INTERIM REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2015

ABN 51 128 698 108

About Iron Road

Iron Road Limited is the developer of the Central Eyre Iron Project (CEIP), located on the Eyre Peninsula in South Australia.

The CEIP is a long life project, which will produce a high grade, low impurity iron concentrate for export to Asia. The product will attract a quality premium over reference iron ore prices, and is expected to have substantial benefits for steel mill customers in pollution reduction and operating costs.

Iron Road has signed Memorandum of Understanding with five leading Chinese steel mills, including Shandong Iron & Steel. An infrastructure funding MoU has also been signed with AIXI Investments and a partnership with Emerald Grain to explore shared infrastructure opportunities.

A definitive feasibility study (DFS) supported by a subsequent optimisation study, confirms the compelling commercial case for a mining, beneficiation and infrastructure solution producing +20 million tonnes per annum of premium iron concentrates for export over an initial mine life of 30 years.

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

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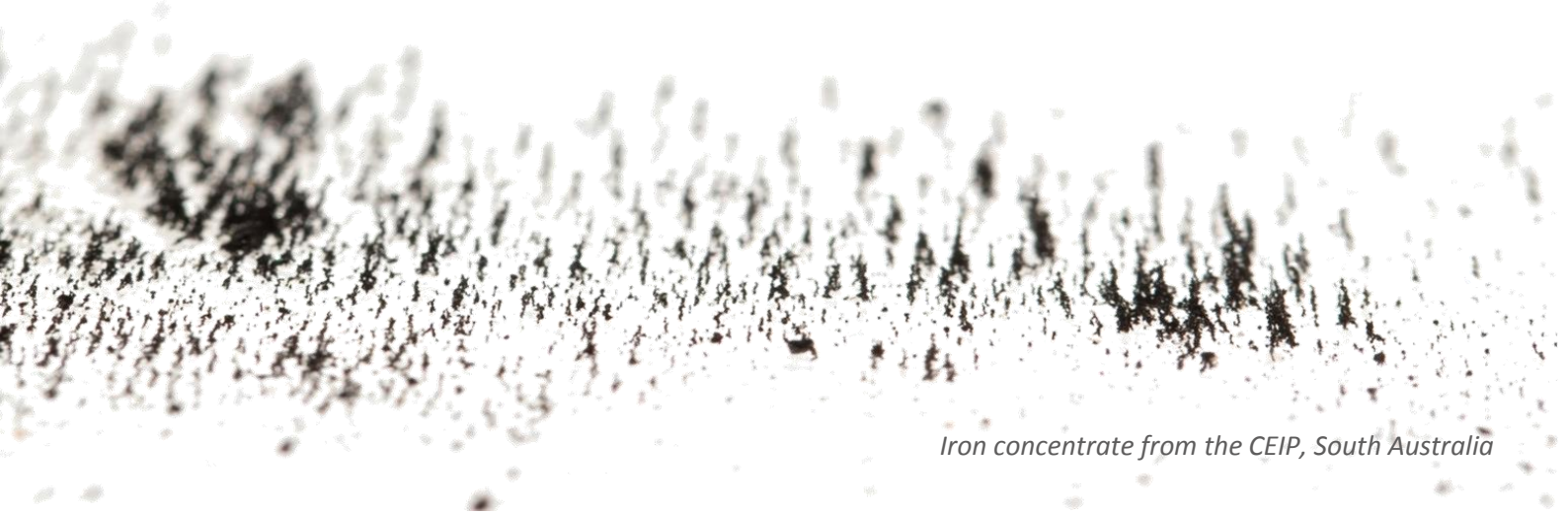

Iron concentrate from the CEIP, South Australia

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DIRECTORS' REPORT

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 2015.

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 continued to progress the flagship Central Eyre Iron Project (CEIP) during the half-year with the formal submission of a Mining Lease application over Mineral Claim 4383 at Warramboo, together with a supporting Mining Lease Proposal to the South Australian Department of State Development. At the same time Iron Road lodged its Environmental Impact Statement with the South Australian Department of Planning, Transport and Infrastructure in relation to its proposed deep sea port, railway line, power transmission, bore field and long term employee village.

On 7 March 2016, as a concluding part of the optimisation study, Iron Road received from global mining consultancy SRK, an updated CEIP Ore Reserve statement, previously estimated by Coffey Mining in February 2014 (both under the JORC code 2012). Consent is as at 30 September 2015 and based on long-term price and currency forecasting by specialist consultancy Metalytics at this time. The new estimate resulted in an additional 1.6 billion tonnes in Ore Reserves, increasing the global inventory from 2.1 billion tonnes to 3.7 billion tonnes at a grade of 15% iron. Importantly the highest category (Proved) now makes up 2.1 billion tonnes or 58% of the overall Ore Reserve. The CEIP has the largest magnetite Ore Reserve in Australia and ranks amongst the largest known globally. Further detail on the updated Ore Reserve can be found on page 3 with supporting documentation in the Appendix.

Iron Road Engineering interns examine the CEIP Mining Lese Proposal and the Environmental Impact Statement.

DIRECTORS' REPORT

Highlights

Central Eyre Iron Project (CEIP)

- The Mining Lease Proposal (MLP) and the Environmental Impact Statement (EIS) was submitted for assessment on 5 November 2015 to the Department of State Development and Department of Planning, Transport and Industry, respectively.

- The South Australian Government announced a combined 10 week public consultation period which concluded on 2 February 2016. As part of the public consultation process, the South Australian Government managed three public forums across the Eyre Peninsula calling for submissions. Almost one hundred submissions were received with over half of the submissions, including key local Councils, supporting the development. The final Government decision on the MLP and the EIS is expected mid-2016.

- During the half-year Iron Road received $2 million in short term debt finance from its major shareholder, The Sentient Group. The funding has been applied to support ongoing working capital requirements. Iron Road is now evaluating its best option to refinance the short term debt financing facility. With the support of The Sentient Group, Iron Road believes it will be able to extend the maturity date of the facility on the same terms while it continues to work on a corporate transaction expected in April 2016.

- Technical and commercial evaluation of high quality CEIP iron concentrate by Chinese mills progressed during the half-year with initial feedback proving very encouraging. Testing at blends of up to 30% CEIP concentrate confirmed the production of a higher quality sinter product with an associated reduction in solid fuel consumption and minimal impact on productivity levels. Discussions regarding potential letters of Intent (LoIs) covering the long term supply of CEIP concentrate to the five Chinese mills that entered into MoUs with Iron Road, including the Shandong Iron & Steel Group (ShanSteel) will continue during 2016.

- The CEIP Ore Reserve was updated by global consultancy SRK, with a 76% increase in tonnage from 2.1Bt to 3.7Bt at an in-situ grade of 15% iron. Consent is as at 30 September 2015 and based on long-term price and currency forecasts by specialist consultancy Metalytics. The SRK Ore Reserve audit involved a near five month review of both the underlying techno-economic project data arising from the October 2015 optimisation study findings as well as the CEIP financial model.

Mineral Resources and Reserves

Table 1 – CEIP Ore Reserve Summary

Resource Classification	Metric Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)
Proved	2,131	15.55	53.78	12.85
Probable	1,550	14.40	58.58	12.64
Total	**3,681**	**15.07**	**53.70**	**12.76**

The Ore Reserves estimated for CEIP involving mine planning is based on and fairly represents information and supporting documentation compiled by Mr Bob McCarthy, a Member of the Association of Professional Engineers and Geoscientists of British Columbia (Canada) and a full time employee of SRK Consulting (North America). Mr McCarthy has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McCarthy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The Ore Reserves estimated for CEIP involving aspects other than mine planning is based on and fairly represents information and supporting documentation compiled by Mr Larry Ingle, a Member of the Australian Institute of Mining and Metallurgy and a full time employee of Iron Road Limited. Mr Ingle has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ingle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears (see Appendix).

Table 2 – 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/Dolphin	Indicated	796	16.0	53.3	12.2	0.07	0.6
	Inferred	351	17	53	12	0.09	0.7
Total		**4,510**	**16**	**53**	**13**	**0.08**	**3.5**

The Murphy South/Rob Roy Mineral Resource estimate was carried out following the guidelines of the JORC Code (2004) by Iron Road Limited and peer reviewed by Xstract Mining Consultants. The Murphy South - Boo-Loo/Dolphin oxide and transition Resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Limited. The Boo-Loo/Dolphin fresh Mineral Resource estimate was carried out following the guidelines of the JORC Code (2012) by Iron Road Limited and peer reviewed by AMC Consultants (see Appendix).

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

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

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

The Competent Persons consent and full Ore Reserve statement together with supporting tables can be found in the Appendix on page 21.

DIRECTORS' REPORT

Results of Operations

The Group incurred a loss for the half-year ended 31 December 2015 of $2,573,993 (2014: $2,319,985).

Events after the Reporting Date

No matters or events have arisen since 31 December 2015 which have significantly affected, or may significantly affect, the operations of the Group, the results of the operations, or the state of affairs of the Group in future years.

Auditor's Independence Declaration

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

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

Andrew Stocks
Managing Director
Adelaide, South Australia
15 March 2016

AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration

As lead auditor for the review of Iron Road Limited for the half-year ended 31 December 2015, 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
15 March 2016

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Half-year 2015 $	Half-year 2014 $
Revenue from continuing operations			
Interest income		3,876	252,640
Expenses			
Impairment of exploration expenses	2	(5,460)	(4,415)
Depreciation	3	(125,938)	(135,079)
Employee benefits expense	4	(1,273,500)	(978,029)
General expenses		(229,998)	(177,802)
Professional fees		(443,967)	(577,392)
Travel and accommodation		(123,055)	(163,150)
Marketing		(82,138)	(185,784)
Rent		(219,018)	(212,721)
Administration costs		(74,795)	(138,253)
Loss before income tax		**(2,573,993)**	(2,319,985)
Income tax expense		-	-
Loss for the period		**(2,573,993)**	(2,319,985)
Other comprehensive loss for the period		**-**	-
Total comprehensive income for the period attributable to owners of Iron Road Limited		**(2,573,993)**	(2,319,985)

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

		Cents	Cents
Basic and diluted loss per share (cents)	8	**(0.44)**	(0.40)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	31 December 2015 $	30 June 2015 $
ASSETS			
Current assets			
Cash and cash equivalents	1	**503,765**	3,440,754
Bank term deposits	1	**272,408**	272,408
Trade and other receivables		**233,735**	399,172
Total current assets		**1,009,908**	4,112,334
Non-current assets			
Exploration and evaluation expenditure	2	**119,989,126**	118,097,874
Property, plant and equipment	3	**10,266,631**	10,344,912
Total non-current assets		**130,255,757**	128,442,786
Total assets		**131,265,665**	132,555,120
LIABILITIES			
Current liabilities			
Trade and other payables	5	**2,737,743**	1,390,337
Provisions		**472,840**	456,484
Total current liabilities		**3,210,583**	1,846,821
Non-current liabilities			
Provisions		**122,938**	129,308
Total non-current liabilities		**122,938**	129,308
Total liabilities		**3,333,521**	1,976,129
Net assets		**127,932,144**	130,578,991
EQUITY			
Contributed equity	7	**151,569,529**	151,676,845
Reserves	7	**4,848,598**	4,814,136
Accumulated losses	7	**(28,485,983)**	(25,911,990)
Total equity		**127,932,144**	130,578,991

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Attributable to owners of Iron Road Limited			
		Contributed Equity $	Accumulated losses $	Reserves $	Total Equity $
Balance at 1 July 2014		151,676,845	(21,001,312)	4,758,009	135,433,542
Total Comprehensive Loss for the half-year		-	(2,319,985)	-	(2,319,985)
Balance at 31 December 2014		**151,676,845**	**(23,321,297)**	**4,758,009**	**133,113,557**
Balance at 1 July 2015		**151,676,845**	**(25,911,990)**	**4,814,136**	**130,578,991**
Total Comprehensive Loss for the half-year		-	(2,573,993)	-	(2,573,993)
Transactions with owners in their capacity as owners:					
Contributions to equity net of transaction costs	7	(107,316)	-	-	(107,316)
Share based payments		-	-	34,462	34,462
Balance at 31 December 2015		**151,569,529**	**(28,485,983)**	**4,848,598**	**127,932,144**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Half-year 2015 $	Half-year 2014 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		**(2,450,967)**	(2,623,941)
Interest received		**4,739**	251,260
Net cash outflow from operating activities	4	**(2,446,228)**	(2,372,681)
Cash flows from investing activities			
Payments for term deposits		**-**	(4,272,408)
Proceeds from term deposits		**-**	11,372,408
Payments for exploration and evaluation		**(2,443,105)**	(7,370,707)
Payments for property and equipment		**(47,656)**	(57,715)
Net cash outflow from investing activities		**(2,490,761)**	(328,422)
Cash flows from financing activities			
Proceeds from borrowings	5	**2,000,000**	-
Net cash inflow from financing activities		**2,000,000**	-
Net increase in cash and cash equivalents		**(2,936,989)**	(2,701,103)
Cash and cash equivalents at the beginning of the half-year		**3,440,754**	9,965,260
Cash and cash equivalents at the end of the half-year		**503,765**	7,264,157

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

Structure of Notes and materiality

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

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

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

KEY NUMBERS

1: Cash

The Consolidated Statement of Cash Flows, shows total cash expended during the half-year ended 31 December 2015 was $4,941,728 (2014: $10,052,363), utilised in the following areas:

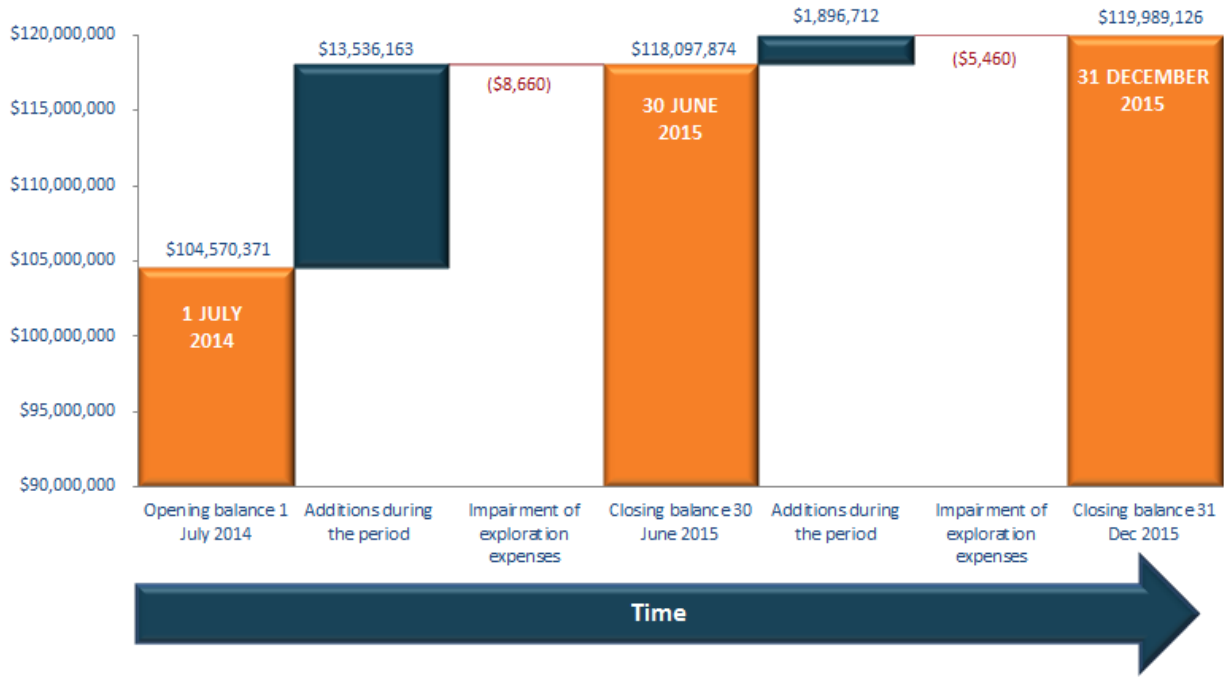
	2015 $	2014 $
Exploration and evaluation	2,443,105	7,370,707
Employee benefits expense	1,251,875	949,404
Professional fees	425,967	466,189
Rent and administration	293,813	350,974
Marketing	61,738	185,784
Travel and accomodation	123,055	163,150
Property, plant and equipment	47,656	57,715
Other	294,519	508,440
Total	**4,941,728**	10,052,363

Cash and cash equivalents at 31 December 2015 was $503,765 (2014: $3,440,754) and bank term deposits held were $272,408 (2014: $272,408). The bank term deposit of $272,408 is held as security for the Group's credit card facility.

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

2: Exploration

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



KEY NUMBERS

The impairment for the six months ended 31 December 2015 relates to exploration and evaluation expenditure on the Gawler Iron Project and the exploration licence fees at Lock, which is impaired in accordance with the Groups accounting policy.

Exploration and evaluation expenditure in relation to the CEIP's exploration licence 4849 for the half-year ended 31 December 2015 was $1,891,252 (2014: $7,909,965). This exploration and evaluation asset is tested for impairment periodically or when events or circumstances indicate the carrying value may not be recoverable. For the year ended 30 June 2015, the directors deemed the current capitalisation of development of the CEIP resource to be appropriate, as the Group continues to refine mining and processing methods and capital cost estimates.

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 above. Should development not be possible, or the existence of reserves does not allow for economic development, amounts recorded may require impairment in future periods. Iron Road periodically evaluates the economic potential of the CEIP using discounted cashflow modelling technique. The model includes assumptions for production volumes, forecast iron ore pricing, foreign exchange rates and project costs, which are updated for the latest available data.

3: Property, plant and equipment

During the period ended 31 December 2015, the Group invested $47,656 in property, plant and equipment.

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

	LAND AND BUILDINGS		PLANT AND EQUIPMENT		
	Land $	Buildings & Improvements $	Plant & Equipment $	Motor Vehicles $	Total $
At 30 June 2015					
Cost	8,978,418	1,040,190	1,078,365	64,839	11,161,812
Accumulated depreciation	-	(170,664)	(595,873)	(50,363)	(816,900)
Net book amount	**8,978,418**	**869,526**	**482,492**	**14,476**	**10,344,912**
Half-year ended 31 December 2015					
Opening net book value	8,978,418	869,526	482,492	14,476	10,344,912
Additions	47,000	-	656	-	47,656
Depreciation charge	-	(39,347)	(84,977)	(1,613)	(125,937)
Closing net book amount	**9,025,418**	**830,179**	**398,171**	**12,863**	**10,266,631**
At 31 December 2015					
Cost	9,025,418	1,040,190	1,079,021	64,839	11,209,468
Accumulated depreciation	-	(210,011)	(680,850)	(51,976)	(942,837)
Net book amount	**9,025,418**	**830,179**	**398,171**	**12,863**	**10,266,631**

4: Operating activities

Operating expenses were $2,577,869 for the half-year ended 31 December 2015 (2014: $2,572,625).
Loss before tax includes the following specific expenses:

	Half-year	
	2015	2014
	$	$
Salaries and wages	809,204	768,109
Defined contribution superannuation expense	64,650	65,963
Directors' fees	127,250	127,250
Share based payments expense	259,461	-
Other employee benefits expense	12,935	16,707
Total employee benefits expense	**1,273,500**	978,029

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

	Half-year	
	2015	2014
	$	$
Net loss for the period	**(2,573,993)**	(2,319,985)
Depreciation	125,938	135,079
Share based payments	34,462	-
Non cash - rent incentive	(25,000)	16,667
Impairment of exploration expenses	5,460	4,415
Change in operating assets and liabilities		
Increase/(decrease) in trade and other receivables	172,013	(62,180)
Decrease in trade payables	(220,094)	(181,725)
Increase in other provisions	34,986	35,048
Net cash outflow from operating activities	**(2,446,228)**	(2,372,681)

5: Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the reporting period, which are unpaid. The amounts are presented as current liabilities unless payment is not due within 12 months from the reporting date. In November 2015, the Group received $2,000,000 in short term debt finance from its major shareholder, The Sentient Group, which is reflected in other payables. The carrying amount of trade and other payables are assumed to approximate their fair values, due to their short term nature

	31 December 2015	**30 June 2015**
	$	**$**
Trade payables	472,457	722,265
Accruals	264,144	667,065
Other payables	2,001,142	1,007
Total trade and other payables	**2,737,743**	1,390,337

6: Related parties

The parent entity of the Group is Iron Road Limited and the ultimate parent entity and controlling party is The Sentient Group (incorporated in the Cayman Islands) which at 31 December 2015 owns 72.85% (30 June 2015 - 72.85%) of the issued ordinary shares of Iron Road Limited.

The following transactions occurred with The Sentient Group:

	31 December 2015 $	31 December 2014 $
Reimbursement of travel related expenditure	26,754	65,716
Directors fees	27,250	27,250
Short term finance	2,000,000	-
Consulting fees	50,001	110,002
Total	**2,104,005**	202,968

Of the above, $2,013,625 (30 June 2015: $13,625) remained outstanding as at 31 December 2015 and has been disclosed within trade and other payables. All transactions aside from the short term finance were made on standard commercial terms and conditions and at market rates.

The Group received $2,000,000 in short term debt finance from its major shareholder, The Sentient Group in November 2015, which is expected to be repaid in the short term and has been reflected in other payables.

7: Equity and reserves

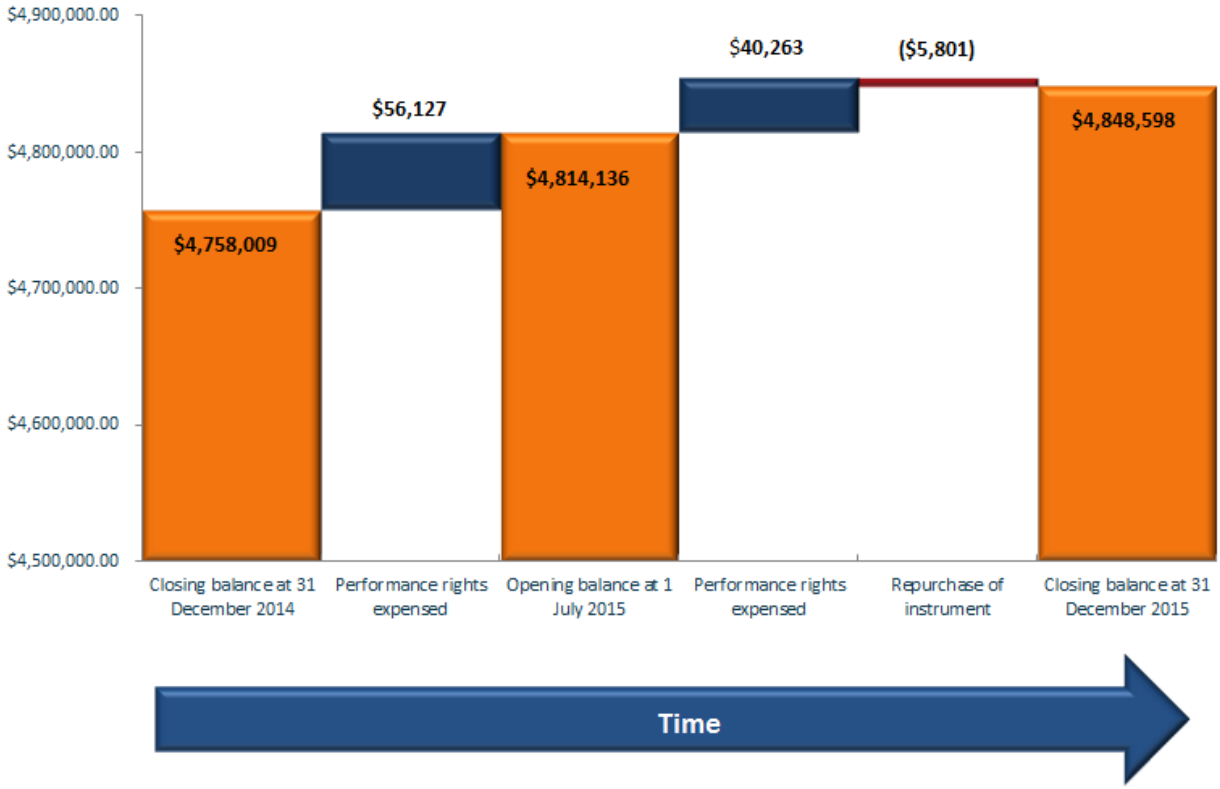
Share Capital

	31 December 2015 Shares	31 December 2014 Shares	**31 December 2015 $**	31 December 2014 $
Ordinary shares - fully paid	581,936,904	581,936,904	151,676,845	151,676,845
Cost of capital raising	-	-	(107,316)	-
Balance	**581,936,904**	581,936,904	**151,569,529**	151,676,845

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

Reserves

The share based payment reserve is used to recognise the value of options and performance rights issued. Options and performance rights that are vested on issue are fully expensed on issue whereas options and performance rights with vesting conditions that are yet to be satisfied are expensed throughout the vesting period. If options fail to vest, no amount is recognised per AASB2.



Accumulated losses

STRUCTURES AND CAPITAL

8: Loss per share

	31 December 2015 $	31 December 2014 $
Loss attributable to the members of the Group used in calculating basic loss per share	(2,573,993)	(2,319,985)
Weighted average number of shares used as the denominator in calculating basic loss per share	581,936,904	581,936,904
Total basic loss per share attributable to the ordinary equity owners of the company (cents)	(0.44)	(0.40)

ADDITIONAL INFORMATION

9: Segment information

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

10: Accounting policies

Basis of Preparation of the Interim Financial Report

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2015 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 2015 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:

Impact of standards issued but not yet applied by the Group.

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model. The standard is not applicable until 1 January 2018 but is available for early adoption. There is no expected material impact on the Groups accounting for financial instruments.

AASB 16 *Leases* addresses the recognition and measurement of lease liabilities. The standard is not applicable until 1 January 2019 and has no material impact on the Groups accounting for leases.

ADDITIONAL INFORMATION

Going concern

The interim financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. With cash reserves as at 31 December 2015 of $776,173, current forecasts indicate that additional funding will be required before May 2016.

The Group received an additional $1,000,000 in short-term debt finance from its major shareholder, The Sentient Group in February 2016. This additional funding was a revision to the original Promissory Note from November 2015. The short term debt finance will not be called for repayment until the Group's cashflow permits.

Notable progress has been made with interested parties in regard to funding the final commercialisation phase of the CEIP. This, combined with the ongoing support of The Sentient Group will support Iron Road through 2016 and beyond. Management are therefore confident that Iron Road will continue to meet its obligations as and when they fall due and accordingly, the directors believe that the going concern assumption is appropriate.

11: Dividends

There were no dividends provided for or paid during the half-year ended 31 December 2015.

UNRECOGNISED ITEMS

12: Contingencies

There are no material contingent liabilities or contingent assets of the Group at 31 December 2015.

13: Events after reporting date

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

Eyre Peninsula, South Australia

DIRECTORS' DECLARATION

In the directors' opinion:

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

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

   ii.) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

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

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

Andrew Stocks
Managing Director
Adelaide, South Australia
15 March 2016

Iron Road's core processing facility, *South Australia*

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

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Iron Road Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2015, 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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 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 2015 and of its performance for the half-year ended on that date;

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

PricewaterhouseCoopers

Andrew Forman
Partner

Adelaide
15 March 2016

APPENDIX

Competent Persons Statement

The information in this report that relates to the Mineral Resources (Oxide and Transitional) estimated for the Murphy South - Boo-Loo/Dolphin prospect is based on and fairly represents information and supporting documentation compiled by Mr Iain MacFarlane, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr MacFarlane was an employee of Coffey Mining Limited at the time when the resource estimate was compiled. 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". Mr MacFarlane 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 Mineral Resources (Fresh) estimated for the Boo-Loo/Dolphin prospect is based on and fairly represents information and supporting documentation compiled by Ms Heather Pearce, who is a member of the Australasian Institute of Mining and Metallurgy, and a full-time employee of Iron Road Limited. This estimation was peer reviewed by Mr Alex Virisheff, who is a member of the Australasian Institute of Mining and Metallurgy and employed by AMC Consultants. Mr Virisheff has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Virisheff consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Resources estimated in 2013 for the Murphy South/Rob Roy (MSRR) prospect is based on and fairly represents information and supporting documentation compiled by Ms Heather Pearce, who is a member of the Australasian Institute of Mining and Metallurgy, and a full-time employee of Iron Road Limited. This estimation was peer reviewed by Dr Isobel Clark, who is a member of the Australasian Institute of Mining and Metallurgy and who at the time was employed by 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". Dr Clark consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The Ore Reserves estimated for CEIP involving mine planning is based on and fairly represents information and supporting documentation compiled by Mr Bob McCarthy, a Member of the Association of Professional Engineers and Geoscientists of British Columbia (Canada) and a full time employee of SRK Consulting (North America). Mr McCarthy has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McCarthy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The Ore Reserves estimated for CEIP involving aspects other than mine planning is based on and fairly represents information and supporting documentation compiled by Mr Larry Ingle, a Member of the Australian Institute of Mining and Metallurgy and a full time employee of Iron Road Limited. Mr Ingle has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ingle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Memo

To:	Larry Ingle, Iron Road	**Client:**	Iron Road
From:	Bob McCarthy	**Project No:**	2AI015.000
Cc:	Scott McEwing, Arthur Hunt	**Date:**	March 7, 2016
Subject:	Central Eyre Iron Project – Ore Reserve Statement		

1 Introduction

SRK Consulting and Iron Road Limited (IRD) have prepared an Ore Reserve Estimate for the Central Eyre Iron Project (CEIP).

IRD has engaged SRK to review mine planning work completed by other parties and to be co-signatories with IRD to update the Ore Reserve estimates for the CEIP project, classifying the estimate in accordance with the JORC Code (2012).

The Ore Reserve estimate is an update from the statement released by Coffey Mining in February 2014 under the JORC Code (2012).

2 Mineral Resources

For completeness, Table 1 (JORC 2012) in Appendix A describes the Mineral Resource estimate which underpins the current Ore Reserve statement (Sections 1 to 3). There has been no change to the estimated Mineral Resource conducted as follows:

- The Murphy South/Rob Roy mineral resource estimation was carried out following the guidelines of the JORC Code (2004) by Iron Road Limited (IRD) and peer reviewed by Xstract Mining Consultants.
- The Murphy South - Boo-Loo/Dolphin oxide and transition resource estimation was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Limited.
- The Boo-Loo/Dolphin fresh mineral resource estimation was carried out following the guidelines of the JORC Code (2012) by IRD and peer reviewed by AMC Consultants.

The CEIP Mineral Resource, as last reported on 27 February 2015, is estimated as:

Table 2-1 Central Eyre Iron Project Mineral Resources

Location	Classification	Tonnes (Mt)	Fe %	Al_2O_3 %	SiO_2 %
Murphy South / Rob Roy	Measured	2,222	15.69	12.84	53.70
	Indicated	474	15.6	12.8	53.7
	Inferred	667	16	12	53
Boo-Loo / Dolphin	Indicated	796	16.0	12.2	53.3
	Inferred	351	17	12	53

3 Ore Reserves

The iron ore reserves for the CEIP as at September 30, 2015, reported in accordance with the JORC Code 2012 on this date, March 7, 2016, are stated in Table 3-1.

The ore reserve reports the tonnes and grade of ore feed for the proposed magnetite processing operation.

The Ore Reserve estimate is supported by a Definitive Feasibility Study (DFS) dated 26 February 2014 and subsequent updates as part of a 2015 Optimisation Study which concluded in September 2015. This Optimisation Study includes key supporting technical work at Pre-Feasibility Study or better accuracy levels. One of the key changes with the Optimisation Study has been the adoption of in-pit crushing and conveying (IPCC) technology.

Mineral Resources were converted to Ore Reserves reflecting the levels of confidence reported in the Mineral Resource model and subsequent application of modifying factors.

Table 3-1 - Central Eyre Iron Project Ore Reserve Estimate – September 2015

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

Note: Tonnes are reported as metric tonnes unless stated otherwise

4 Modifying Factors

Modifying factors including mining, metallurgy and long term price forecasting assumptions are described in Appendix A in Section 4 of Table 1 (JORC 2012). A summary of these is provided in Table 4-1 below.

Table 4-1 – Summary modifying factors

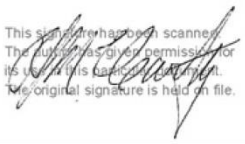
Item	Unit	Value
Crusher feed	Mtpa	150-170
Fe recovery	%	61.6
Product rate	Mtpa	20-24
2020-2025 benchmark price* - 62% Fe Fines	USD/dmt	$71.37 – $93.72
Long term benchmark price* - 62% Fe Fines	USD/dmt	$89.36
Long term product price*, with Fe% differential and value-in-use premium	USD/dmt	$103.48
Long term ocean freight (Cape Hardy – Nth China)	USD/dmt	$14.39
Long term AUD/USD Exchange Rate	AUD/USD	0.845
Royalty	Yrs 1 - 5	2.0%
	Yrs 6 - 30	5.0%
Mining dilution	%	3.4%
Mining recovery	%	99%
Overall pit slope angles	degrees	39-46

* CFR China - Long term = 2026+ (2015Q3 dollars)

5 Competent Persons

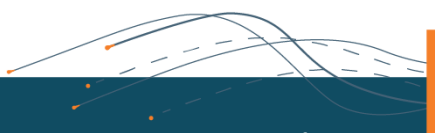
The Competent Person for the mine planning work is Mr Bob McCarthy. Mr McCarthy is a Member of the Association of Professional Engineers and Geoscientists of British Columbia (Canada) and a full time employee of SRK Consulting (North America). The Competent Person for other aspects of the Ore Reserves is Mr Larry Ingle. Mr Ingle is a Member of the Australian Institute of Mining and Metallurgy and is a full-time employee of Iron Road Limited.

SRK Consulting (Canada) Inc.



Bob McCarthy, PEng
Principal Consultant - Mining

Appendix A: Table 1 - JORC Code 2012



JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	• The various prospects on EL4849, including Murphy South/Rob Roy and Boo-Loo/Dolphin, are delineated by a combination of Reverse Circulation and Mud rotary (Pre-collar) and Diamond Drilling (DD). Across Murphy South/Rob Roy and Boo-Loo/Dolphin, where the majority of drilling is concentrated, a standard 200 m x 100 m drilling pattern has been adopted. A total of 22 RC and 478 DD holes have been drilled to date on EL4849 for a total of 3,208 m and 160,025 m respectively. The majority of holes are angled -60 degrees to the North with some deeper holes drilled vertically.
	• Include reference to measures taken to ensure sample representativeness and the appropriate calibration of any measurement tools or systems used.	• Drill holes and collars are surveyed by a contract surveying company. All drill hole collar positions (Easting, Northing and Elevation) are determined by DGPS. The equipment used for the Surveying is a Leica GPS1200 RTK (real time kinematic) system which has a reported operational range of 40km, providing positional accuracy for the surface positions to +/-0.03 m. The primary base stations used are South Australian Government stations. Drill holes are downhole surveyed using a north seeking DS-HA gyroscope. Operations are performed according to the contractor's internal procedures. These procedures include calibrations for density, gamma and magnetic susceptibility tools. On site calibration for the gyroscope tool is undertaken using a designated reference hole. The depth encoder is calibrated at the Adelaide Calibration Pits prior to departure to site. All DD core for angled holes is orientated at the time of drilling using the Reflex ACT II orientation tool. All core is metre marked and recovery determined before being lithologically, geotechnically and structurally logged. All core is photographed wet and dry before being cut to obtain half core samples for geochemical analysis.
	• Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• NQ2 diamond core is sampled on nominal 4m intervals and cut to provide half core samples. Where applicable, shorter intervals are selected to maintain lithological boundaries. Samples are crushed, dried and pulverized to produce XRF fusion discs that are prepared by casting in robotic fusion cells at 1050ºC using 0.66 g of sample and 7.20 g of 12:22 flux. The analysis undertaken is the Fe Ore Suite that includes the following elements (lower limit of detection in brackets):Fe% (0.01), SiO2% (0.01), Al2O3% (0.01), TiO2% (0.01), MnO% (0.001), CaO% (0.01), P% (0.001), S% (0.001), MgO% (0.01), K2O% (0.01), Na2O% (0.001). LOI is analysed by thermogravimetric methods at 1000ºC. Samples are also analysed for As, Sn, Ba, Sr, Cl, Ni, V, Co, Zn, Cr, Pb, Zr and Cu. RC drill holes (5.5 inch) are sampled as drilling progresses on 1m intervals from a three tier 1:8 riffle splitter (via the cyclone). The samples are later combined using a 50/50 riffle splitter to form 2 m / 2 kg composites that are crushed, dried and pulverised to produce XRF fusion discs. These are prepared by casting in robotic fusion cells at 1050ºC using 0.66 g of sample

Criteria	JORC Code explanation	Commentary
		and 7.20 g of 12:22 flux.
Drilling techniques	• Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	• Diamond drilling accounts for 98% of all drilling on the exploration licence. All diamond holes are NQ2 size and RC drilling is 5.5 inch. Pre-collars are either RC drilled or more commonly rotary mud drilling is used for this purpose; on average 40-70m depth is required to reach fresh rock. RC holes drilled at the project area are typically 80-190 m in depth, whilst DD depths vary considerably, with 800 m being their deepest.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed.	• Recoveries are all recorded and entered into the geological database. Overall recovery for NQ2 core in fresh rock is better than 98%. There are seldom core recovery problems or losses.
	• Measures taken to maximise sample recovery and ensure representative nature of the samples.	• The core is laid out on a cradle for the placing of orientation marks and metre marking. During this process core is checked against the drillers' blocks and the run sheets.
	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• The fresh and hard, coarse-grained nature of the mineralization, with a lack of rock fractures, is considered to preclude any sample bias due to material loss or gain.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	• The geotechnical logging process has been designed by the consultant engaged to interpret the data. The consultant audited the data collection and recording process during several site visits, which also served to include staff training. All geotechnical data is stored in the geological database.
	• Whether logging is qualitative or quantitative in nature. Core photography.	• All core is photographed wet and dry. The lithological logs include rock type, oxidation, mineralisation, colour, alteration and other distinguishing features.
	• The total length and percentage of the relevant intersections logged.	• All core recovered is logged both lithologically and geotechnically.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken.	• NQ2 core is half cut along the orientation line, with the left side selected for assay. Similarly duplicate samples are sourced from quarter core, also on the left side.
	• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	• RC samples are collected from the drill rig using a three tier 1:8 riffle splitter. Where necessary wet samples are air dried and then split.
	• For all sample types, the nature, quality and appropriateness of the sample preparation technique.	• All samples are oven dried and coarsely crushed to <10mm. A 150 g sample is then pulverized for 90 seconds in a (150 ml bowl) ring mill pulveriser. The sample is wet screened at -75 micron and oversize weights recorded. If less than 15 g of oversize is produced then the client is contacted. The oversize is dried and reground for four seconds for every 5 g of sample oversize. Screening is repeated until less than 5 g is above 75 micron. The total sample is filter pressed, dried and homogenised.
	• Quality control procedures adopted for all sub-sampling stages to maximise representativeness of samples.	• A range of certified field standards are used in conjunction with duplicates and inserted for every 20 samples.
	• Measures taken to ensure that the sampling is	• Duplicates comprised quarter core.

Criteria	JORC Code explanation	Commentary
	representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• The sample sizes are considered to be appropriate for the disseminated style and low variability of the mineralisation; the thickness and consistency of the intersections yield predictable grade ranges for the primary element.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• The assaying regime of XRF Fusion is the standard for the determination of Iron. • No geophysical tools were used to determine any elemental concentrations in mineral resource estimation. • Field duplicate samples are analysed by the laboratory. Results show acceptable levels of precision for Fe which are above the 90% precision level for assay pairs. Certified field standards are analysed and the average of the standards fall within two standard deviations of the certified mean for Fe.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Significant intersections are regularly assessed by senior Iron Road Limited staff during numerous site visits. • No twinned holes were drilled. • Lithological, geotechnical and sample information is logged onto a notebook computer using Excel spreadsheets. The data is sent to Roredata for validation and compilation into a SQL database. Raw assay files are also sent to Roredata. • No adjustments were necessary. An exception is some earlier data that had Mn converted to MnO.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• All drill hole collar positions (Easting, Northing and Elevation) are determined by DGPS. The equipment used for the surveying is a Leica GPS1200 RTK (real time kinematic) system that has a reported operational range of 40 km providing positional accuracy for the surface positions to +/-0.03 m. The primary base stations used are South Australian Government stations. All drill holes are downhole surveyed using a north seeking DS-HA gyroscope. These operations are performed according to the contractor's internal procedures. On site calibration for the gyroscope tool is undertaken using a designated calibration hole. The depth encoder is calibrated at the Adelaide Calibration Pits prior to departure to site. • The grid system used is MGA_GDA94, Zone 53. • Topographic surface control is 2011 Lidar 50 cm spacing.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity	• The nominal drill spacing is 200m (Northing) x 100m (Easting). • The mineralisation demonstrates sufficient geological and grade continuity to support the definition of a Mineral Resource and Ore Reserve under the JORC

Criteria	JORC Code explanation	Commentary
	appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	Code (2012). • No DD samples were composited. RC samples were composited in the field from 1 m to 2 m intervals.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The initial drilling is planned and based on geophysical interpretations (aeromagnetics) and the majority drilled -60° to the North. Geological interpretation demonstrates that vertical holes provide sufficient angles of intercept with the targeted mineralisation as the orebody flattens / deepens. • No orientation based sampling bias has been identified.
Sample security	• The measures taken to ensure sample security.	• Samples are prepared and dispatched to the laboratory from the site core processing facility. The remaining half core is stored at the core processing facility and the coarse rejects and pulps stored in a secure storage facility at the laboratory for three months before being transferred to the geological processing facility on site.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• A review of the sampling and data collection techniques has been undertaken by an independent consultant. The processes are continually reviewed internally by supervisory site staff and during regular site visits from senior company staff.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties, such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	• EL4849 is 100% owned by Iron Road Limited. The majority of the lease is held as freehold land or perpetual leasehold with the primary activity being dry land grain cropping. The license area, in part, borders the Hambidge Wilderness Protection Area situated to the east.
	• The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• Iron Road Limited has renewed the Tenement EL4849 for a further three year term until February 2017.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• The Project area has been the subject of numerous small exploration programmes since the 1960s. The vast bulk of exploration activity has been by Iron Road Limited commencing 2008 to the present, with over 163,000 m of drilling completed by the end of 2014.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Warramboo magnetite mineralisation is considered to be part of the Coulta Subdomain, which is a prominent and complex east-west aeromagnetic

Criteria	JORC Code explanation	Commentary
		anomaly comprising a sequence of intensely folded, high grade metamorphic gneissic rocks. The mineralisation is characterised by two main rock types. The one is disseminated magnetite-bearing gneiss and the other banded magnetite-bearing gneiss, comprising layers of both disseminated and more massive coarse-grained magnetite. In the oxidation profile, the magnetite has been altered to martite (hematite), maghemite (hematite and magnetite) and goethite. Recent geochronological studies have demonstrated that the magnetite gneiss at Warramboo is likely to originate from an iron-rich pelite precursor (possibly the Price Metasediments) and is not part of the older (by ~710Ma) Sleaford Complex. Petrological examination of drill chip and core samples indicates the gneiss to be an irregularly layered, granulose metamorphic rock which may be called a microgneiss or microgranite with an incipiently hornfelsic texture.
Drill hole Information	• A summary of all information material to the understanding of the exploration results, including a tabulation of the following information for all Material drill holes: • Easting and Northing of the drill hole collar • Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • Dip and azimuth of the hole • Down hole length and interception depth • Hole length • If the exclusion of this information is justified on the basis that the information is not Material, and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• All drilling undertaken by Iron Road Limited on EL4849 is reported and documented in various ASX releases dating from late 2008 to late 2014. These are available on the Iron Road Limited company website or the ASX website. • Exploration Results are not being reported for the Mineral Resource area. • No completed holes have been omitted during reporting.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• All drilling undertaken by Iron Road Limited on EL4849 is reported and documented in various ASX releases dating from late 2008 to late 2014. These are available on the company website or the ASX website. • Exploration Results are not being reported for the Mineral Resource area. • No metal equivalent calculations were undertaken.
Relationship between mineralisation	• These relationships are particularly important in the reporting of Exploration Results.	• All drilling undertaken by Iron Road Limited on EL4849 is reported and documented in various ASX releases dating from late 2008 to late 2014. These are available on the company website or the ASX website.

Criteria	JORC Code explanation	Commentary
widths and intercept lengths	• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• Exploration Results are not being reported for the Mineral Resource area.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to, a plan view of drill hole collar locations and appropriate sectional views.	• All drilling undertaken by Iron Road Limited on EL4849 is reported and documented in various ASX releases dating from late 2008 to late 2014. These are available on the company website or the ASX website. • Exploration Results are not being reported for the Mineral Resource area.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• All drilling undertaken by Iron Road Limited on EL4849 is reported and documented in various ASX releases dating from late 2008 to late 2014. These are available on the company website or the ASX website. • Exploration Results are not being reported for the Mineral Resource area.

Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported, including (but not limited to):
	  • Geological observations
	  • Geophysical survey results
	  • Geochemical survey results
	  • Bulk samples – size and method of treatment
	  • Metallurgical test results
	  • Bulk density, groundwater, geotechnical and rock characteristics
	  • Potential deleterious or contaminating substances
		• All drilling undertaken by Iron Road Limited on EL4849 is reported and documented in various ASX releases dating from late 2008 to late 2014. These are available on the company website or the ASX website.
		• Exploration Results are not being reported for the Mineral Resource area.

	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions, or large-scale step-out drilling).	• Exploration drilling is complete for the Warramboo Project area of EL4849. This encompasses the Murphy South/Rob Roy and Boo-Loo/Dolphin prospects. Future exploratory drilling may include the Hambidge Project area located in the extreme southeastern portion of the exploration licence.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral	• Data templates with lookup tables and fixed formatting are used for the lithological and geotechnical logging and sample data. The completed files are transferred electronically. The sample numbers are unique and flag if duplicate

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Criteria	JORC Code explanation	Commentary
	Resource estimation purposes. • Data validation procedures used.	numbering is attempted. The digital raw assay data obtained from the laboratory is sent directly for uploading into the database negating transcription errors. • Data validation is undertaken on many levels from database queries to checks for missing data to visual comparisons of original and output data. The mining software also has several auto validation routines to check imported data.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• Numerous visits to the site have been made by the competent person; visits have confirmed that the work is done to the required QA/QC standard in all respects.
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• The physical geology of the Murphy South/Rob Roy (MSRR) and Boo-Loo/Dolphin (BLD) prospects is only known from the drilling data. There is no outcrop of the geology or mineralisation. The Fe mineralization within the area drilled has a high degree of predictability, geologically and from a grade continuity point of view, and conforms well with geophysical (aeromagnetic) interpretations / projections. • Petrology and ore microscopy has been used to assist in the development of logging codes and attributes. • The magnetite occurrences provide clear delineations for the target mineralisation. • The occurrence of magnetite distinguishes the bounding gneiss (barren wallrock) from the magnetite gneiss (ore). • The distribution of the Fe is relatively homogenous with an increase in grade near ore margins.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The Murphy South/Rob Roy (MSRR) and Boo-Loo/Dolphin (BLD) mineralisation has an approximate cumulative strike of 12 km with each occurrence being approximately 0.5 km wide. The upper limit of fresh rock mineralisation is 40 to 70 m below the surface. The down-dip mineralisation still occurs at depth in excess of 800 m below the surface.
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.	• All estimation and interpretation work has been undertaken using Micromine modelling software. In the case of MSRR the grade estimation, using Ordinary Kriging (OK), is completed for Fe only, with remaining elements estimated using an inverse distance squared method. For BLD all 10 variables are estimated using OK. The drill spacings are predominately 200 m x 100 m with the exception of a concentrated area of infill drilling on a 100 m x 50 m spacing at MSRR. The infill drilling was undertaken to provide short range information to construct variograms. At MSRR a 1 m assay data interval and at BLD a 4 m assay data interval was found to most faithfully represent the raw data and used for estimations. In both instances no top or bottom cut is applied to the data as the occurrence of extreme outliers is negligible. The mineralised

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		domains are encapsulated within three dimensional wireframes. All wireframes are snapped to the drill holes and the oxidation surface. These wireframes are flagged into the composited assay file. No material above the oxidation surface is considered except in the case of Boo-Loo/Dolphin where this is reported separately. Semi-variogram models are produced for the estimation of the model variables. 70% of the range distances are used to designate the search ellipse. This search ellipse is factored to run at 1x, 1.5x and 4x (MSRR) and 1x, 2x and 3x (BLD) resulting in three grade interpolation runs.
	• The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed • Any assumptions behind modelling of selective mining units.	• No previous extraction of this mineralisation has been undertaken. These estimations correlate well with the global tonnages produced from the initial wireframes. • No economic by-products have been identified. • Variables other than Fe that were estimated were AL_2O_3, SiO_2, P, LOI_1000, CaO, MgO, MnO, S and TiO_2. • The block model is constructed using a 40 m x 20 m x 10 m parent block size. This correlates with a fifth of the sample spacing in the northerly and easterly direction with the vertical dimension capturing at least two of the sample intervals. • No assumptions have been made on selective mining units. Bench height and wall slope angles are based on geotechnical analysis.
Estimation and modelling techniques (continued)	• Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• All variables other than Fe are considered to be correlated and estimated using the same parameters. • The presence or absence of magnetite is used to distinguish the wireframe boundaries. • The statistical analysis of the grade distribution indicated that grade cutting is unwarranted. • Validation of the model has been undertaken both visually and statistically. A cross validation analysis performed for resulting block models and LG variogram typically produce an error statistic of -0.001 and standard deviation of 0.7 indicating that the variograms used are a good representation of the raw data. A visual inspection is routinely made by slicing through the model and comparing the drill hole data with the blocks colour coded for Fe.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• The tonnages are estimated on a dry basis.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• The natural cutoff is used for the construction of the wireframes and identified as 8% Fe.
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable,	• It is envisaged that Murphy South/Rob Roy (MSRR) and Boo-Loo/Dolphin (BLD) will be developed as a large interconnected open cut mine. The shape of

Criteria	JORC Code explanation	Commentary
	external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	the orebody lends itself to In-Pit Crushing and Conveying (IPCC) mining methodologies. An optimisation study has determined the economics of this approach.
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Metallurgical investigation includes petrology, QemScan, release analysis and DTR analysis. The DTR analysis indicates that at a p80 of 40µm a recovery of 65.9% could be achieved with an average magnetite concentrate grade of 69% Fe. More recent mini-pilot test work, aligned with customer requirements, indicates that an iron concentrate of 66.5% Fe, 3.36% SiO_2, 1.90% Al_2O_3 and 0.009% P may be readily produced at a p80 of 100 µm.
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• No environmental assumptions have been considered in the mineral resource estimations.
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the	• Density measurements are taken routinely from drill core. This is done by weighing the sampling in air and in water. The results are then flagged for the wireframe in which they occur. Results indicate that the density is 3.12 t/m^3. This is then used when reporting from the block model. Conventional density measurements are also compared against downhole (geophysical) density measurements. • The high grade metamorphism event that is pervasive throughout the region has resulted in a very competent rock mass with a very low porosity. This reduces the influence of void spaces that could affect the SG determinations. • The bulk density data has been investigated by an independent consultant and

Criteria	JORC Code explanation	Commentary
	evaluation process of the different materials.	found to have the rigor and accuracy required for the use in the estimation process.
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• The Mineral Resource classification is based on the geological continuities and the quality of grade estimates as reflected in the number of supporting holes and the kriging variances. Each category has minimum criteria that have to be met. • The data set used for the estimation has comprehensive coverage over the project area and does not favour or misrepresent the in-situ mineralisation. The validation of the block model shows a good correlation to raw data. • The Mineral Resource estimate appropriately reflects the view of the competent person.
Audits or reviews.	• The results of any audits or reviews of Mineral Resource estimates.	• No independent third party review has been undertaken.
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource in accordance with the guidelines as outlined in the JORC Code (2004) Murphy South/Rob Roy and the JORC Code (2012) for Boo-Loo/Dolphin. • The statement relates to a global estimate for the Murphy South/Rob Roy and Boo-Loo/Dolphin prospects. • No production data, past or present, is available.

Section 4 Estimation and Reporting of Ore Reserves

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.	• The Murphy South/Rob Roy mineral resource estimation was carried out following the guidelines of the JORC Code (2004) by Iron Road Limited (IRD) and peer reviewed by Xstract Mining Consultants. • The Murphy South - Boo-Loo/Dolphin oxide and transition resource estimation

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Criteria	JORC Code explanation	Commentary
	• Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Limited. • The Boo-Loo/Dolphin fresh mineral resource estimation was carried out following the guidelines of the JORC Code (2012) by IRD and peer reviewed by AMC Consultants. • The Mineral Resources are inclusive of the Ore Reserves.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken, indicate why this is the case.	• The Competent Persons for the Ore Reserves estimation are Mr Bob McCarthy and Mr Larry Ingle. Mr Larry Ingle, has visited the site on numerous occasions, for all drilling programmes completed at site (between August 2008 - November 2014). Mr Larry Ingle spent significant time during each drilling programme checking and ensuring that all contractors and company field and core processing crews, worked to the required QAQC standards. • Central Eyre Iron Project (CEIP) is a greenfields project with no existing workings and limited geographic features.
Study status	• The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. • The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	• IRD previously completed a Definitive Feasibility Study (DFS) in 2014. • The Ore Reserves have previously been estimated by Coffey Mining Pty as part of the DFS in February 2014. The basis of the prior Ore Reserves was a conventional truck and shovel operation. • The study has subsequently been updated with an Optimisation Study concluding September 2015. This Optimisation Study includes key supporting technical work at Pre-Feasibility Study or better accuracy levels. It is the basis of this updated Ore Reserve statement. • One of the key changes with the Optimisation Study has been the adoption of in-pit crushing and conveying (IPCC) technology. • Joint venture, Theiss-RWE (TRWE), undertook a revised mine plan for CEIP incorporating IPCC as part of the Optimisation Study.
Mining factors or assumptions	• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). • The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. • The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling. • The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).	• The project uses economies of scale with large scale open pit mining, with IPCC. • The basis of design for the CEIP is production of approximately 24 Mtpa of iron concentrate, which is approximately 165 to 175 Mtpa ore movement. • During steady state mining, the strip ratio is between 1.1 and 1.7, with a total material movement of 350 to 430 Mtpa depending on ore grade and waste removal • Conventional mobile equipment (excavators and large haul trucks) is used for pre-strip activities and for make-up production as required. • Economic limits of the Ore Reserve were assessed with Lerchs-Grossmann (LG) algorithm-based mine planning software. • The selective mining unit size (block size in reserve model) was set at 40 m x 20 m x 12 m. The block size of the resource model was 40 m x 20 m x 10 m.

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Criteria	JORC Code explanation	Commentary
	• The mining dilution factors used. • The mining recovery factors used. • Any minimum mining widths used. • The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. • The infrastructure requirements of the selected mining methods.	• Ore loss was assumed at 1% for bulk commodity mining methods. • Dilution was applied through regularisation of the resource block model to the slightly larger blocks of the reserve model. This resulted in a calculated dilution for the deposit of 3.4%. A parallel calculation suggests that this is equivalent to 2 m dilution added at the ore-waste contacts. • Pit slope criteria were developed by Coffey Mining as part of the DFS and ranged from 21.5 degrees to 51 degrees. For the LG optimisation, TRWE used 39 degrees for the north walls and 46 degrees everywhere else. • The minimum cutback width was 80 m. • A mine plan was developed for IRD Management to assess the full potential of CEIP using IPCC technology. To recognize the full potential, this plan included Inferred Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources suitable for conversion to Ore Reserves. • To support the estimation of Ore Reserves, an alternate version of the same Management mine plan was derived, whereby the Inferred Mineral Resources were treated as waste. Total mined volumes were not changed. Only Measured and Indicated Resources were then considered for conversion to Ore Reserves. • While the resulting LOM plan is not considered optimal, the financial evaluation of this plan is sufficient to support economic viability of the Ore Reserve. • Required mining-specific infrastructure includes multiple semi-mobile and fully-mobile crusher stations, waste dump spreaders and mill stockyard stacker/reclaimers, a conveyor distribution system, and interconnecting conveyor systems (over 60 km in total). Extensive electrical power distribution systems are required to support this infrastructure.
Metallurgical factors or assumptions	• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. • Whether the metallurgical process is well-tested technology or novel in nature. • The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. • Any assumptions or allowances made for deleterious elements. • The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.	• Ore mineralisation blasting practices are targeted to result in a high degree of fragmentation. This will be followed, in-pit, by a single stage of crushing using mineral sizers. As there is only this single stage of crushing, the execution of high fragmentation blasting practices will be critical to the success of the CEIP. • No new or novel processes will be used, conventional milling, for mineral liberation, and magnetic separation, for mineral recovery, will form the basis of the processes used. A gravity circuit is also included to improve recovery of magnetite. • The stages in the proposed flow sheet have been "modelled" at semi-pilot scale during the production of a number of batches of concentrate used for sinter, pelletising and other marketing activities. • The samples used in the bench scale and piloting test work were provided from core samples taken from the extensive drilling campaigns. Testing was then carried out on samples representative of the ore across the body.

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Criteria	JORC Code explanation	Commentary
	• For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	• Approximately 5,740 Davis Tube Recovery results from drill holes across the resource have been used to develop relationships between the Fe head grade, mass, Al_2O_3 and SiO_2 recoveries. • The metallurgical test work undertaken has demonstrated that good liberation of silica and alumina can be achieved, along with a high recovery of magnetite.
Environmental	• The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	• The Mining Lease Proposal (MLP) and the Environmental Impact Statement (EIS) are at the submission phase and expected to meet with approval of the regulators. The public exhibition period concluded on 2 February 2016. • All predicted impacts will be adequately mitigated or managed, as proposed in the MLP and EIS.
Infrastructure	• The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	• The project requires significant infrastructure to be constructed including large scale power generation and transmission, processing plant, port and rail facilities. • Various engineering studies have been undertaken to establish the feasibility of this infrastructure. • Water will be obtained locally from an aquifer, and recycled in the process. • Mining labour will be on a contract basis and expected to be predominantly fly-in-fly-out, with accommodation provided on-site. • All other non-mining roles will be residential or drive-in-drive-out, with accommodation in the local town of Wudinna.

Costs	• The derivation of, or assumptions made, regarding projected capital costs in the study.
	• The methodology used to estimate operating costs.
	• Allowances made for the content of deleterious elements.
	• The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.
	• The source of exchange rates used in the study.
	• Derivation of transportation charges.
	• The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.
	• The allowances made for royalties payable, both Government and private.
		• The costing of the Optimisation Study has assumed an Owner Operated approach, wherein, all infrastructure and equipment is purchased by IRD and operated by IRD.
		• Costs are developed from first principles wherever possible, utilizing inputs from engineering firms and vendors. The designs upon which these costs are based are at least to pre-feasibility / class 3 level.
		• Engineering work has been undertaken to establish the capital cost requirement for the project, including the mine, processing plant, rail and port, as well as other supporting infrastructure
		• Capital costs for the project are supported by work conducted by:
		  • TRWE – mining equipment and IPCC infrastructure
		  • IRD/AECOM – process plant, site buildings & facilities, rail, port
		• Operating costs are based on work by:
		  • TRWE – all mining costs inclusive of mobile equipment, IPCC equipment, support services, labour, but exclusive of blasting
		  • Orica – blasting costs
		  • IRD/AECOM – processing, site general & administrative costs, rail, port

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Criteria	JORC Code explanation	Commentary
		• IRD has based their costing inputs on refinements to costs initially developed in the DFS by engineering firms (e.g., Bureau-Veritas, Mineral Technologies, Bateman-Tenova, SKM, AECOM, Kerman Contracting, ATC Williams). • No allowance is necessary for deleterious elements as recent metallurgical testing has demonstrated that these are below potential penalty limits. • State royalties were applied at a rate of 2.0% on revenue for the first five years of production and 5.0% thereafter. These are in line with requirements under the South Australia Mining Act (1971).

Revenue factors	• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.
	• The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.
		• CEIP plans to deliver a consistent premium quality iron concentrate with low impurities as a sinter feed additive or for pelletising.
		• Iron Road has provided samples of concentrate from the orebody for independent testing with China Iron and Steel Research Institute (CISRI) and also to a number of steelmakers in China – this testing has indicated no deleterious or adverse behaviours.
		• Commodity pricing for the project was established by Metalytics in an updated independent market report dated May 2015 and later updated in September 2015. The September forecast recommended a long term CFR China price for 62% Fe fines of US$89.36/dmt ($2015) effective from 2026 having increased from US$71.37/dmt in 2020 which represents the first year of CEIP production. The CEIP product assumes minimum 66.5% Fe grade attracting a linear Fe premium which increases from US$1.55/dmt per one percent Fe over 62% in 2020 to US$1.87/dmt per % Fe post 2025.
		• Owing to certain characteristics of the CEIP product (e.g., size distribution), an additional value-in-use premium of US$5.34/dmt for 2020 rising to US$5.69/dmt post 2025 is applicable (Metalytics, September 2015). The long term price of CEIP product, on this basis, is US$103.48/dmt CFR China from 2026 onwards.
		• There are no treatment and refining charges or penalties associated with the concentrates failure to meet specifications.
		• Ocean freight rates from Cape Hardy are assumed at escalating rates of US$9.30/dmt in 2016 to US$14.39/dmt post 2025, based on analysis by Metalytics (September, 2015).
		• Relevant exchange rates used in the mining study (TRWE, March 2015) were:
		  • IPCC equipment
		  ○ 1 EUR = 1.39 AUD
		  ○ 1 GBP = 1.92 AUD
		  • Mobile equipment
		  ○ 1 AUD = 0.85 USD
		  ○ 1 AUD = 0.70 EUR
		  • Other (e.g. USD based operating costs)
		  ○ 1 AUD = 0.7634 USD

Criteria	JORC Code explanation	Commentary
		• Project economics are based on a variable AUD/USD exchange rate increasing from 0.688 in 2016 to 0.850 by 2023 and settling in at a long term rate of 0.845 by 2026. • The CEIP cash flow analysis has been conducted in nominal dollars using AUD and USD escalation rates of 2.00% per annum for all but energy, power and direct labour exposed costs which use an escalation rate of 2.50% per annum.
Market assessment	• The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. • A customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these forecasts. • For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	• Iron Road's CEIP product is targeted as a premium coarse-grained iron ore concentrate with an iron grade of approximately 67% Fe with low silica, low alumina, and very low phosphorus and sulphur content. • Sintering test work undertaken by CISRI indicated that CEIP concentrate could substitute a proportion of either Brazilian or Pilbara Blend fines in a sinter feed blend. • Metalytics (September 2015) provided forecast supply and demand as well as the pricing used in the study, including price volume forecasting. • The pricing window is based on the project production schedule. • Several bulk samples of iron concentrate have been tested for sinter feed and pelletising by others.
Economic	• The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. • NPV ranges and sensitivity to variations in the significant assumptions and inputs.	• A pre-tax financial model was prepared by SRK Consulting to test the economic viability of the Ore Reserve. • The financial model took into account the project capital costs, operating costs and corporate/administrative costs, revenues (sales of iron concentrate), freight and selling costs, and state royalties. • The project economics were evaluated at a nominal discount rate of 11% (approximately 9% in real, constant dollar terms). • The financial model demonstrated an economic project. The positive economics though are considered marginal using current price and capital cost / operating cost assumptions. • At a nominal discount rate of 11%, the pre-tax NPV of the CEIP is US$265M. The internal rate of return (IRR) is projected to be 11.6%. • To demonstrate the project's sensitivity, at 5% lower iron prices, the NPV drops to -US$876M for an IRR of 8.8%. Conversely, 5% higher iron prices provide an NPV of US$1.465B for an IRR of 14.1%. • The mine plan that was the basis of this analysis is not considered optimal for the Ore Reserve (see *Mining factors and assumptions*).
Social	• The status of agreements with key stakeholders and matters leading to social licence to operate.	• Several memoranda of understanding (MoUs) have been signed with key stakeholders such as local district councils and peak bodies active on the Eyre Peninsula. The company has a well-established and active Community Consultative Committee (CCC) at Warramboo/Wudinna.
Other	• To the extent relevant, the impact of the following on the	• No material naturally occurring risks have been identified.

Criteria	JORC Code explanation	Commentary
	project and/or on the estimation and classification of the Ore Reserves: • Any identified material naturally occurring risks. • The status of material legal agreements and marketing arrangements. • The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	• Currently all legal or marketing agreements are non-binding (e.g., MoUs) • The MLP and EIS are critical approvals required for the CEIP and were submitted to State Government for public exhibition and assessment in Q4, 2015 with approval expected Q2, 2016. • The approval of the MLP and a Program for Environment Protection and Rehabilitation (PEPR) are both required before minerals can be extracted, and both are awarded by the State Government. • There are no known reasons why all required Government approvals will not be forthcoming within reasonable timeframes.
Classification	• The basis for the classification of the Ore Reserves into varying confidence categories. • Whether the result appropriately reflects the Competent Person's view of the deposit. • The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	• Proved and Probable Ore Reserves are declared based on the Measured and Indicated Mineral Resources contained with the pit design and scheduled in the LOM plan. • The financial analysis showed that the economics of CEIP are positive. • 0% of the Probable Ore Reserves have been derived from Measured Mineral Resources.
Audits or reviews	• The results of any audits or reviews of Ore Reserve estimates.	• Various aspects of the project have been reviewed by SRK Consulting as part of the Ore Reserves reporting process. Sections reviewed include resource estimation, mine planning, mine waste management, mineral processing, and financial modelling. No fatal flaws were noted. Less critical issues were presented as recommendations to IRD for ongoing study work.
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that	• The relative accuracy and confidence level of the Ore Reserve estimate is inherent in the Reserve Classification. • The accuracy of the reserve estimate is subject to geological modelling and geostatistical procedures to estimate the mineral resource. Such processes can only truly be confirmed when reconciled against actual production. As CEIP is not in production such reconciliation is not possible. • Modifying factors such as mining dilution, mining recovery, and plant recovery similarly have been estimated using accepted techniques.

Criteria	JORC Code explanation	Commentary
	may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	

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Competent Person's Consent Form

Pursuant to the requirements of ASX Listing Rule 5.6, 5.22 and 5.24 and Clause 9 of the JORC Code 2012 Edition (Written Consent Statement)

Report name

Statement of JORC Ore Reserves, Central Eyre Iron Project, as at September 30, 2015 ('Report')

Iron Road Limited

Central Eyre Iron Project

March 7, 2016

Statement

I, Robert McCarthy, confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code 2012 Edition, having five years' experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Professional Engineer member of the Association of Professional Engineers and Geoscientists of British Columbia, a 'Recognised Overseas Professional Organisation' (RPO) included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

I am a consultant working for SRK Consulting (Canada) Inc. and have been engaged by Iron Road Ltd. to prepare the documentation for Central Eyre Iron Project on which the Report is based, for the period ended September 30, 2015.

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly accurately reflects in the form and context in which it appears, the information in my supporting documentation relation to Ore Reserves.

U.S. Offices:
Anchorage 907.677.3520
Denver 303.985.1333
Elko 775.753.4151
Fort Collins 970.407.8302
Reno 775.828.6800
Tucson 520.544.3688

Canadian Offices:
Saskatoon 306.955.4778
Sudbury 705.682.3270
Toronto 416.601.1445
Vancouver 604.681.4196
Yellowknife 867.873.8670

Group Offices:
Africa
Asia
Australia
Europe
North America
South America

Consent

I consent to the release of the Report and this Consent Statement by the directors of:

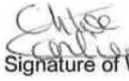
Iron Road Limited.

Signature of Competent Person

Date: March 7, 2016

Professional Membership: PEng, APEGBC

Membership Number: 27309



Signature of Witness

Witness Name and Residence:
Chloe Carlier, Vancouver

Iron Road House
Level 6, 30 Currie St
Adelaide 5000
South Australia

GPO Box 1164
Adelaide 5001
South Australia

T: +61 8 8214 4400
F: +61 8 8214 4440
admin@ironroadlimited.com.au

Competent Person's Consent Form

Pursuant to the requirements of ASX Listing Rule 5.6, 5.22 and 5.24 and Clause 9 of the JORC Code 2012 Edition (Written Consent Statement)

Report name

Statement of JORC Ore Reserves, Central Eyre Iron Project, as at 30 September 2015 ('Report')

Iron Road Limited
Central Eyre Iron Project

7 March 2016

Statement

I, Larry Ingle, confirm that I am a Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code 2012 Edition, having five years' experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a member of the Australian Institute of Mining and Metallurgy (AusIMM), a 'Recognised Professional Organisation' (RPO) included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

I am a full time employee of Iron Road Limited and reviewed the documentation for the Central Eyre Iron Project on which the Report is based, for the period ended 30 September 2015.

I verify that the Report is based on and fairly accurately reflects in the form and context in which it appears, the information in the supporting documentation in relation to Ore Reserves.

Consent

I consent to the release of the Report and this Consent Statement by the directors of Iron Road Limited.

Signature of Competent Person

Date: 7 March 2016

Professional Membership: MAusIMM

Membership Number: 204693

Signature of Witness

Witness Name and Residence

Arthur Hunt, Adelaide