a device or pipe. For tailings deposition, a spigot is the outlet point on the tailings pipeline via which the tailings are deposited into the dam. Spigotting refers to the configuration of the spigots in a particular tailings storage facility design.

X-Ray Fluorescence spectroscopy (XRF) - used for the qualitative and quantitative elemental analysis of geological and other samples. It provides a fairly uniform detection limit across a large portion of the periodic table and is applicable to a wide range of concentrations, from 100% to a few parts per million (ppm).

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