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INTERIM REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2016

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 a Memorandum of Understanding (MOU) 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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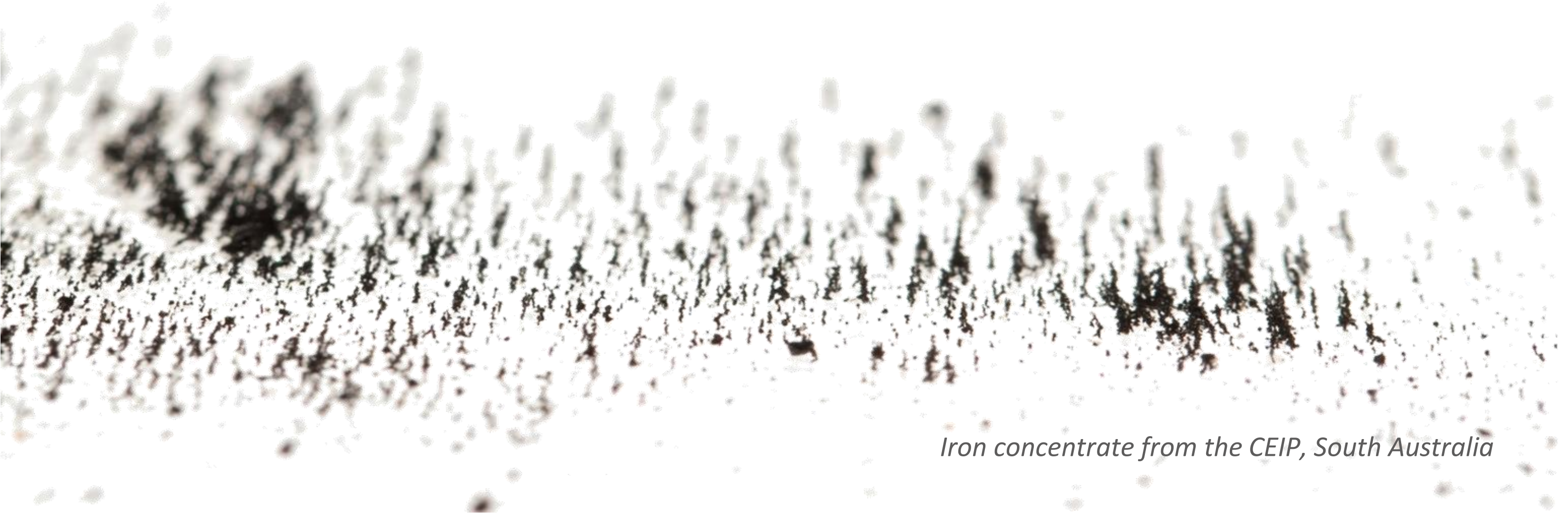

Iron concentrate from the CEIP, South Australia

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DIRECTORS' REPORT

The Directors present the consolidated report of Iron Road Limited and its controlled entities for the half year ended 31 December 2016.

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

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

In support of the CEIP development, Iron Road has continued to collaborate with aligned organisations whose interests include iron concentrate offtake, mining and mineral processing, power supply and rail and port logistics. Significant focus has been given to China Railway Group Limited (CREC) to assist with value engineering and the capital re-estimate component of the commercialisation programme. Following three site visits by CREC port, rail, mine and process plant specialists and a CREC Project Manager located in the Iron Road office, CREC are in the final stages of compiling and reporting on their review of the CEIP development.

In October 2016, His Excellency Mr Cheng Jingye, Chinese Ambassador to Australia, visited the joint Iron Road - CREC development team at Iron Road House in Adelaide. The Ambassador's visit coincided with the arrival of two teams of specialist CREC engineers from Kuala Lumpur and Beijing, accompanied by senior CREC executives. At this time, over 50 CREC staff were working with Iron Road as part of the Project Commercialisation Programme for the CEIP.

In support of the CEIP infrastructure business, December 2016 saw the call for expressions of interest for third parties interested in accessing the proposed CEIP rail and port facilities. Regional Development Australia Whyalla and Eyre Peninsula (RDAWEP) has been engaged to manage the process. Individuals and businesses that may wish to use the port facilities for the import or export of commodities, goods and services, or service providers essential for general port operations, are encouraged to contact RDAWEP for further information.

The new year has seen joint CREC-Iron Road meetings with major Chinese Banks to further progress funding arrangements.

DIRECTORS' REPORT

Highlights

Central Eyre Iron Project (CEIP)

- CEIP Infrastructure (rail and port) declared a Priority Project by Infrastructure Australia (IA), one of only ten projects nationwide.
- Debt financing discussions between China Railway Group Limited, Iron Road Limited and major banks underway.
- His Excellency Mr Cheng Jingye, Chinese Ambassador to Australia, visited the joint Iron Road-CREC development team in Adelaide.
- Response documents relating to the Mining Lease Proposal and Environmental Impact Statement published by the South Australian Government.
- Australian Government renewed the Major Project Facilitation (MPF) service for the CEIP.
- Indigenous Land Use Agreement (ILUA) registered by the National Native Title Tribunal.
- Regional Development Australia Whyalla and Eyre Peninsula, on behalf of Iron Road, commenced a Registration of Preliminary Interest process in relation to the Cape Hardy port development.

Front L-R: Mr Victor Li (IRD), His Excellency Mr Cheng Jingye, Chinese Ambassador to Australia, Mr Wang Xiuqing (CREC)
Rear L-R: Mr Brad Hunter (IRD), Mr Fang Jie (CREC)

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.

Table 2 – CEIP Global Mineral Resource

Location	Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
	Measured	2,222	15.69	53.70	12.84	0.08	4.5
Murphy South/Rob Roy	Indicated	474	15.6	53.7	12.8	0.08	4.5
	Inferred	667	16	53	12	0.08	4.3
Boo-Loo/Dolphin	Indicated	796	16.0	53.3	12.2	0.07	0.6
	Inferred	351	17	53	12	0.09	0.7
Total		**4,510**	**16**	**53**	**13**	**0.08**	**3.5**

The Murphy South/Rob Roy Mineral Resource estimate was carried out following the guidelines of the JORC Code (2004) by Iron Road 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.

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.

DIRECTORS' REPORT

Results of Operations

The Group incurred a loss for the half-year ended 31 December 2016 of $1,847,139 (2015: $2,573,993).

Events after the Reporting Date

No matters or events have arisen since 31 December 2016 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 2017

L- R: Iron Road Limited Chairman Dr Peter Cassidy, The Hon Darren Chester MP, Minister for Infrastructure & Transport and Head of China Railway Group Limited's International Business Mr Cai Zemin during the signing of the renewal of the Major Project Facilitation service for the CEIP.

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Auditor's Independence Declaration

As lead auditor for the review of Iron Road Limited for the half-year ended 31 December 2016, 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 2017

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	Half-year **2016** $	2015 $
Revenue from continuing operations			
Interest income		2,795	3,876
Expenses			
Impairment of exploration expenses	2	-	(5,460)
Depreciation	3	(108,770)	(125,938)
Employee benefits expense	4	(738,621)	(1,273,500)
General expenses		(138,802)	(229,998)
Professional fees		(402,548)	(443,967)
Travel and accommodation		(126,465)	(123,055)
Marketing		(76,454)	(82,138)
Rent		(196,694)	(219,018)
Administration costs		(61,580)	(74,795)
Loss before income tax		**(1,847,139)**	(2,573,993)
Income tax expense		-	-
Loss for the period		**(1,847,139)**	(2,573,993)
Other comprehensive loss for the period		**-**	-
Total comprehensive income for the period attributable to owners of Iron Road Limited		**(1,847,139)**	(2,573,993)

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

		Cents	Cents
Basic and diluted loss per share (cents)	8	**(0.28)**	(0.44)

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 2016

	Note	31 December 2016 $	30 June 2016 $
ASSETS			
Current assets			
Cash and cash equivalents	1	**2,652,245**	858,413
Bank term deposits	1	**90,000**	90,000
Receivables and prepayments		**189,294**	128,518
Total current assets		**2,931,539**	1,076,931
Non-current assets			
Exploration and evaluation expenditure	2	**119,337,466**	118,643,647
Property, plant and equipment	3	**10,042,663**	10,149,731
Total non-current assets		**129,380,129**	128,793,378
Total assets		**132,311,668**	129,870,309
LIABILITIES			
Current liabilities			
Trade and other payables	5	**367,859**	4,519,448
Provisions		**430,146**	467,563
Total current liabilities		**798,005**	4,987,011
Non-current liabilities			
Provisions		**33,908**	105,837
Total non-current liabilities		**33,908**	105,837
Total liabilities		**831,913**	5,092,848
Net assets		**131,479,755**	124,777,461
EQUITY			
Contributed equity	7	**160,916,191**	152,423,991
Reserves	7	**4,996,931**	4,939,698
Accumulated losses	7	**(34,433,367)**	(32,586,228)
Total equity		**131,479,755**	124,777,461

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 2016

		Attributable to owners of Iron Road Limited			
	Note	Contributed Equity $	Accumulated losses $	Reserves $	Total Equity $
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		(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**
Balance at 1 July 2016		**152,423,991**	**(32,586,228)**	**4,939,698**	**124,777,461**
Total Comprehensive Loss for the half-year		-	(1,847,139)	-	(1,847,139)
Transactions with owners in their capacity as owners:					
Contributions to equity net of transaction costs		8,492,200	-	-	8,492,200
Share based payments	7	-	-	57,233	57,233
Balance at 31 December 2016		**160,916,191**	**(34,433,367)**	**4,996,931**	**131,479,755**

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 2016

	Note	Half-year 2016 $	Half-year 2015 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		**(1,923,556)**	(2,450,967)
Interest received		**2,979**	4,739
Net cash outflow from operating activities	4	**(1,920,577)**	(2,446,228)
Cash flows from investing activities			
Payments for exploration and evaluation		**(540,834)**	(2,443,105)
Payments for property, plant and equipment		**(1,702)**	(47,656)
Net cash outflow from investing activities		**(542,536)**	(2,490,761)
Cash flows from financing activities			
Proceeds from issue of shares		**8,509,938**	-
Share issue transaction costs		**(252,993)**	-
(Repayment of borrowing)/Proceeds from borrowings	6	**(4,000,000)**	2,000,000
Net cash inflow from financing activities		**4,256,945**	2,000,000
Net increase in cash and cash equivalents		**1,793,832**	(2,936,989)
Cash and cash equivalents at the beginning of the half-year		**858,413**	3,440,754
Cash and cash equivalents at the end of the half-year		**2,652,245**	503,765

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 and other 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.

NOTES TO THE FINANCIAL STATEMENTS

KEY NUMBERS

1: Cash

The Consolidated Statement of Cash Flows, shows total cash expended during the half-year ended 31 December 2016 was $2,719,085 (2015: $4,941,728), utilised in the following areas:

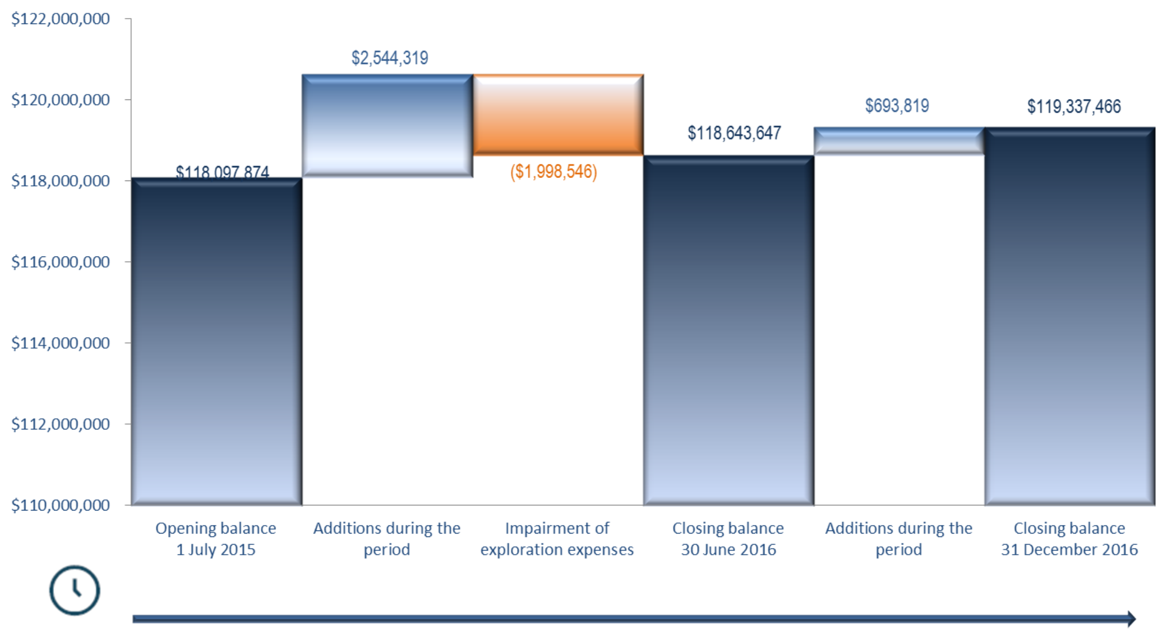
	Half-year	
	2016	2015
	$	$
Exploration and evaluation	540,834	2,443,105
Employee benefits expense	734,621	1,251,875
Professional fees	371,548	425,967
Rent and administration	258,274	293,813
Share issue transaction costs	252,993	-
Marketing	76,454	61,738
Travel and accomodation	126,465	123,055
Property, plant and equipment	1,702	47,656
Other	356,194	294,519
Total	**2,719,085**	4,941,728

Cash and cash equivalents at 31 December 2016 was $2,652,245 (June 2016: $858,413) and bank term deposits remain unchanged at $90,000. The bank term deposit 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.



Exploration and evaluation expenditure in relation to the CEIP's exploration licence 4849 for the half-year ended 31 December 2016 was $693,819 (2015: $1,891,252). 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 half-year ended 31 December 2016, the directors deemed the current capitalisation of development of the CEIP resource to be appropriate, as the Group continues to refine 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 2016, the Group invested $1,702 in property, plant and equipment.

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

	LAND AND BUILDINGS		PLANT AND EQUIPMENT		
	Land $	Buildings & Improvements $	Equipment $	Motor Vehicles $	Total $
At 30 June 2016					
Cost or fair value	9,025,418	1,040,190	1,079,460	64,839	11,209,907
Accumulated depreciation	-	(249,143)	(755,294)	(55,739)	(1,060,176)
Net book amount	**9,025,418**	**791,047**	**324,166**	**9,100**	**10,149,731**
Half-year ended 31 December 2016					
Opening net book value	9,025,418	791,047	324,166	9,100	10,149,731
Additions	-	-	1,702	-	1,702
Depreciation charge	-	(39,562)	(65,404)	(3,804)	(108,770)
Closing net book amount	**9,025,418**	**751,485**	**260,464**	**5,296**	**10,042,663**
At 31 December 2016					
Cost or fair value	9,025,418	1,040,190	1,081,162	64,839	11,211,609
Accumulated depreciation	-	(288,705)	(820,698)	(59,543)	(1,168,946)
Net book amount	**9,025,418**	**751,485**	**260,464**	**5,296**	**10,042,663**

4: Operating activities

Operating expenses were $1,849,934 for the half-year ended 31 December 2016 (2015: $2,577,869).
Loss before tax includes the following specific expenses:

	Half-year	
	2016	2015
	$	$
Salaries and wages	550,919	809,204
Defined contribution superannuation expense	59,462	64,650
Directors' fees	120,834	127,250
Share based payments expense	57,233	259,461
Other employee benefits expense	(49,827)	12,935
Total employee benefits expense	**738,621**	1,273,500

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

	Half-year	
	2016	2015
	$	$
Net loss for the period	**(1,847,139)**	(2,573,993)
Depreciation	108,770	125,938
Share based payments	57,233	34,462
Non cash - rent incentive	(25,000)	(25,000)
Impairment of exploration expenses	-	5,460
Change in operating assets and liabilities		
(Decrease)/Increase in trade and other receivables	(60,776)	172,013
Decrease in trade payables	(69,319)	(220,094)
Increase in other provisions	(84,346)	34,986
Net cash outflow from operating activities	**(1,920,577)**	(2,446,228)

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.

	Trade payables	
	31 December 2016	30 June 2016
	$	$
Trade payables	327,187	90,291
Accruals	39,300	428,015
Short term loan facility	-	4,000,000
Other payables	1,372	1,142
Total trade and other payables	**367,859**	4,519,448

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 2016 owns 73.73% (30 June 2016 – 71.56%) of the issued ordinary shares of Iron Road Limited.

The following transactions occurred with The Sentient Group:

	Related parties	
	31 December 2016 $	31 December 2015 $
Reimbursement of travel related expenditure	8,848	26,754
Directors fees	25,000	27,250
Share issue transaction costs	302	-
Short term finance	4,000,000	2,000,000
Consulting fees	100,002	50,001
Total	**4,134,152**	**2,104,005**

The Group received $4,000,000 in short term debt finance from The Sentient Group which has been repaid in full.

7: Equity and reserves

SHARE CAPITAL

	Share Capital			
	31 December 2016 Shares	31 December 2015 Shares	**31 December 2016 $**	31 December 2015 $
Ordinary shares - fully paid	677,554,286	581,936,904	160,933,929	151,676,845
Cost of capital raising	-	-	(17,738)	(107,316)
Balance	**677,554,286**	581,936,904	**160,916,191**	151,569,529

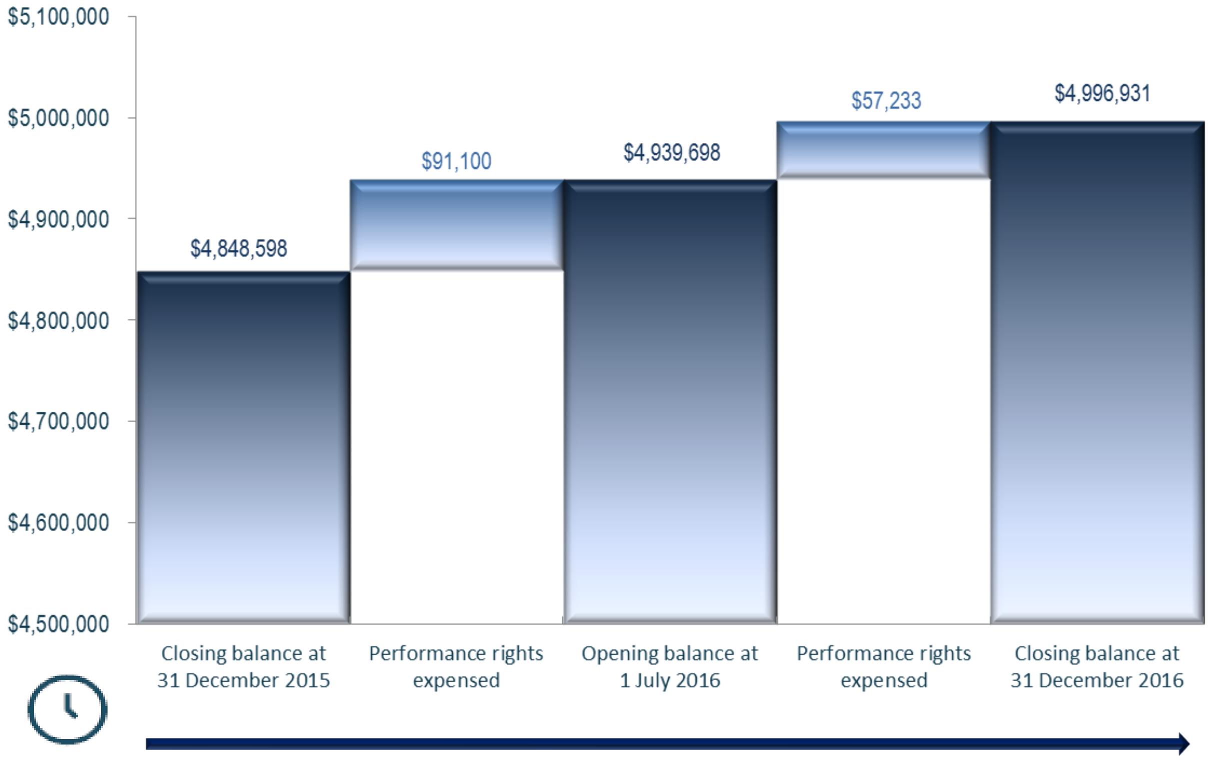
Ordinary shares entitle the holder to participate in dividends and to share in the proceeds of winding up of the Group in proportion to the number of and amounts paid on the shares held. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options 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.

NOTES TO THE FINANCIAL STATEMENTS

STRUCTURES AND CAPITAL

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 AASB 2.



ACCUMULATED LOSSES

8: Loss per share

	31 December 2016 $	31 December 2015 $
Loss attributable to the members of the Group used in calculating basic loss per share	(1,847,139)	(2,573,993)
Weighted average number of shares used as the denominator in calculating basic loss per share	669,411,225	581,936,904
Total basic loss per share attributable to the ordinary equity owners of the company (cents)	**(0.28)**	(0.44)

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 2016 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 2016 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.

NOTES TO THE FINANCIAL STATEMENTS

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 of $2,652,245 at 31 December 2016, cash-flow projections indicate that additional capital will be required for continued operations. Management are confident that additional financial support will be obtained from its shareholders when required to enable the Group to meet its obligations as and when they fall due. 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 2016.

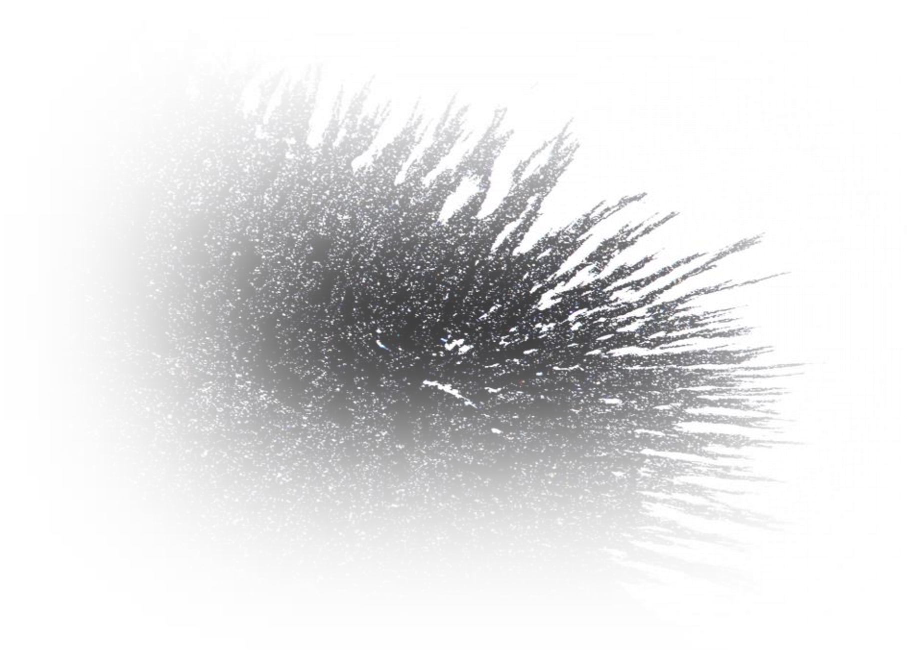
UNRECOGNISED ITEMS

12: Contingencies

There are no material contingent liabilities or contingent assets of the Group at 31 December 2016.

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.



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 2016 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 2017

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

Independent auditor's review report to the shareholders 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 statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and 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 2016 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*.

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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:

1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date;

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

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Andrew Forman
Partner

Adelaide
15 March 2017