Iron Road limited

Interim Financial Report
for the half-year ended 31 December 2013

About Iron Road

Iron Road Limited was established to capitalise on the growing global demand for iron ore. Iron Road has a strong project portfolio including a well-located development stage project, complemented by early stage projects.

Iron Road's principal project is the Central Eyre Iron Project (CEIP) in South Australia.

A prefeasibility study has demonstrated the viability of a mining and beneficiation operation initially producing 12.4Mtpa of premium iron concentrate for export.

A definitive feasibility study is currently assessing production of 21.5Mtpa of iron concentrates.

Metallurgical test work indicates that a coarse-grained, high grade, blast furnace quality concentrate may be produced at a grind size of greater than -130µm grading 67% iron with low impurities.

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

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Interim financial report
Iron Road Limited

Half-year ended
31 December 2013

Contents

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 30 June 2013 and any public announcements made by Iron Road Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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Directors' report

Your directors present their report on the consolidated entity consisting of Iron Road Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2013.

Directors

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

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

Review of operations

Iron Road Limited is on track to achieve its vision of becoming a trusted and reliable supplier of premium iron concentrates to the Asian marketplace, with significant progress made on completing the Definitive Feasibility Study (DFS) for the Central Eyre Iron Project (CEIP) in this half year.

Cost estimates and financial analysis were released on 26th February 2014, confirming a technically robust and highly profitable project, supplying 21.5 million tonnes per annum of premium high quality 67% iron concentrate.

Highlights

Central Eyre Iron Project (CEIP)

- Capital cost estimates of USD3.98 billion, equate to a highly competitive capital intensity of USD185 per annual tonne of iron concentrate production.
- FOB operating costs (excluding state royalties) of USD44.33 per dry metric tonne, place the CEIP within the second quartile of the 2018 price adjusted CFR China cost curve.
- Processing plant optimised using three discrete crushing, grinding and recovery trains incorporating SAG milling and gravity circuit.
- CEIP concentrate readily substitutes for Pilbara fines, Brazil fines and high grade Chinese domestic concentrates.
- Innovative high-density modular processing design allows for wet pre-commissioning in construction yards prior to delivery.
- Significant improvements made in areas incorporating tailings disposal, infrastructure corridor alignment and mine water supply, reducing community and environmental impacts.
- Scalable project design philosophy allows for flexibility and straightforward expansion of capacity to complement CEIP's additional resource potential and meet expected future regional growth.

Gawler Iron Project

- Geological DTR test work complete, allowing for the determination of iron recovery necessary for the commencement of resource estimation modelling.

Corporate and Marketing

- Corporate efforts have focused on delivery of the DFS results.
- Ongoing discussions with a range of North Asian steel mills have identified a number of key prospective concentrate offtake partners, along with several expressions of interest in possible participation in the CEIP.

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Mineral Resources and Reserves

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 Consultant. 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%	-2.40%

Murphy South - Rob Roy Mineral Resource Estimate							
Resource Classification	**Oxidation**	**Tonnes (Mt)**	**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 Consultant.

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.

The above information was prepared and first disclosed under JORC code 2004. The Murphy South/Rob Roy Mineral Resource Estimate is currently being updated by Coffey Mining Pty Ltd. The revised estimate will comply with the guidelines set out in JORC Code 2012.

Iron Road Ore Reserve Summary (CEIP)						
Resource Classification	**Dry Tonnes (Mt)**	**Fe (%)**	**SiO_2 (%)**	**Al_2O_3 (%)**	**P (%)**	**LOI (%)**
Proved	1,871	15.6	53.9	12.8	0.08	4.5
Provable	200	15.1	58.5	13.8	0.08	5.6
Total	**2,071**	**15.5**	**54.3**	**12.9**	**0.08**	**4.6**

The Murphy South/Rob Roy ore reserve summary was carried out following the guidelines of the JORC Code (2012) by Coffey Mining Pty Ltd.

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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 reviewed 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.

The reported Ore Reserves have been compiled by Mr Harry Warries. Mr Warries is a Fellow of the Australasian Institute of Mining and Metallurgy and an employee of Coffey Mining Pty Ltd. He has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' of December 2012 ("JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. Mr Warries gives Iron Road Limited consent to use this reserve estimate in reports.

Results of operations

The Group incurred a loss for the half-year ended 31 December 2013 of $2,433,645 (2012: $2,213,167).

Events after the reporting date

No matters or events have arisen since 31 December 2013 which have significantly affected, or may significantly affect, the operations of the Group, the results of the operations, or the state of affairs of the Group in future years.

Auditor's independence declaration

A copy of the Auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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

Andrew Stocks
Managing Director
Adelaide, South Australia
11 March 2014

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Auditors independence declaration

pwc

Auditor's Independence Declaration

As lead auditor for the review of Iron Road Limited for the half-year ended 31 December 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 review; and

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

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

Andrew Forman
Partner
PricewaterhouseCoopers

Adelaide
11 March 2014

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Consolidated statement of comprehensive income

For the half-year ended 31 December 2013

		Half-year	
		2013	2012
	Note	**$**	$
Revenue from continuing operations	2	**774,315**	510,127
Expenses			
Depreciation	5	(154,319)	(52,782)
Employee benefits expense		(1,041,585)	(956,607)
Impairment of exploration expenses	6	(446,884)	(237,742)
General expenses		(162,676)	(190,124)
Professional fees		(259,199)	(459,712)
Travel and accommodation		(153,016)	(96,681)
Marketing		(162,437)	(351,433)
Rent		(231,195)	(241,688)
Administration costs		(123,322)	(136,525)
Loss before income tax		**(1,960,318)**	(2,213,167)
Income tax expense		(473,327)	-
Loss for the year		**(2,433,645)**	(2,213,167)
Other comprehensive loss for the year		**-**	-
Total comprehensive income for the year attributable to owners of Iron Road Limited		**(2,433,645)**	(2,213,167)

Loss per share for loss attributable to the ordinary equity holders of the company:		**Cents**	Cents
Basic loss per share (cents)	7	**(0.45)**	(0.92)
Diluted loss per share (cents)		**N/A**	N/A

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

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Consolidated statement of financial position

As at 31 December 2013

	Note	31 December 2013 $	30 June 2013 $
ASSETS			
Current assets			
Cash and cash equivalents		**26,578,645**	6,909,986
Bank term deposits		**8,772,408**	-
Trade and other receivables		**1,966,814**	2,372,132
Total current assets		**37,317,867**	9,282,118
Non-current assets			
Property, plant and equipment	5	**10,612,132**	9,225,120
Exploration and evaluation expenditure	6	**96,835,797**	75,868,276
Total non-current assets		**107,447,929**	85,093,396
Total assets		**144,765,796**	94,375,514
LIABILITIES			
Current liabilities			
Trade and other payables		**6,466,431**	5,320,513
Provisions		**436,465**	320,355
Total current liabilities		**6,902,896**	5,640,868
Non-current liabilities			
Provisions		**182,640**	202,745
Total liabilities		**7,085,536**	5,843,613
Net assets		**137,680,260**	88,531,901
EQUITY			
Contributed equity	3	**151,676,845**	100,106,954
Reserves		**4,758,009**	4,745,896
Accumulated losses		**(18,754,594)**	(16,320,949)
Total equity		**137,680,260**	88,531,901

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

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Consolidated statement of changes in equity

For the half year ended 31 December 2013

		Attributable to owners of Iron Road Limited			
	Note	Contributed Equity $	Accumulated losses $	Reserves $	Total Equity $
Balance at 1 July 2012		60,659,503	(11,491,560)	4,773,127	53,941,070
Profit for the half-year as reported in the December 2012 half-year report		-	(2,213,167)	-	(2,213,167)
Total Comprehensive Income for the half- year		**-**	**(2,213,167)**	**-**	**(2,213,167)**
Transactions with owners in their capacity as owners:					
Contributions to equity net of transaction costs	3	38,278,430	-	-	38,278,430
Share based payments		-	-	5,718	5,718
		38,278,430	**-**	**5,718**	**38,284,148**
Balance at 31 December 2012		**98,937,933**	**(13,704,727)**	**4,778,845**	**90,012,051**
Balance at 1 July 2013		**100,106,954**	**(16,320,949)**	**4,745,896**	**88,531,901**
Loss for the year		-	(2,433,645)	-	(2,433,645)
Total Comprehensive Income for the half-year		-	**(2,433,645)**	-	**(2,433,645)**
Transactions with owners in their capacity as owners:					
Contributions to equity net of transaction costs	3	51,569,891	-	-	51,569,891
Share based payments		-	-	12,113	12,113
		51,569,891	**-**	**12,113**	**51,582,004**
Balance at 31 December 2013		**151,676,845**	**(18,754,594)**	**4,758,009**	**137,680,260**

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

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Consolidated statement of cash flows

For the half-year ended 31 December 2013

	Note	Half-year 2013 $	2012 $
Cash flows from operating activities			
Research and development tax refund		**1,172,268**	-
Payments to suppliers and employees (inclusive of GST)		**(2,772,634)**	(2,554,135)
Interest received		**681,696**	426,746
Net cash outflow from operating activites		**(918,670)**	(2,127,389)
Cash flows from investing activities			
Payments for term deposits		**(8,772,408)**	-
Payments for exploration and evaluation		**(20,496,102)**	(12,118,167)
Payments for property and equipment		**(1,535,693)**	(6,259,256)
Net cash outflow from investing activities		**(30,804,203)**	(18,377,423)
Cash flows from financing activities			
Proceeds from issue of shares/options	3	**52,374,322**	39,979,566
Share issue transaction costs		**(982,790)**	(1,782,432)
Net cash inflow from financing activities		**51,391,532**	38,197,134
Net increase in cash and cash equivalents		**19,668,659**	17,692,322
Cash and cash equivalents at the beginning of the half-year		**6,909,986**	6,499,620
Cash and cash equivalents at the end of the year		**26,578,645**	24,191,942

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

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Notes to the financial statements

Note 1: Basis of preparation of the interim financial report

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2013 has been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134*: Interim Financial Reporting.*

This condensed consolidated interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2013 and any public announcements made by Iron Road Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

a) Changes in accounting policy

Iron Road Limited has reviewed some of its accounting policies as a result of new or revised accounting standards which became effective from the annual reporting period commencing on 1 July 2013.

The affected standards are:

- Principles of consolidation – new standard AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*
- Accounting for employee benefits – revised AASB 119 *Employee benefits*

i) Principles of consolidation – subsidiaries and joint arrangements

AASB 10 was issued in August 2011 and replaces the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements* and in Interpretation 112 *Consolidation – Special Purpose Entities.* Under the new principles, the group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The group has reviewed its investments in other entities to assess whether the consolidation conclusion in relation to these entities is different under AASB 10 than under AASB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

Under AASB 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. Iron Road Limited has no joint arrangements in place at 31 December 2013.

ii) Employee benefits

The adoption of the revised AASB 119 *Employee Benefits* has changed the accounting for the group's annual leave obligations. As the entity does not expect all annual leave to be taken within 12 months of the respective service being provided, annual leave obligations are now classified as either short term or long-term employee benefits. The classification from short term to long term benefit has been calculated on the likelihood of leave not being taken within a 12 month period per individual employee. This did change the measurement of these obligations, as long term obligations are now measured on a discounted basis. However, the impact of this change was immaterial.

Other new standards that are applicable for the first time for the December 2013 half-year report are AASB 13 *Fair Value Measurement*, AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* and AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*. These standards have introduced new disclosures but did not affect the entity's accounting policies or any of the amounts recognised in the financial statements.

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b) Impact of standards issued but not yet applied by the entity

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. When adopted, there will be no impact on the group's accounting for financial assets as the new requirements only affect the accounting for financial assets that are designated at fair value through profit or loss and the group does not have any such assets. The group has not yet decided when to adopt AASB 9.

c) Going Concern

With a successful capital raising completed in July 2013, the group has cash reserves of $35,351,053 as at 31 December 2013. These funds will enable the completion of the definitive feasibility study (DFS).

Management are in discussions with potential investors to transition Iron Road Limited from study to detailed engineering and construction. In the event that construction funding is not imminently secured, the group would seek to reduce expenditure levels to ensure that it is able to meet its obligations as and when they fall due. For these reasons, the directors believe that the going concern assumption is appropriate.

Note 2: Revenue

Interest income has increased in line with an increase in Cash at Bank for the half-year period. This is directly attributable to capital raising finalised in July 2013.

	Half-year	
	2013	2012
	$	$
Interest income	774,315	510,127
Total revenue	**774,315**	510,127

Note 3: Contributed equity

Movement in share capital

Date	Details	Number of shares issued*	Issue Price		$
1 July 2012	**Balance**	**161,207,273**			**60,659,503**
16 August 2012	Issue of ordinary shares	19,425,851	$	0.32	6,216,272
11 September 2012	Issue of ordinary shares	105,510,292	$	0.32	33,763,293
23 January 2013	Exercise of unlisted options	2,825,036	$	0.19	544,103
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**
23 July 2013	Issue of ordinary shares	173,044,538	$	0.18	31,148,017
30 July 2013	Issue of ordinary shares	117,923,914	$	0.18	21,226,304
31 December 2013	Cost of capital raising	-		-	(1,277,757)
31 December 2013	Deferred tax expense recognised in equity	-		-	473,327
31 December 2013	**Balance**	**581,936,904**			**151,676,845**

*All shares have been issued and are fully paid

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Note 4: Segment information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. Iron Road Limited does not have any operating segments with discrete financial information.

The group does not have any customers, and all assets and liabilities are located within Australia.

On a monthly basis, the board of directors review internal management reports which are consistent with the information provided in the statement of comprehensive income, statement of financial position and statement of cash flows. This information is used by the board to make strategic decisions and as a result, no reconciliation is required.

Note 5: Property, plant and equipment

In November 2013, Iron Road Limited purchased the final parcel of land at the proposed deep water port facility site at Cape Hardy South Australia.

As land is not depreciated, Iron Road Limited has split Land and Buildings into two separate accounts going forward, with land reported separately. In the case of leasehold improvements, these have been reclassified to Buildings and Improvements and depreciated over the term of the lease.

	Land & Buildings	Land	Buildings & Improvements	Plant & Equipment	Computer Equipment	Office Equipment	Motor Vehicles	Total
At 30 June 2013								
Cost or fair value	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
Half-year ended 31 December 2013								
Opening net book value	8,422,624	-	-	226,966	330,485	205,811	39,234	9,225,120
Transfer In/Out	(8,422,624)	7,577,356	993,928	-	-	(148,660)	-	-
Additions	-	1,399,112		8,983	116,392	16,844	-	1,541,331
Depreciation charge	-	-	(56,158)	(22,862)	(62,844)	(6,156)	(6,299)	(154,319)
Closing net book amount	**-**	**8,976,468**	**937,770**	**213,087**	**384,033**	**67,839**	**32,935**	**10,612,132**
At 31 December 2013								
Cost or fair value	-	8,976,468	993,928	311,951	547,646	122,267	64,839	11,017,099
Accumulated depreciation	-	-	(56,158)	(98,864)	(163,613)	(54,428)	(31,904)	(404,967)
Net book amount	**-**	**8,976,468**	**937,770**	**213,087**	**384,033**	**67,839**	**32,935**	**10,612,132**

Note 6: Exploration and evaluation expenditure

	31 December 2013 $	30 June 2013 $
Opening net book value	75,868,276	47,852,396
Additions during the period	21,414,405	29,716,667
Impairment of exploration expenses	(446,884)	(1,770,787)
Closing net book value	**96,835,797**	75,868,276

The impairment in the six months ended 31 December 2013 relates to exploration and evaluation expenditure on the Gawler Iron Project, which is impaired in accordance with the groups' accounting policy.

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Note 7: Loss per share

	Half-year	
	31 December 2013	31 December 2012
Loss attributable to the members of the group used in calculating basic loss per share	(2,433,645)	(2,213,167)
Weighted average number of shares used as the denominator in calculating basic loss per share	542,446,339	239,748,169
Total basic loss per share attributable to the ordinary equity owners of the company (cents)	(0.45)	(0.92)

Note 8: Related Parties – transactions with The Sentient Group

The parent entity within the group is Iron Road Limited. The ultimate parent entity and controlling party is The Sentient Group (incorporated in the Cayman Islands) which at 31 December 2013 owns 72.85% (57.87% at 30 June 2013) of the issued ordinary shares of Iron Road Limited.

The following transactions occurred with The Sentient Group:

	31 December 2013 $	30 June 2013 $
Reimbursement of travel related expenditure	32,282	26,411
Directors fees	27,250	39,494
Capital raising costs	1,047,486	80,356
Other reimbursements	16,667	52,625
	1,123,685	198,886

The following balances are outstanding at 31 December 2013 and are disclosed within trade and other payables in relation to transactions with The Sentient Group:

	31 December 2013 $	30 June 2013 $
Reimbursement of travel related expenditure	949	16,512
Directors fees	13,625	13,625
Capital raising costs	-	80,356
Other reimbursements	-	52,625
	14,574	163,118

Note 9: Contingencies

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

Note 10: Events after the reporting date

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

Note 11: Dividends

There were no dividends provided for or paid during the half-year ended 31 December 2013.

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Directors' declaration

In the directors' opinion:

a) the financial statements and notes set out on pages 7 to14 are in accordance with the Corporations Act 2001, including:

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

   ii) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

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

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

Andrew Stocks
Managing Director
Adelaide, South Australia
11 March 2014

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Iron Road Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Iron Road Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Iron Road Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date;

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Andrew Forman
Partner

Adelaide
11 March 2014

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