INTERIM REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2022

ABN 51 128 698 108

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DIRECTORS' REPORT

The Directors present the consolidated report of Iron Road Ltd and its controlled entities for the half-year ended 31 December 2022.

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

Directors

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

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

Review of Operations

CEIP Iron Ore

Iron Road continues to engage with potential strategic partners, hosting several site visits throughout 2022 to the proposed Central Eyre Iron Project (CEIP) mine and Cape Hardy port site. Mining, beneficiation and infrastructure scope reviews held in Iron Road's Adelaide office have also been integral to the ongoing engagement. Complementing these activities were parallel CEIP marketing endeavours throughout Asia, incorporating reciprocal invitations to mining, ore beneficiation and steel making operations (including pellet and sinter operations).

The Company's focus remains on steel makers possessing a production growth agenda and with associated plans to transition up the quality curve to match feedstock requirements and benefit commercially from expected strong future global trade for high grade iron concentrate and price premiums for quality green pellets.

A highly uncertain global supply-side outlook for quality iron ore products indicates the CEIP remains well placed as the most advanced greenfield high-grade iron concentrate project in Australia. The CEIP hosts Australia's largest magnetite Ore Reserve with a Definitive Feasibility Study (DFS) and optimisation studies complete.

Cape Hardy Green Hydrogen

Following an initial market sounding earlier in 2022, gauging potential commercial interest in the Cape Hardy green hydrogen development proposition, a more detailed Expression of Interest (EoI) was issued to market in Q3 2022 on Iron Road's behalf by WSP Australia. A total of 16 globally significant organisations were selected with responses received late October 2022.

Following assessment of respondents' submissions, the Company confirmed a total of six conforming multi-billion dollar, concept level proposals from domestic and international proponents. During late November 2022, Iron Road commenced a shortlisting process that invited the six pre-qualified proponents to bid for a limited number of green hydrogen developer roles under exclusivity arrangements with the Company. The competitive offer to bid process formally closed on 20 January 2023 and the Company is currently advancing the selection process and associated documentation. A Strategic Framework Agreement is intended to be finalised with the successful proponent.

The quality of the respective candidates substantiates the view that Cape Hardy represents South Australia's pre-eminent green hydrogen export opportunity with the preferred developer and ultimate consortium well positioned to further validate the potential of the site as the State's hydrogen export hub of scale. As articulated by the Company, the green hydrogen endeavour is designed to be complementary to opportunities associated with the large-scale, long-life CEIP magnetite Ore Reserve and Cape Hardy Port development.

Iron Ore Market

World Steel Association data indicates 2022 global crude steel production decreased 4.2% year-on-year to 1,878.5Mt. Of the top ten global producers, only India and Iran, ranked #2 and #10 respectively, experienced year-on-year growth highlighting what was a difficult year for the global steel industry. China's crude steel output, despite falling 2.1% year-on-year, still exceeded 1 billion tonnes, with production remaining more than 8 times larger than India's output of circa 125Mt.

Countries	Jan – Dec 2022 million tonnes	% change Jan – Dec 22/21
China	1,013.0	-2.1
India	124.7	5.5
Japan	89.2	-7.4
United States	80.7	-5.9
Russia*	71.5	-7.2
South Korea	65.9	-6.5
Germany	36.8	-8.4
Türkiye	35.1	-12.9
Brazil	34.0	-5.8
Iran	30.6	8.0

** – estimated*

Source: World Steel Association

Towards the end of the year and into early 2023, iron ore pricing began to markedly improve in response to China relaxing COVID related constraints and introducing economic stimulus programs. Benchmark 62% Fe pricing ended the year at approximately US$117/dmt CFR China, an increase of approximately 22% from around US$96/dmt at the beginning of the December quarter. For the 2022 calendar year as a whole, the benchmark 62% Fe Fines price averaged approximately US$120/dmt with the higher grade 65% Fe Fines index averaging approximately US$139/dmt. Given a largely lacklustre global steel market, this average pricing remained surprisingly buoyant, despite both indices being approximately 25% lower from very strong 2021 average pricing.

Community and stakeholder engagement

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

Corporate

The Annual General Meeting was held on 17 November 2022 in Sydney and all resolutions were passed on a poll. A copy of the AGM presentation may be found by clinking ***this link*** or on the Company's website at *https://www.ironroadlimited.com.au/index.php/investor-centre/asx-announcements*.

At quarter end, the Company held cash reserves of $0.7 million and no debt. Subsequent to the end of the quarter, Iron Road received $462,000 under a Subscription Agreement with a US based investor, for a private placement of Iron Road shares.

The Company reasonably expects to be able to attract non-dilutionary capital and raise further equity to successfully progress its projects through 2023.

Mineral Resources and Reserves

Table 1 – CEIP Ore Reserve Summary

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

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

Table 2 – CEIP Global Mineral Resource

Location	Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
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. This report includes results that have previously been released under JORC 2004 and JORC 2012 by the Company on 30 June 2010, 28 May 2013 and 27 February 2015. The Company is not aware of any new information or data that materially affects the information included in these announcements and all material assumptions and technical parameters underpinning the Mineral Resource continue to apply and have not materially changed.

Table 3 – CEIP Indicative Concentrate Specification – 106 micron (p80)*

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

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

Results of Operations

The Group incurred a loss for the half-year ended 31 December 2022 of $369,412 (2021: $2,358,698). The reduced loss is mainly attributable to there being no new performance rights issued (resulting in share-based payment expense) and a partial reversal of previously expensed Cape Hardy Stage 1 Warrants.

Events after the Reporting Date

On 5 January 2023 and 3 February 2023 the Company issued 884,956 and 1,010,101 ordinary shares respectively, under an agreement with Bulk Commodity Holdings, LLC, representing $200,000 of the outstanding subscriptions to be settled. A further $462,000 in subscriptions were received on 18 January 2023, completing the first two tranches of the Subscription Agreement – see Note 6 for further details.

Auditor's Independence Declaration

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

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

Peter Cassidy
Chairman
Adelaide, South Australia
16 March 2023

AUDITOR'S INDEPENDENCE DECLARATION

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

		Half-year	
		2022	2021
	Note	**$**	$
Revenue from continuing operations			
Other income		**16**	23
Expenses			
Depreciation	3	**(24,624)**	(23,850)
Employee benefits expense	4	**(731,219)**	(1,615,491)
Exploration expenses	2	**(9,949)**	(12,452)
Finance charges		**(43,750)**	(155,500)
General expenses		**(43,672)**	(62,122)
Professional fees		**(186,085)**	(330,067)
Travel and accommodation		**(49,297)**	(5,682)
Marketing		**(8,305)**	(11,370)
Rent and administration costs		**(150,871)**	(126,074)
Share based payments - Cape Hardy Stage I Warrants	8	**878,344**	(16,113)
Loss before income tax		**(369,412)**	(2,358,698)
Income tax expense		**-**	-
Loss for the period		**(369,412)**	(2,358,698)
Other comprehensive loss for the period		**-**	-
Total comprehensive loss for the period attributable to owners of Iron Road Ltd		**(369,412)**	(2,358,698)

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

		Cents	Cents
Basic and diluted loss per share (cents)	9	**(0.05)**	(0.30)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	31 December 2022 $	30 June 2022 $
ASSETS			
Current assets			
Cash and cash equivalents	1	**661,768**	1,894,350
Bank term deposits	1	**45,000**	45,000
Prepayments and other receivables		**135,280**	49,872
Total current assets		**842,048**	1,989,222
Non-current assets			
Exploration and evaluation expenditure	2	**123,231,841**	123,096,527
Property, plant and equipment	3	**10,557,913**	10,582,537
Total non-current assets		**133,789,754**	133,679,064
Total assets		**134,631,802**	135,668,286
LIABILITIES			
Current liabilities			
Trade and other payables	5	**146,465**	609,733
Subscription to be settled	6	**1,593,150**	924,400
Provisions		**318,281**	307,261
Total current liabilities		**2,057,896**	1,841,394
Non-current liabilities			
Provisions		**3,432**	4,946
Total non-current liabilities		**3,432**	4,946
Total liabilities		**2,061,328**	1,846,340
Net assets		**132,570,474**	133,821,946
EQUITY			
Contributed equity	8	**179,235,140**	178,731,844
Reserves	8	**6,863,652**	8,249,008
Accumulated losses		**(53,528,318)**	(53,158,906)
Total equity		**132,570,474**	133,821,946

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 2022

		Attributable to owners of Iron Road Ltd			
	Note	**Contributed Equity $**	**Accumulated losses $**	**Reserves $**	**Total Equity $**
Balance at 1 July 2021		**177,406,872**	**(49,132,951)**	**7,552,526**	**135,826,447**
Total loss for the half-year		-	(2,358,698)	-	(2,358,698)
Transactions with owners in their capacity as owners:					
Contributions to equity net of transaction costs	8	658,360	-	-	658,360
Share based payments – employees	8	-	-	986,739	986,739
Share based payments – Cape Hardy Stage I Warrants	8	-	-	16,113	16,113
Balance at 31 December 2021		**178,065,232**	**(51,491,649)**	**8,555,378**	**135,128,961**
Balance at 1 July 2022		**178,731,844**	**(53,158,906)**	**8,249,008**	**133,821,946**
Total loss for the half-year		-	(369,412)	-	(369,412)
Transactions with owners in their capacity as owners:			-	-	-
Contributions to equity net of transaction costs	8	503,296	-	-	503,296
Share based payments – employees	8	-	-	(507,012)	(507,012)
Share based payments – Cape Hardy Stage I Warrants	8	-	-	(878,344)	(878,344)
Balance at 31 December 2022		**179,235,140**	**(53,528,318)**	**6,863,652**	**132,570,474**

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 2022

	Note	Half-year 2022 $	2021 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		**(1,719,369)**	(1,547,865)
Interest received		**16**	23
Net cash outflow from operating activities	4	**(1,719,353)**	(1,547,842)
Cash flows from investing activities			
Payments for term deposits		**(90,000)**	(90,000)
Receipts from term deposits		**90,000**	90,000
Payments for exploration and evaluation		**(135,314)**	(252,016)
Payments for property, plant and equipment	3	**-**	(903,143)
Net cash outflow from investing activities		**(135,314)**	(1,155,159)
Cash flows from financing activities			
Proceeds from issue of shares	8	**-**	496,868
Share issue transaction costs		**(2,915)**	(19,608)
Subscriptions received	6	**625,000**	1,250,000
Repayment of short term finance	7	**-**	(343,118)
Net cash inflow from financing activities		**622,085**	1,384,142
Net increase/(decrease) in cash and cash equivalents		**(1,232,582)**	(1,318,859)
Cash and cash equivalents at the beginning of the half-year		**1,894,350**	4,747,945
Cash and cash equivalents at the end of the half-year		**661,768**	3,429,086

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

Structure of Notes and materiality

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

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

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

1: Cash

The Consolidated Statement of Cash Flows, shows total cash expended during the half-year ended 31 December 2022 was $1,857,598 (2021: $3,065,749), utilised in the following areas:

	Note	2022 $	2021 $
Exploration and evaluation		483,872	481,359
Employee benefits expense		787,009	670,142
Professional fees		186,085	330,067
Rent and administration		340,115	301,261
Share issue transaction costs		2,915	19,607
Purchase of property, plant and equipment	3	-	903,143
Repayment of borrowings	7	-	343,118
Other		57,602	17,052
Total		**1,857,598**	3,065,749

The balance of cash and cash equivalents at 31 December 2022 was $661,768 (June 2022: $1,894,350) and bank term deposits was $45,000 (June 2022: $45,000). The bank term deposit is held as security for the Group's credit card facility.

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

2: Exploration

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

Exploration and evaluation expenditure capitalised in relation to CEIP for the half-year ended 31 December 2022 totalled $135,314 (2021: $256,351). The total capitalised exploration and evaluation expenditure relating to the CEIP at 31 December 2022 was $123,231,841 (June 2022: $123,096,527).

From 1 January 2019 expenditure on maintaining the mining lease that has not progressed the CEIP has been expensed. The total exploration expense for the half year was $9,949 (2021: $12,452).

Recoverability of exploration and evaluation assets

Recoverability of the carrying amount of the exploration and evaluation asset is dependent on successful development and commercial exploitation, or alternatively sale of the respective area of interest. The exploration and evaluation assets are tested for impairment periodically or when events or circumstances indicate the carrying value may not be recoverable. For the half-year ended 31 December 2022, the directors deemed the current capitalisation of development of the CEIP resource to be appropriate, as the Group continues to refine mining and processing methods and capital cost estimates.

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

3: Property, plant and equipment

During the period ended 31 December 2022, the Group did not acquire any property, plant and equipment (2021: $903,143). Reconciliation of the carrying amounts of property, plant and equipment:

	LAND AND BUILDINGS		PLANT AND EQUIPMENT		
Reconciliation of the carrying value of property, plant and equipment	**Land $**	**Buildings & Improvements $**	**Plant & Equipment $**	**Motor Vehicles $**	**Total $**
At 30 June 2022					
Cost or fair value	9,876,462	847,518	764,895	40,097	11,528,972
Accumulated depreciation	-	(220,219)	(686,524)	(39,692)	(946,435)
Net book amount	**9,876,462**	**627,299**	**78,371**	**405**	**10,582,537**
Half-year ended 31 December 2022					
Opening net book value	9,876,462	627,299	78,371	405	10,582,537
Additions	-	-	-	-	-
Depreciation charge	-	(10,821)	(13,562)	(241)	(24,624)
Closing net book amount	**9,876,462**	**616,478**	**64,809**	**164**	**10,557,913**
At 31 December 2022					
Cost or fair value	9,876,462	847,518	764,895	40,097	11,528,972
Accumulated depreciation	-	(231,040)	(700,086)	(39,933)	(971,059)
Net book amount	**9,876,462**	**616,478**	**64,809**	**164**	**10,557,913**

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

4: Operating activities

Operating expenses were $369,428 for the half-year ended 31 December 2022 (2021: $2,203,221) excluding finance charges. There was no share-based payments – employee benefits expense in the period. The prior period includes the value of performance rights granted to Non-executive Directors, KMP, employees and consultants of $986,739 - Refer Note 8.

Share based payments – Cape Hardy Stage I Warrants expense reversal of $878,344 relates to professional services supplied by Macquarie Capital (2021: 16,113 expense). Refer Note 8 for additional information.

Loss before tax includes the following specific expenses:

	Note	**2022** $	2021 $
Salaries and other employee benefits		660,107	580,639
Superannuation		67,726	54,899
Directors' fees		107,500	107,500
Share based payments - employees	7	-	986,739
Sub-total		835,333	1,729,777
Less: allocated to exploration		(104,114)	(114,286)
Total employee benefits expense		**731,219**	1,615,491

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

	Note	**2022** $	2021 $
Net loss for the period		**(369,412)**	(2,358,698)
Depreciation		24,624	23,850
Finance charges		43,750	155,500
Share based payments - employees	8	-	986,739
Share based payments - Cape Hardy Stage I Warrants	8	(878,344)	16,113
Change in operating assets and liabilities			
Increase in other receivables		(85,408)	(67,074)
Decrease in trade payables		(464,069)	(348,460)
Increase in other provisions		9,506	44,188
Net cash outflow from operating activities		**(1,719,353)**	(1,547,842)

5: Trade and other payables

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

	31 December 2022 $	30 June 2022 $
Trade payables	92,714	500,828
Accruals	53,751	108,905
Total trade and other payables	**146,465**	609,733

6: Subscription to be settled

	31 December 2022 $	30 June 22 $
Opening balance 1 July	924,400	-
Subscription funds received	625,000	1,250,000
Initial Subscription Shares issued	-	(113,100)
Subscription Shares issued	-	(300,000)
Finance charge	43,750	87,500
Closing balance	**1,593,150**	924,400

In December 2021 the Company entered into a Subscription Agreement (Agreement) with Bulk Commodity Holdings, LLC (the Investor), an US based investor, for a private placement of shares for an aggregate subscription value of up to $5,175,000 over three separate investments. Proceeds from the placement, along with existing cash reserves, are to be used to further advance the Company's assets and fund general working capital requirements. The bespoke terms of the placement effectively defer the issuance of shares to the Investor across three separate investments and are specifically targeted to minimise the dilutionary impact for current shareholders.

During the half-year the Company received a second investment of $625,000 prepayment taking the total received to $1,875,000 and will issue the Subscription Shares, at the Investor's request, within 12 months of the date of the funding. The Purchase Price of the Subscription Shares will be equal to $0.40 initially, representing a premium of approximately 111% to the closing price of the Company's shares on 15 December 2021. Subject to the Floor Price described below, the Purchase Price will reset to the average of the five daily volume weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor's notice to issue shares, less a 7.5% discount (or a 10% discount if the Subscription Shares are issued later than nine months after the initial investment). The difference between proceeds of the initial investments and the value of the subscription shares that may be issued has been treated as a finance cost. The Investor did not request the issuance of any Subscription Shares during the half-year ended 31 December 2022.

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

The balance of the second investment of $462,000 was received post the reporting date in January 2023.

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

STRUCTURES AND CAPITAL

7: Related parties

The parent entity of the Group and the ultimate parent entity and controlling party is The Sentient Global Resources Funds (Sentient) which at 31 December 2022 owned 72.07% (2021: 72.71%) of the issued ordinary shares of Iron Road Ltd.

The were no transactions with Sentient in the half-year to 31 December 2022:

	31 December 2022 $	31 December 2021 $
Proceeds of issue from shares	-	496,868
Short term finance - repayment	-	(343,118)

There were no securities issued under the Company's Performance Share Plan and a Share Option Plan during the half-year to 31 December 2022.

8: Equity and reserves

SHARE CAPITAL

Share capital	**6-months to 31 December 2022 Shares**	Year to 30 June 2022 Shares	**6-months to 31 December 2022 $**	Year to 30 June 2022 $
Opening balance 1 July	**798,991,304**	792,279,280	**178,731,844**	177,406,872
Issue of shares in Share placement	-	2,311,014	-	496,868
Issue of initial placement shares under subscription agreement		580,000		113,100
Issue of shares as consideration for fees under subscription agreement	-	337,771	-	68,000
Settlement of subscription shares	-	1,833,239	-	300,000
Exercise of Employee Performance Rights	2,550,000	1,650,000	507,012	373,560
Cost of issues	-	-	(3,716)	(26,556)
Closing balance	**801,541,304**	798,991,304	**179,235,140**	178,731,844

During the period the Company issued 2,550,000 ordinary shares to employees who exercised vested performance rights resulting in a transfer of $507,012 from the Share Based Payment Reserve to the Share Capital account.

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

RESERVES and SHARE-BASED PAYMENTS

Share Based Payment Reserve	**6-months to 31 December 2022 Options & Rights**	Year to 30 June 2022 Options & Rights	**6-months to 31 December 2022 $**	Year to 30 June 2022 $
Opening balance 1 July	50,331,000	58,201,000	8,249,008	7,552,526
Employee Performance Rights granted	-	4,050,000	-	1,047,778
Employee Performance Rights lapsed	-	(10,270,000)	-	(61,040)
Share-based payments - employee benefits expense			-	986,738
Employee Performance Rights exercised	(2,550,000)	(1,650,000)	(507,012)	(373,560)
Performance Rights - movement in reserve			**(507,012)**	613,178
Cape Hardy Stage I Warrants	-	-	(878,344)	83,304
Share-based payments - Cape Hardy Stage I Warrants expense			**(878,344)**	83,304
Closing balance	**47,781,000**	50,331,000	**6,863,652**	8,249,008

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

Of the 47,781,000 options and rights outstanding at 31 December 2022, 180,000 Employee Performance Rights (June 2022: 2,730,000) and 7,601,000 Directors Performance Rights (June 2022: 7,601,000) are vested and exercisable. The remaining 40,000,000 Cape Hardy Stage I warrants are unvested.

Performance Rights

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

During the half-year, share-based payments – employee benefits expense was nil as there were no new performance rights or options issued during the period. The prior year included the value of performance rights granted to Non-executive Directors, KMP, employees and consultants of $1,047,778. The value of vested performance rights exercised during the half-year was $507,012 (June 2022: $373,560).

Cape Hardy Stage I Warrants

In September 2020 Iron Road, Macquarie Capital and Eyre Peninsula Co-operative Bulk Handling (EPCBH) entered into a Joint Development Agreement which included the issue of 40 million unlisted Iron Road warrants to Macquarie with vesting contingent on Financial Close and Commercial Operations under being achieved for the Cape Hardy Stage I port. For further information refer to the Company’s 2022 Annual Report.

Following the periodic assessment of the timing and likelihood of achieving these vesting conditions during the period, $878,344 in share-based payments – Cape Hardy Stage I Warrants expense was reversed (2021: $16,113 expense).

9: Loss per share

	31 December 2022	31 December 2021
Loss attributable to the members of the group used in calculating loss per share	(369,412)	(2,358,698)
Weighted average number of shares used as the denominator in calculating basic and diluted loss per share	799,778,478	793,974,320
Total basic and diluted loss per share attributable to the ordinary equity owners of the company (cents)	(0.05)	(0.30)

There were 47,781,000 warrants and performance rights outstanding at the end of the half-year (2021: 51,981,000) that have not been considered in calculating diluted loss per share due to their effect being anti-dilutive.

ADDITIONAL INFORMATION

10: Segment information

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

11: Accounting policies

Basis of Preparation of the Interim Financial Report

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with requirements of the *Corporations Act 2001* (Cth) and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2022 and any public announcements made by Iron Road Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth).

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

Going concern

For the half-year ended 31 December 2022, the Group has experienced a loss for the period of $369,412 (2021: $2,358,698) and operating and investing cash outflows of $1,719,353 (2021: $1,547,842) and $135,314 (2021: $1,155,159) respectively. As at 31 December, the Group was in a net current liability position of $1,215,848 (2021: net current asset position of $147,828), currently has no cash generating assets in operations, and $661,768 (2021: $1,894,350) of available cash.

In addition to the balance of the second investment of $462,000 from Bulk Commodity Holdings LLC. (Note 6) the continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due is dependent on the Group being successful in:

- raising further funds through a placement or entitlement offer; and/or

- funding from a project partner.

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

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

UNRECOGNISED ITEMS

12: Contingencies

There are no material contingent liabilities or contingent assets of the Group at 31 December 2022.

13: Events after reporting date

On 5 January 2023 and 3 February 2023 the Company issued 884,956 and 1,010,101 ordinary shares respectively, under an agreement with Bulk Commodity Holdings, LLC, representing $200,000 of the outstanding subscriptions to be settled. A further $462,000 in subscriptions were received on 18 January 2023, completing the first two tranches of the Subscription Agreement – see Note 6 for further details.

DIRECTORS’ DECLARATION

In the directors’ opinion:

a) the financial statements and notes set out on pages 7 to 20 are in accordance with the *Corporations Act 2001* (Cth), including:

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

   ii.) giving a true and fair view of the Group’s financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

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

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

Peter Cassidy
Chairman
Adelaide, South Australia
16 March 2023