2015 ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

ABN 51 128 698 108

CORPORATE DIRECTORY

Directors

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

General Manager
Larry Ingle

Chief Financial Officer
Howard Rae

Company Secretary
Leonard Math

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West Perth WA 6005

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Telephone 08 9315 2333
registrar@securitytransfer.com.au

Auditors
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Level 11, 70 Franklin Street
Adelaide SA 5001
Telephone 08 8218 7000

Corporate Governance Statement
http://www.ironroadlimited.com.au/about-us/corporate-governance

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Iron concentrate from the CEIP, South Australia

CHAIRMAN'S LETTER

On behalf of the Board of Iron Road Limited, it is with pleasure I present to you the Annual Report for the year ended 30 June 2015.

Dear Shareholder,

Without doubt, the dominant theme for the year has been the external market conditions that all mineral and energy resources firms have faced. Commodity prices are down globally across the board with price falls experienced in coal, copper, gold, nickel and oil, just to name a few. The Standard & Poors global index for metals prices illustrates this with a 25% decline for the year.

Iron ore has followed a similar broad path, with spot prices declining over the year as a result of an imbalance in supply and demand. This has coincided with a contraction in Chinese crude steel output and weakness in domestic steel demand. As a result of this market evolution, we expect to see both uncompetitive and smaller producers of lower quality products curtail output or cease operations.

Iron Road is targeting a smaller but viable segment of the near current 1.4 billion tonne per annum seaborne traded iron ore market – high grade, low impurity premium concentrates. This market segment is becoming increasingly important, particularly as steel producers seek to reduce pollutants and improve production efficiencies as they adjust to stricter regulatory requirements and tighter markets for these high quality feedstock products.

Whilst we remain committed to our pursuit of this highly valuable segment of the very large iron ore market, Iron Road is cognisant of the current market conditions and has adjusted its approach to suit the times. Practically, this means that we must be careful to invest our resources and time where they are most immediately needed and provide the most effect – that is addressing project risk, advancing government approvals and working with our potential customers.

One of our principal activities for the year has been the approvals processes for the Central Eyre Iron Project (CEIP) and continuing our work with the State and Federal Governments to ensure authorisations are granted in a timely fashion. This work will shortly lead to the lodgement of both our Mining Lease Proposal and Environmental Impact Statement for the CEIP. These are significant milestones in the progress of the CEIP and form the foundation stone for the approval process.

We have also continued our presence in, and interaction with, the local communities we ultimately seek to become a part of as we move to develop the CEIP. Withdrawing from our local presence at the first hint of tougher times will set us back immeasurably in our quest to keep stakeholders informed of our activities and ultimately gain acceptance of the part we can play in the local communities and economy. We will continue to keep stakeholders informed of the status of the project and not fade away into the background.

Together with the approvals process, our discussions with potential customer and partner steel mills in both China and India continue and Iron Road has played an active part in a number of Australian Government (State and Federal) led trade delegations to both countries. Our high quality, low impurity premium concentrate to be produced from the CEIP, remains very attractive to steel mills and a number are investigating how our product would improve the efficiency of their operations. This work culminated in the signing of Memorandum of Understandings with five steel manufacturers. We remain encouraged by these discussions and they will continue into the coming year.

Shan Steel Chairman Mr Ren Hao (with dignitaries including South Australian Premier the Hon Jay Weatherill, Secretary, Shandong Provincial Committee of the Communist Party of China, Mr Jiang Yikang and Minister for Trade, Hon Martin Hamilton-Smith) during the signing ceremony at a welcome dinner for China's largest trade delegation to South Australia.

Funding the construction of the CEIP remains our key development hurdle and multiple scenarios for achieving this funding solution have been studied over the past year. Our work on this front, coupled with discussions with potential funding parties, have pointed to the CEIP infrastructure as being an attractive component which is likely to prove central to our overall funding approach.

Operationally, we have also seen a number of important achievements over the year, which should not be overshadowed by the market conditions. The Barngarla community ratified an Indigenous Land Use Agreement covering the CEIP. The Mineral Resource was significantly increased and the process flow design for the beneficiation plant was finalised, adding to high levels of confidence in the specifications of the premium quality product we will produce at industry competitive costs. As mentioned, the work that will soon culminate in the lodgement of our Environmental Impact Statement and associated Mining Lease Proposal draws to an end.

In closing I thank shareholders for their continued support in these difficult market conditions, as well as commend the management, staff and service partners of Iron Road for their continued diligence and effort on our behalf in pursuing development of the CEIP. I look forward to the year ahead, and hope to again report significant progress in the development of our project.

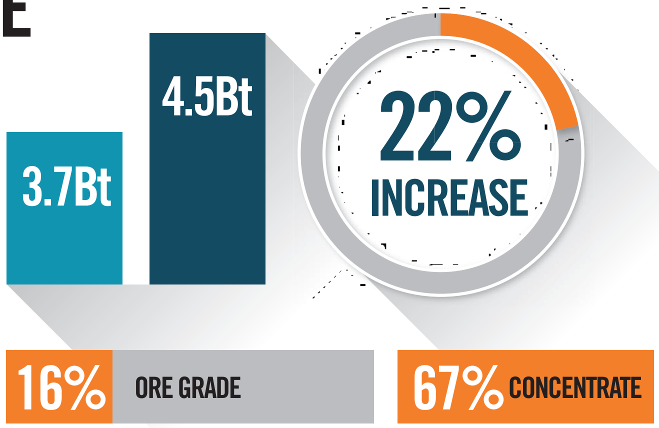
Peter Cassidy
Chairman

Shandong Iron and Steel Group Chairman Ren Hao with Iron Road's Chairman and Managing Director on site of the CEIP in the Eyre Peninsula

MANAGING DIRECTOR'S REPORT

HIGHLIGHTS FOR THE YEAR ENDED 30 JUNE 2015

MINERAL RESOURCE



DRAFT ENVIRONMENTAL IMPACT STATEMENT AND MINING LEASE PROPOSAL COMPLETED

MINERAL CLAIM REGISTRATION (MC4383)

67%

IRON CONCENTRATE WITH LOW IMPURITIES

Completion of IPCC Mining Operation Optimisation

PRODUCTION BASE OF 21.5 Mtpa OF CONCENTRATE

PROCESS FLOW SHEET FINALISED

INDIGENOUS LAND USE AGREEMENT (ILUA)

Authorised by the Barngarla community

HIGHLIGHTS

1. Central Eyre Iron Project (CEIP) Global Mineral Resource increased by 22% from 3.7Bt to 4.5Bt at a grade of 16% iron

2. Indigenous Land Use Agreement (ILUA) authorised by the Barngarla community

3. Registration of Mineral Claim by the Department of State Development South Australia

4. Finalisation of Draft Environmental Impact Statement and Mining Lease Proposal

5. Commencement of commercialisation programme and collaboration with steel mills, constructors and investors indicating strong support for the CEIP premium product

6. Process flow sheet finalised with a number of improvements to recovery, concentrate impurities and water use efficiency

7. Participation on a number of South Australian Government-led trade missions, including China and India

MANAGING DIRECTORS REPORT

HIGHLIGHTS FOR THE YEAR ENDED 30 JUNE 2015

"OUR OPTIMISATION AND VALUE ENGINEERING PROGRAMME HAS VALIDATED OUR DILIGENT AND INNOVATIVE APPROACH IN POSITIONING THE CEIP AS THE NEXT CREDIBLE LONG-LIFE PRODUCER OF HIGH QUALITY IRON CONCENTRATES"

MR ANDREW STOCKS – MANAGING DIRECTOR

Signing of non-binding Memorandum of Understandings (MoUs) and an Indigenous Land Use Agreement.

From left to right: Eleanor Scholz Mayor Wudinna District Council, Paul Heithersay Deputy Chief Executive - Resources and Energy Group Department of State Development, Elliott McNamara Chairperson Barngarla Aboriginal Corporation, Andrew Stocks Managing Director Iron Road Limited, Chris Camarsh Managing Director Aixi Investments, Tom Koutsantonis MP Treasurer, Minister for Mineral Resources and Energy, Minister for State Development, Peter Arnold Chief Executive Officer District Council of Cleve, Bruce Green Chairperson Eyre Peninsula Local Government Association, Diana Laube Chairperson Eyre Peninsula Natural Resources Management, Terry Burgess President South Australian Chamber of Mines and Energy, Dion Dorward Chief Executive Officer Regional Development Australia – Whyalla & Eyre Peninsula, Brian Foster Chairperson Eyre Peninsula Integrated Climate Change Agreement Committee

Dear Shareholders,

Iron Road has made considerable progress in the year towards the development of the world-class Central Eyre Iron Project (CEIP) and we have made a number of great achievements on an operational level, while maintaining a focus on project improvement and optimisation. We have spent considerable effort undertaking costs and efficiency reviews for CEIP, which, in the difficult and volatile current market, has also enabled us to keep the Company on a sound financial footing now and into the future. Through our optimisation exercises, we can now focus on delivering an efficient mine-to-customer project with a significant resource, improved output and longer mine life.

A significant achievement this year was the 22% lifting of our global mineral resource to 4.5 billion tonnes at a grade of 16 % iron. Significantly, 3.5 billion tonnes of that Mineral Resource Estimate is in the Measured and Indicated category. The CEIP continues to confirm its potential to deliver a long life, cost competitive, premium product to steel mills in the Asia region. We have also made significant progress towards gaining major mining and environmental approvals, including the Mining Lease Proposal (MLP) and Environmental Impact Statement (EIS) documentation for CEIP.

As part of our project optimisation plans, we also completed our In-Pit Crushing and Conveying (IPCC) application for the proposed mine at Warramboo and a review of the mine plan, which have reduced costs and improved material handling efficiencies of the CEIP.

Iron Road has participated in a number of government-led trade missions to key markets such as China and the subcontinent this year. We are also continuing project finance discussions with a number of parties across south-east Asia and the sub-continent to help us bring the project to fruition.

Engagement with stakeholders and community consultation groups continues, hosting a number of well attended community forums throughout the year. We engaged a firm to carry out a community perceptions survey which showed that 92% of the local community is aware of the Project and that nearly two thirds do not require any further information. Iron Road has every intent to continue meaningful community engagement as we progress closer to the construction and delivery of the CEIP.

MANAGING DIRECTORS REPORT

CENTRAL EYRE IRON PROJECT (CEIP)

The CEIP is located on the Eyre Peninsula, South Australia. The proposed mine site at Warramboo is located approximately 30 kilometres southeast of the regional centre of Wudinna and the proposed port is seven kilometres south of Port Neill at Cape Hardy (Figure 2). The mine and the port are planned to be linked by an infrastructure corridor containing rail, water and power.

Figure 1: Location of the CEIP, showing mine, infrastructure corridor and port

Figure 2: Rendered image of proposed capesize port at Cape Hardy

PROJECT SNAPSHOT

CENTRAL EYRE IRON PROJECT (CEIP)

HIGH QUALITY PRODUCT CONCENTRATE

67% IRON

LOW OPERATING COST AND STRONG OPERATING MARGIN.

(lowest quartile high quality producer positioning)

RAIL PORT

HIGHLY COMPETITIVE DEVELOPMENT COST FOR NEW RAIL/PORT INFRASTRUCTURE

INITIAL PORT 70 Mtpa CAPACITY

CIRCA $1bn MODULAR PROCESSING FACILITY

25+ YEAR MINE LIFE

STATE AND COMMUNITY BENEFITS

CIRCA US$4.5bn initial investment

NEW JOBS

2000 CONSTRUCTION

+

700 OPERATIONS

MANAGING DIRECTORS REPORT

CENTRAL EYRE IRON PROJECT (CEIP)

Central Eyre Iron Project (CEIP)

The CEIP is planned to produce a high quality, low impurity iron concentrate that will serve as a clean, superior blending product for steel mill customers. The expected output of 21.5 Mtpa could be up to 24Mtpa of ~67% premium iron concentrate over 25+ years. With a competitive projected operating cost, the CEIP iron concentrate is well positioned to actively displace lower quality iron ores as customers increasingly focus on high quality, low impurity steel making feedstocks.

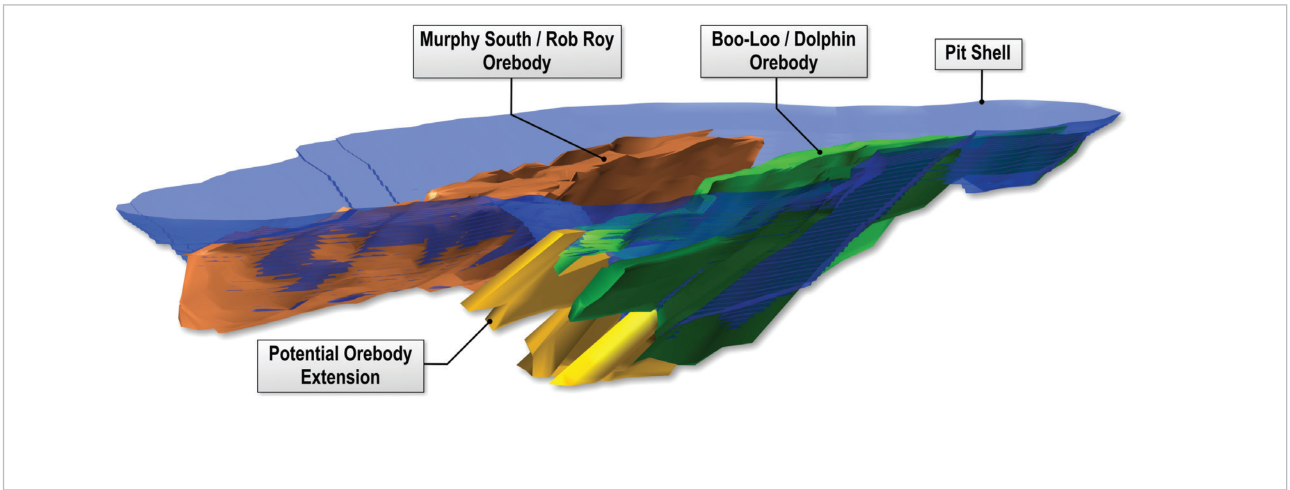


Figure 3: Remodelled CEIP pit shell

On 27 February 2015, Iron Road announced an increased global CEIP Mineral Resource of 4.5 Billion tonnes (Bt) at a grade of 16% iron, 77% of which is in the Measured and Indicated categories. The mining reserve is currently 2.1Bt at a grade of 15.5% iron. Continuing the detailed work undertaken during the CEIP Definitive Feasibility Study (DFS), an updated orebody solids and mining model as shown above in figure 3 has been produced. The CEIP has the largest Measured and Indicated magnetite Mineral Resource in Australia and globally ranks amongst the largest known today.

Engineering optimisation studies progressed in 2015 with a view to reducing risk, increasing flexibility and reducing costs. Recognising that the iron ore and steel markets have been volatile during this period, the importance of optimising mining and processing methods has become a priority. With the assistance of the Thiess-RWE joint venture, Iron Road has revised the mine design, incorporating In-Pit Crushing and Conveying (IPCC) in preference to conventional truck and shovel mining methods. The Thiess-RWE joint venture combines RWE's world-leading technical and operational expertise in open-cast continuous mining systems with Thiess' performance in the delivery of large scale mine infrastructure and full-service contract mining. Continuous mining equipment is used successfully around the world to mine bulk commodities, including at RWE's own lignite operations in Germany.

A key benefit of IPCC is its ability to move large volumes of material very efficiently and at low cost. Semi-mobile IPCC operations, as described in the DFS are used in Boliden's Aitik copper mine in Sweden and Tata Steel's Noamundi magnetite iron ore mine in India. Mobile crushers, currently being evaluated by Iron Road and the Thiess-RWE joint venture, are used at Vale's N4E iron ore mine in Brazil and China Coal's Pingshuo coal mine in China. SRK (a leader in the evaluation of IPCC) and MMD (suppliers of IPCC systems), amongst others, have been engaged to understand the application of this technology to the CEIP.

With its premium iron product, significant scale, expandable rail and port infrastructure as well as supportive State and Federal Governments, the CEIP is increasingly attracting interest from a range of Asian steel mills and large construction and infrastructure groups. Iron Road has commenced a commercialisation programme focussed on finalising product sales arrangements, construction methodology, regulatory approvals and securing the funding required to enable a final investment decision to be made.

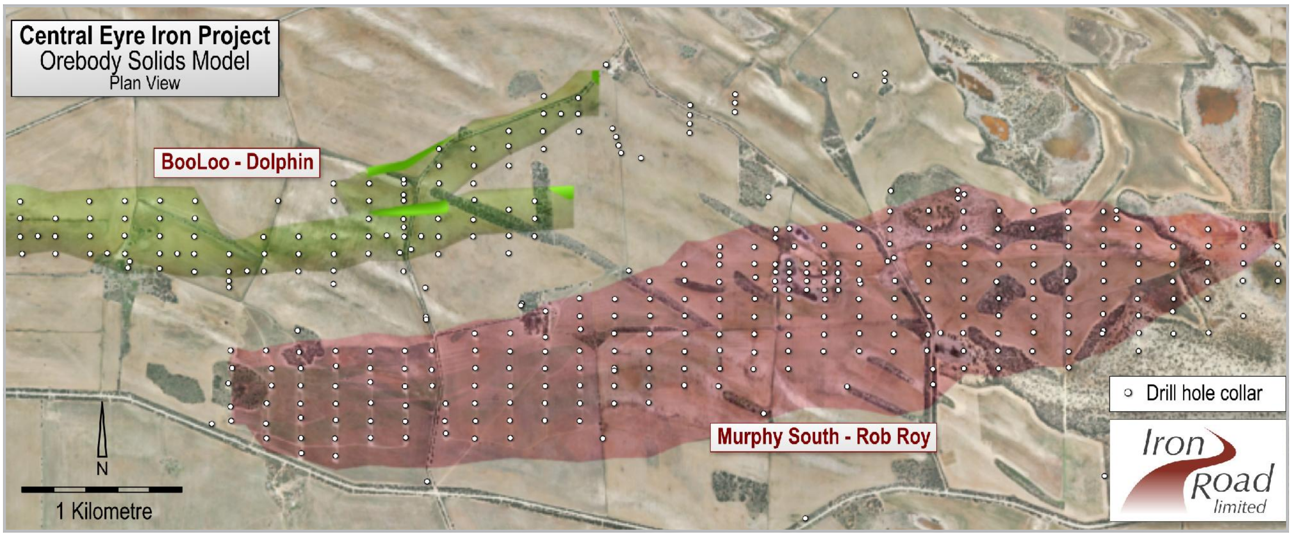


Figure 4: *Superseded Warramboo Mineral Resource area published on 28 May 2013.*

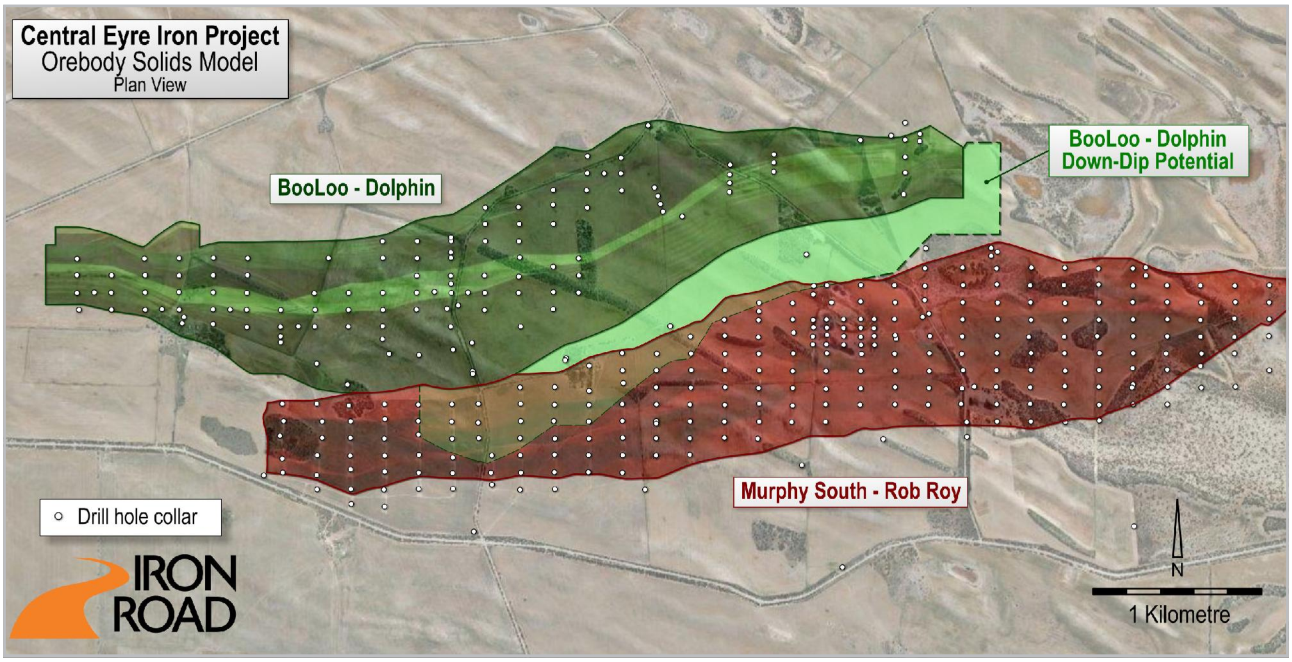


Figure 5: *Current Warramboo Mineral Resource area, showing projected area of Exploration Potential*

MANAGING DIRECTORS REPORT

CENTRAL EYRE IRON PROJECT (CEIP)

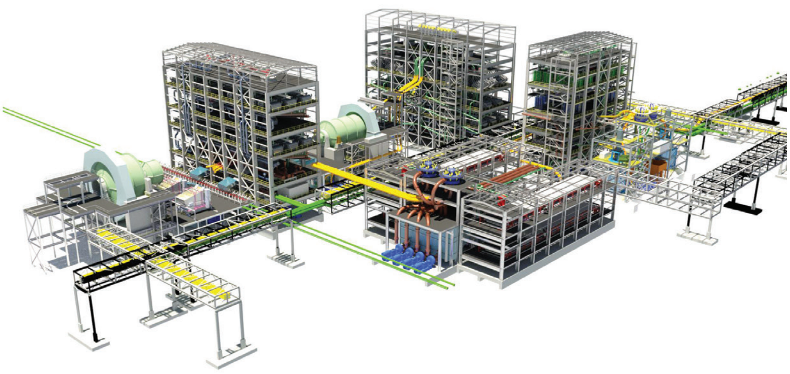


Figure 6: Modular process plant design

Project Optimisation

The design of the mine and a mining plan to suit the application of IPCC is complete and under review. The mine design provides a mining schedule permitting the development of the estimation of material movement and ore production for the life of the mine (LOM). The equipment and manpower requirements are also estimated.

Iron Road retained the services of AECOM to undertake the repricing of process plant components and infrastructure for the CEIP. The work was undertaken using the optimised design for the operation, which included increased processing plant capability and improvements to the process circuit.

The mine plan was used to develop processing material flows for the estimation of operating costs for the processing plant, mine support infrastructure and the transport infrastructure. The information from the mine planning and repricing will be incorporated into the development of revised capital and operating costs.

A second bulk sample of iron concentrate was prepared from diamond cores and residues, utilising a laboratory to mimic the proposed processing route. The sample confirmed the process selection and proved that an on-specification 67% iron concentrate, with low impurities, may be produced.

Figure 7: Conceptual layout of fully mobile IPCC mine

Figure 8: Dry waste stacking using spreaders A similar process will be adopted for the Integrated Waste Landform (IWL) at the proposed mine site

Figure 9: Iron Road exhibit at the Eyre Peninsula Field Day 2014

Stakeholder Engagement

Various engagement activities relating to the impending public release of the Mining Lease Proposal (MLP) and Environmental Impact Statement (EIS) documents continued during the year. These included technically focussed talking topics, community consultative group meetings and presentations, community information sessions, and targeted stakeholder meetings.

The CEIP Community Consultative Committee (CCC) held seven meetings during the year ended 30 June 2015 and produced a draft Community Outcomes Initiative document. Stakeholder meetings continued to be held with community groups and other groups such as the Cleve Probus Club, Eyre Industry Leadership Group, Grain Producers SA, Minnipa Agricultural Research Centre, Port Neill Progress Association and various district councils across the Eyre Peninsula.

Iron Road continues to keep key peak bodies on the Eyre Peninsula informed (including Regional Development Australia, Eyre Peninsula Local Government Association, Natural Resources Eyre Peninsula and Eyre Peninsula Interim Climate Change Agreement Committee).

As part of Iron Road's commitment to the community, an independent research company, Square Holes, was commissioned to undertake a Community Perceptions Survey. The survey demonstrated that Iron Road's consultation across the Eyre Peninsula has taken into account all key issues of importance to community members. The findings are available on the Iron Road website.

MANAGING DIRECTORS REPORT

CENTRAL EYRE IRON PROJECT (CEIP)

Figure 10: Larry Ingle – General Manager (right) accepted, on behalf of Iron Road, a commendation in Environmental Excellence award from the Premier of South Australia the Hon Jay Weatherill (centre) for the design of the CEIP Integrated Waste Landform (IWL).

Project Approvals & Environmental

After undertaking a licensed survey of the proposed Mining Lease Proposal (MLP) area and obtaining the required approval from the Foreign Investment Review Board (FIRB), an application for a Mineral Claim (MC) was submitted to the South Australian Department of State Development (DSD). MC 4383, covering an area of approximately 8,458 hectares, was subsequently registered on 27 May 2015.

The Environmental Impact Statement (EIS) and MLP under the *Development Act 1993* and *Mining Act 1971* advanced during the year and are undergoing final reviews prior to formal submission to the State Government later this year. The port infrastructure triggered the Environment Protection and Biodiversity Conservation (EPBC) Act 1999. The assessment of relevant matters of the EPBC Act will be undertaken by the State Government under the bilateral agreement with the Australian government. The completion of these documents follows extensive community engagement relating to the findings of the impacts and benefits assessments and the outcomes expected from all stakeholders.

Once the EIS and MLP are submitted to Government for assessment, public consultation will be jointly organised by the two lead agencies, DSD, for the proposed ML and the Department of Planning, Transport and Infrastructure (DPTI), for the proposed infrastructure components. The public consultation process will include meetings across the Eyre Peninsula to provide interested stakeholders with an opportunity to meet with both government and company representatives and learn more about the proposals set out in both documents.

The Indigenous Land Use Agreement (ILUA) negotiated with the Barngarla Aboriginal Corporation (on behalf of the Barngarla Native Title Claimants (SAD 6011/1998)) during the year was authorised by the broader Barngarla community at a certification meeting held in June 2015. The parties executed the ILUA thereafter and will shortly submit to the National Native Title Tribunal for registration under the *Native Title Act, 1993* (Cth).

Iron Ore Marketing

The impact of China's revised environmental laws continues to drive the trend towards increased usage of high quality iron ore feedstock, with several of the larger Chinese steel mills expressing strong interest in the CEIP. This interest is both as sinter feed blending stock as well as potential pellet feed.

Detailed analysis performed by the China Iron and Steel Research Institute (CISRI) has quantified significant environmental and efficiency benefits to steel mills when incorporating CEIP concentrate into the sinter feed blend. This includes decreased solid fuel rates, increased iron grades, increased blast furnace productivity, reduced slag generation and a reduction in the levels of carbon and sulphur emissions. The identified benefits to steel mills are primarily attributable to the high iron content along with low silica, sulphur and phosphorus levels in CEIP concentrates.

MANAGING DIRECTORS REPORT

GAWLER IRON PROJECT (GIP)

The Gawler Iron Project (GIP) is located approximately 25km north of the standard gauge Trans-Australian Railway that connects to the Central Australia Railway at Tarcoola.

The GIP hosts mineralisation anticipated to support a small to medium scale magnetite iron ore mining operation with the potential to produce a quality magnetite concentrate using a simple beneficiation process. Limited exploration and evaluation activity was conducted on the GIP during the year.

Figure 11: Drilling programme at Warramboo, South Australia

APPENDIX

GLOBAL MINERAL RESOURCE AND ORE RESERVES STATEMENT

CEIP Global Mineral Resource							
Location	**Classification**	**Tonnes (Mt)**	**Fe (%)**	**SiO2 (%)**	**Al2O3 (%)**	**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 (2012) by Iron Road Limited and peer reviewed by Xstract Mining Consultants (Rob Roy). The BooLoo/Dolphin oxide and transition resource estimate was carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd. The BooLoo/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.

Iron Road Ore Reserve Summary (CEIP)						
Resource Classification	Dry Tonnes (Mt)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Proved	1,871	15.6	53.9	12.8	0.08	4.5
Probable	200	15.1	58.5	13.8	0.08	5.6
Total	**2,071**	**15.5**	**54.3**	**12.9**	**0.08**	**4.6**

Competent Persons' Statements

The information in this report that relates to the Exploration Target within the EL4849 is based on and fairly represents information and supporting documentation compiled by Mr Milo Res, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Res was an employee of Iron Road Limited at the time when the Exploration Target was compiled. Mr Res has sufficient experience that is relevant to the style of mineralisation and the type of deposits under consideration and to the activity being undertaken 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 Res consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information complied by Ms Heather Pearce, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Ms Pearce has sufficient experience that is relevant to the style of mineralisation and the type of deposits under consideration and to the activity being undertaken 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". Ms Pearce was a full-time employee of Iron Road Limited at the time the Exploration Results were compiled and consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this report that relates to the Inferred 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 at the time of release was an employee of Coffey Mining Limited. There has been no material change and as such this resource is reported as it was released in 2011. Mr MacFarlane had sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he was 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 has consented 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 was a full-time employee of Iron Road Limited at the time the Mineral Resources (Fresh) were compiled. 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 was a full-time employee of Iron Road Limited at the time the Resources were compiled. 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 information in this report that relates to Mining Reserves estimated for Murphy South/Rob Roy is based on and fairly represents information and supporting documentation compiled by Mr Harry Warries, a Fellow of the Australasian Institute of Mining and Metallurgy, and an employee of Coffey Mining Limited. Mr Warries 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 Warries consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 year ended 30 June 2015.

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

Directors and Company Secretary

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

Peter Cassidy

Andrew Stocks

Jerry Ellis AO

Leigh Hall AM

Julian Gosse

Ian Hume

Graham Anderson – Company Secretary was appointed to the position in 2008 and passed away unexpectedly on 19 July 2015. Leonard Math was appointed Company Secretary on 20 July 2015.

Principal activities

The principal activity of the Group during the year was the exploration and evaluation of the Groups' iron ore interests at its principal project, the Central Eyre Iron Project (CEIP) in South Australia.

Main activities during the year included mineral resource expansion, project optimisation, government approvals and stakeholder engagement.

The following milestones occurred during the year:

» Mineral claim (MC4383) registered by Department of State Development

» CEIP Mineral Resource increased by 22% from 3.7Bt to 4.5Bt, with 77% of the Mineral Resource classified as Measured and Indicated.

» Revised mine design and schedule based on the In Pit Crushing and Conveying (IPCC) method incorporating the enlarged mineral resource.

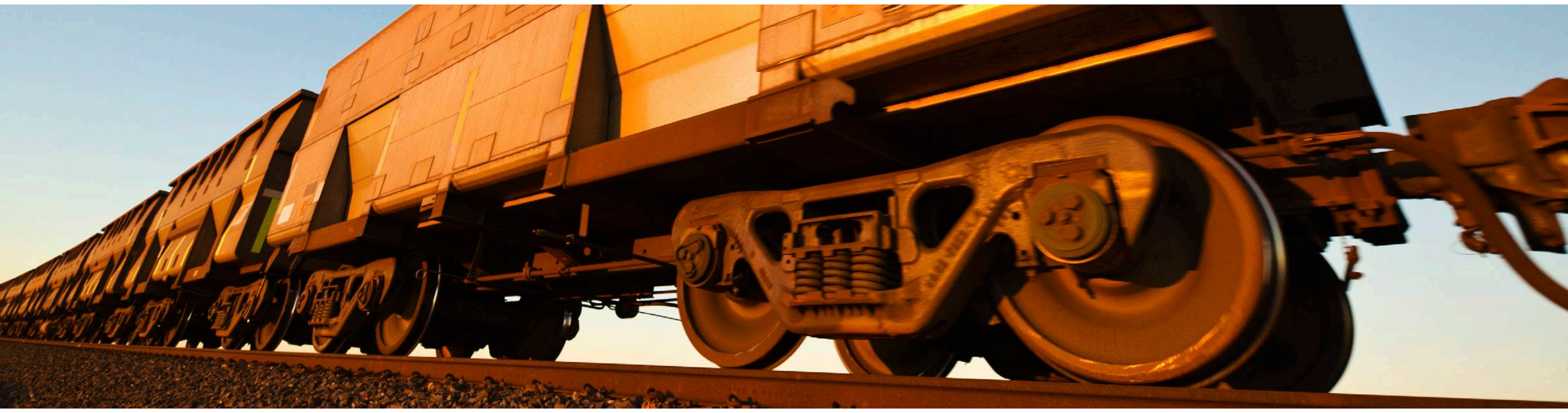
» Successfully negotiated an Indigenous Land Use Agreement with the Barngarla Aboriginal Corporation over the entire CEIP footprint.

Dividends

No dividends were paid, declared or recommended during the year ended 30 June 2015.

Corporate governance statement

Iron Road Limited and the Board are committed to achieving and demonstrating high standards of corporate governance. The Group has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council. The 2015 corporate governance statement is dated 30 June 2015 and reflects the corporate governance practices in place throughout the 2015 financial year. The 2015 corporate governance statement was approved by the Board on 28 September 2015 and can be viewed at **www.ironroadlimited.com.au/about-us/corporate-governance.**



Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the review of operations and activities on page 32 of this report.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Events since the end of the financial year

No matters or circumstances have arisen since 30 June 2015 that have significantly affected the Group's operations, results or state of affairs.

Likely developments and expected results of operations

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

Environmental regulation

The Group's operations are subject to environmental regulation in respect to mineral tenements relating to exploration activities on those tenements. No breaches of any environmental requirements were recorded during the financial year. CEIP infrastructure is subject to the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) as this element of the Project was declared a 'Controlled Action' on the 26 August 2014. The Group has reviewed its energy consumption and greenhouse gas emissions for the reporting year, with both found to be below the reporting threshold as specified within the *National Greenhouse and Energy Reporting Act 2007* (Cth) (NGER).

Meetings of directors

The number of board meetings held and attended by each director during the year ended 30 June 2015 were:

	Director Meetings	
Directors	Number of meetings attended	Number of meetings held during the time the director held office
Peter Cassidy	3	3
Andrew Stocks	3	3
Jerry Ellis AO	3	3
Leigh Hall AM	2	3
Julian Gosse	3	3
Ian Hume	3	3

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

The information is current at the date of this report:

Peter Cassidy

Chairman

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

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

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

Andrew Stocks

Managing Director

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

Mr Stocks has led Iron Road as Managing Director from its inception and is an elected councillor on the South Australian Chamber of Mines and Energy (SACOME) Council.

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

Jerry Ellis AO

Non-executive director

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

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

In the three years immediately prior to the end of the financial year, Mr Ellis served as a director of the following companies:

» Landcare Australia

» MBD Energy Limited*

» Alzheimers Australia (NSW)*

» Earth Resources Development Council

» Pacific Road Corporate Finance Pty Limited

» Australia and New Zealand Banking Group Limited

** denotes current directorships*

Leigh Hall AM

Non-executive director

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

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

In the three years immediately prior to the end of the financial year, Mr Hall served as a director of the following companies:

» Funds SA*

» Enirgi Group Corporation*

» Compliance Committee, Lazard Asset Management Pacific* (Chairman)

** denotes current directorships*

Julian Gosse

Non-executive director

Mr Gosse has served as a professional director for the last 20 years on various listed company Boards. Prior to this he was involved in the stockbroking, merchant banking and venture capital industries.

In the three years immediately prior to the end of the financial year, Mr Gosse served as a director of the following companies:

» ITL Limited

» WAM Research Limited*

» Clime Capital Limited*

» Australian Leaders Fund*

** denotes current directorships*

Ian Hume

Non-executive director

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

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

In the three years immediately prior to the end of the financial year, Mr Hume served as a director of the following companies:

» Golden Minerals Company*

» Silver City Minerals Limited*

» Marengo Mining Limited

» African Energy Resources Limited*

** denotes current directorships*

DIRECTORS' REPORT

REMUNERATION REPORT

The directors present the Iron Road Limited 2015 remuneration report, outlining key aspects of the remuneration policy and framework and the remuneration awarded during the year.

The report is structured as follows:

a) Key management personnel (KMP) covered in this report

b) Remuneration policy and link to performance

c) Elements of remuneration

d) Link between remuneration and performance

e) Remuneration expenses for executive KMP's

f) Contractual arrangements for executive KMP's

g) Non-executive director arrangements

h) Additional statutory information

a) Key management personnel covered in this report

Executive and Non-executive directors:

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

Other key management personnel:

Larry Ingle – General Manager

Howard Rae – Chief Financial Officer

b) Remuneration policy and link to performance

The remuneration policy of Iron Road Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long term incentives based on key performance areas. The Board of Iron Road Limited believes the remuneration policy is appropriate and effective in its ability to attract and retain high calibre executives and directors to manage the Group.

The Board's policy for determining the nature and amount of remuneration for directors and senior executives of the Group is as follows:

The remuneration policy, detailing the terms and conditions for the executive director and other senior executives, was developed by the Board. All executives receive a base salary (which is determined by factors such as skills and relevant experience) and superannuation. The Board reviews executive packages annually by reference to the Group's results, executive performance and relevant information on prevailing remuneration practices across the resources sector for comparable roles within other listed organisations.

The Board sought shareholder approval for an Equity Incentive Plan at the Annual General Meeting on 28 November 2014. This plan forms part of the Group's remuneration policy and provides the Group with a mechanism for driving long term performance for shareholders and the retention of executives. The Board has the discretion to issue shares or rights to acquire shares and offers may be subject to performance criteria consistent with the Group's key strategic objectives. The plan is administered by the Board which has the discretion to determine which persons are eligible to participate in the plan. Additional information on the Equity Incentive Plan is contained in section c).

Directors, executives and other employees receive a superannuation guarantee contribution required by the government and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

Non-executive directors

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is currently $400,000 which was approved at a board meeting held on 22 January 2008. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group.

c) Elements of remuneration

Fixed annual remuneration

Executives receive their fixed remuneration as cash and statutory superannuation. Fixed remuneration is reviewed annually by the Board and benchmarked against market data for comparable roles in listed companies across the resources sector. In the year ended 30 June 2015, fixed remuneration of executives and KMP remained unchanged.

Long term incentives

The remuneration policy has been designed to align the long term objectives between the Group, its directors and executives by encouraging strong performance in the realisation of the Group's growth strategy and the enhancement of shareholder value.

In prior years, this has been facilitated through the Employee Share Option Plan and the issue of share options which were granted for no consideration, but may contain performance related vesting conditions (share price) or milestone related vesting conditions which must be satisfied within defined timeframes in order for the options to be exercised. Once vested, the options must be exercised prior to their expiry date. There are no participating rights or entitlements inherent in the options.

To address future incentive arrangements, the Board adopted the Iron Road Equity Incentive Plan dated 8 October 2014, that is directed at attracting, motivating and retaining persons with the skills and experience to deliver successful outcomes in pursuit of the Group's key strategic goals.

The Equity Incentive Plan:

» Provides a mechanism by which Iron Road employees and the executive director may acquire shares for the purpose of sharing in the future of the Group;

» Reinforces a performance focussed culture by incorporating a long term performance based element to the total remuneration of certain employees;

» Attracts executives with the requisite capability; and

» Maintains a stable leadership team by retaining key talent.

Awards under the plan may be structured as either shares or performance rights to acquire shares and the Board may grant such awards with specific performance criteria that are to be satisfied within defined time restrictions.

At the Board's discretion, the Managing Director and KMP were invited to participate in the new Equity Incentive Plan during the financial year ended 30 June 2015. A total of 6,750,000 performance rights were granted to executive KMP's with a fair value of $0.16 for nil consideration, with an exercise price of nil. All performance rights granted have vesting conditions in relation to securing funding for the advancement of the CEIP and will lapse if not exercised within five years.

For details of individual interests in options and performance rights at year end, refer to section h).

DIRECTORS' REPORT

REMUNERATION REPORT

d) Link between remuneration and performance

Statutory performance indicators

The Board aims to align executive remuneration to strategic and business objectives. As required by the Corporations Act 2001, the figures below show the Group's financial performance over the last five years. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMP. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	30 June 2015 $	30 June 2014 $	30 June 2013 $	30 June 2012 $	30 June 2011 $
Revenue	321,831	1,232,188	794,279	457,306	116,133
Loss before tax	(4,910,678)	(4,207,036)	(5,469,066)	(3,239,233)	(2,076,551)
Share price at 30 June	0.065	0.300	0.170	0.305	0.840
Basic loss per share (cents)	(0.86)	(0.83)	(1.82)	(1.80)	(1.03)

e) Remuneration expenses for executive KMP

The following table shows details of the remuneration expense recognised for the Group's executive KMP for the current and previous financial year measured in accordance with the requirements of the accounting standards.

		Fixed remuneration				Variable remuneration	
		Short term employee benefits		Long term benefits	Post employment benefits	Share based payments	
Name	Year	Cash salary* $	Non-monetary benefits $	Annual and long service leave $	Superannuation $	Performance rights** $	Total $
Managing Director							
Andrew Stocks	**2015**	**365,297**	**-**	**18,170**	**34,703**	**24,945**	**443,115**
	2014	415,908	-	77,769	25,000	-	518,677
Other key management personnel							
General Manager							
Larry Ingle	**2015**	**306,301**	**40,572**	**33,038**	**29,099**	**16,630**	**425,640**
	2014	320,233	35,576	25,897	24,540	-	406,246
Chief Financial Officer							
Howard Rae appointed 14 July 2014	**2015**	**416,752**	**-**	**13,186**	**18,574**	**14,551**	**463,063**
Lex Graefe retired 30 June 2014	2014	234,373	-	-	21,664	-	256,037
Total Executive Director and KMP	**2015**	**1,088,350**	**40,572**	**64,394**	**82,376**	**56,126**	**1,331,818**
	2014	970,514	35,576	103,666	71,204	-	1,180,960

* For details on executive KMP remuneration contractual arrangements, refer to section f).

** Performance rights under the executive LTI scheme are expensed over the vesting period. Refer to section h) for additional information.

Non-monetary benefits provided to Mr Larry Ingle represent the rental obligation and utilities paid by Iron Road Limited for a property leased in Adelaide. The property is used by Mr Ingle as his principal place of residence and also used by the Managing Director Mr Andrew Stocks when in Adelaide. These costs totalling $40,572 (2014: $35,576) are recognised as an expense.

No cash bonuses were paid to executive KMP during the financial year.

f) Contractual arrangements for executive KMP's

Component	Managing Director	General Manager	Chief Financial Officer
Fixed remuneration	$400,000 including statutory superannuation	$335,400 including statutory superannuation	$450,000 including statutory superannuation
Contract duration	No fixed term arrangement	No fixed term arrangement	No fixed term arrangement
Notice by the individual/company	Three months	Three months	Three months
Termination of employment	If employment ceases due to genuine redundancy, resignation under reasonable circumstances as determined by the Board, death or invalidity, some or all of the unvested performance rights will not lapse and may vest or the performance criteria may be waived.		

g) Non-executive director arrangements

Non-executive directors receive a Board fee per the table below. They do not receive performance based remuneration, retirement allowances or termination benefits. Fees are reviewed annually by the Board and have remained unchanged from 2014.

The maximum aggregate amount of fees that can be paid to non-executive directors is currently $400,000 which was approved at a board meeting held on 22 January 2008.

Name	Year	Base Fee $	Superannuation* $	Total** $
Chair				
Peter Cassidy	**2015**	**54,500**	**-**	**54,500**
	2014	54,500	-	54,500
Non-executive directors				
Jerry Ellis AO	**2015**	**50,000**	**4,750**	**54,750**
	2014	50,000	4,625	54,625
Leigh Hall AM	**2015**	**50,000**	**4,750**	**54,750**
	2014	50,000	4,625	54,625
Julian Gosse	**2015**	**50,000**	**-**	**50,000**
	2014	50,000	-	50,000
Ian Hume	**2015**	**50,000**	**4,750**	**54,750**
	2014	50,000	4,625	54,625
Total non-executive director remuneration	**2015**	**254,500**	**14,250**	**268,750**
	2014	254,500	13,875	268,375

* Superannuation guarantee increased from 9.25% to 9.50% from 1 July 2014.
**GST is applied to the fee of Dr Cassidy and Mr Gosse.

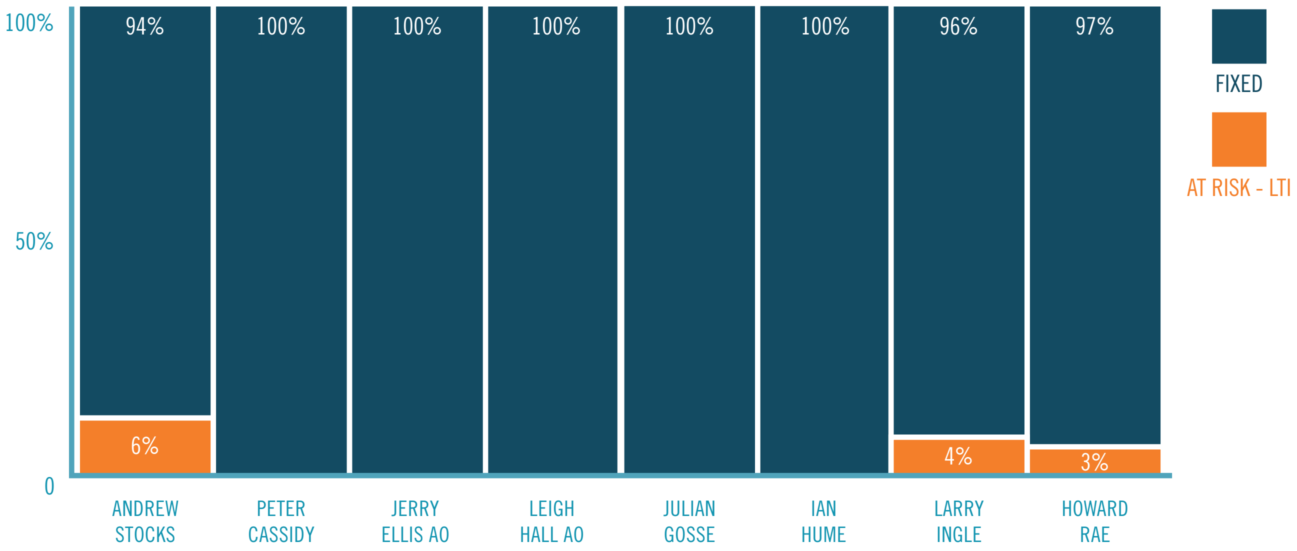
DIRECTORS' REPORT

REMUNERATION REPORT

h) Additional statutory information

Relative proportions of fixed versus variable remuneration expense

REMUNERATION MIX FOR FINANCIAL YEAR 2015



Long term incentives are currently provided exclusively by way of performance rights and are calculated on the value of the right expensed during the year.

PERFORMANCE BASED REMUNERATION GRANTED DURING THE YEAR

	LTI Performance rights		
2015	**Value granted* $**	**Value exercised $**	**Value forfeited $**
Andrew Stocks	240,000	-	-
Larry Ingle	160,000	-	-
Howard Rae - appointed 14 July 2014	140,000	-	-

** The value at grant date is calculated in accordance with AASB2 Share-based payment, with vesting conditions taken into account by adjusting the number of instruments included in the measurement.*

Terms and conditions of share-based payment arrangements

Performance rights

The Iron Road Equity Incentive Plan was implemented in December 2014 as part of the Group's remuneration policy to encourage long term performance and the retention of executives. It is targeted at Iron Road's Managing Director and KMP whose responsibilities provide them with opportunity to significantly influence long term shareholder value. The plan is administered by the Board which has discretion over persons eligible to participate and the performance criteria attached to performance rights.

Performance rights under the Equity Incentive Plan expire five years from the date of issue if the applicable vesting conditions as set by the Board are not met. Satisfaction of any vesting condition will not automatically trigger the exercise of the performance right. The fair value of the rights is determined by the market price of Iron Road Limited shares at the grant date. Rights are granted under the plan for nil consideration and carry no dividend or voting rights. Once vested and exercised, any share acquired by participants will rank equally with all existing shares of the same class.

Number of performance rights issued	Grant date	Issue Date	Expiry date	Fair value at grant date
3,000,000	23 December 2014	24 December 2014	24 December 2019	$ 0.16
3,750,000	23 December 2014	13 January 2015	13 January 2020	$ 0.16

Should the participant's employment cease due to genuine redundancy, resignation under reasonable circumstances if so determined by the Board, death or invalidity, the unvested performance rights will not lapse and may vest or the performance criteria may be waived. This may constitute a benefit for the purposes of Section 200B of the Corporations Act 2001 resulting in the Board seeking shareholder approval and a 99.6% "Yes" vote at the Annual General Meeting on 28 November 2014.

Options

The Employee Option Plan is designed to provide long term incentives for directors and KMP to deliver long term shareholder returns. Participants are granted options, some of which vest on issue and others that vest if certain market and non-market vesting conditions are met. Options are granted under the plan for nil consideration, carry no dividend or voting rights and expire if not exercised within five years from issue. When exercisable, each option is convertible into one ordinary share.

Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits.

There were no options issued during the year, with 500,000 options vested as at 30 June 2015. The assessed fair value at grant date of options awarded to individuals is allocated equally over the period from grant date to the expected vesting date and the resulting amount is included in the share based payment information in Note 14. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Unissued ordinary shares of Iron Road Limited under option for directors and executives as at 30 June 2015 are as follows:

Grant date	Expiry date	Vesting date	Exercise price	Value of option at grant date	Number under option	% vested
25 July 2011	25 July 2016	25 July 2011	$0.9926	$0.7049	500,000	100

DIRECTORS' REPORT

REMUNERATION REPORT

Reconciliation of performance rights, options and ordinary shares held by KMP

Performance rights

The table below shows the number of performance rights granted, vested and forfeited during the year.

2015 KMP and Grant date	Balance at the start of the year	Granted during the year		Balance at the end of the year		Maximum value yet to vest*
		Vested and exercisable	Unvested	Vested and exercisable	Unvested	
Andrew Stocks 23 December 2014	-	-	3,000,000	-	3,000,000	$215,055
Larry Ingle 23 December 2014	-	-	2,000,000	-	2,000,000	$143,370
Howard Rae 23 December 2014	-	-	1,750,000	-	1,750,000	$125,449
Total	-	-	**6,750,000**	-	**6,750,000**	**$483,874**

** The maximum value of performance rights yet to vest has been determined as the amount of the grant date fair value that is yet to be expensed. The minimum value of performance rights yet to vest is nil, as the rights will be forfeited if the vesting conditions are not met.*

Options

The table below shows a reconciliation of options held by each KMP during the financial year. All options are vested and exercisable, with no options exercised during the year.

2015 KMP and Grant date	Balance at the start of year	Granted during the year	Exercise price	Vested		Expired		Vested and exercisable at end of period
				Number	%	Number	%	
Jerry Ellis 25 July 2011	500,000	-	$0.9926	500,000	100	-	-	500,000
Julian Gosse								
23 December 2009	625,000	-	$0.1926	625,000	100	625,000	100	-
23 December 2009	625,000	-	$0.2426	625,000	100	625,000	100	-
23 December 2009	625,000	-	$0.2926	625,000	100	625,000	100	-
23 December 2009	625,000	-	$0.3426	625,000	100	625,000	100	-
Total	**3,000,000**	**-**		**3,000,000**		**2,500,000**		**500,000**

Shareholdings

There has been no movement in shares held by directors and KMP during the year ended 30 June 2015.

Ordinary Shares held by:	Balance at 30 June 2015 and 30 June 2014
Peter Cassidy	7,568,686
Andrew Stocks	2,915,938
Jerry Ellis AO	284,000
Leigh Hall AM	400,000
Julian Gosse	591,000
Ian Hume	5,151,203
Larry Ingle	-
Howard Rae	-
Total	**16,910,827**

None of the shares above are held nominally by the directors or KMP.

Voting of shareholders Annual General Meeting held on 28 November 2014

Iron Road Limited received more than 98% of "yes" votes on its remuneration report for the 2014 financial year. The company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

This is the end of the audited remuneration report.

Drilling Programme at Warramboo, South Australia

DIRECTORS' REPORT

Shares under option

Unissued ordinary shares of Iron Road Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
25 July 2011	25 July 2016	$0.99	500,000

Share options do not have dividend or voting rights and no option holder has any right under the options to participate in any other share issue of Iron Road Limited.

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

Insurance of directors and officers

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

No details of the nature of the liabilities covered and the amount of premium paid in respect of the directors and officers liability insurance policy have been disclosed as such disclosure is prohibited under the terms of the policy.

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

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

Proceedings on behalf of the company

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

Non-audit services

The Group may decide to engage the auditor on assignments additional to their statutory audit duties where the auditors expertise and experience with the Group are important. The Board is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and none of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers, Australia) for audit and non-audit services provided during the year are set out in Note 16.

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 31.

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

Andrew Stocks
Managing Director
28 September 2015

pwc

Auditor's Independence Declaration

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

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

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

Andrew Forman
Partner
PricewaterhouseCoopers

Adelaide
28 September 2015

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OPERATING AND FINANCIAL REVIEW

Company strategy and operating activities

Iron Road Limited was established in 2008 to capitalise on the growing global demand for high quality iron ore products. Following an initial review of regional iron ore opportunities, the Group identified the opportunity for the potential development of large magnetite-gneiss deposits situated on the Central Eyre Peninsula, now known as the Central Eyre Iron Project (CEIP), approximately 30km south east of the regional centre of Wudinna.

Over the last seven years, Iron Road Limited has invested over $118 million in the exploration and evaluation of the CEIP, achieving a significant milestone during 2014 with the successful completion of its Definitive Feasibility Study (DFS). The DFS confirmed the viability of the CEIP, based on an integrated mining, processing and infrastructure operation producing 21.5Mtpa of premium iron concentrates for export.

Following completion of the DFS, Iron Road Limited embarked upon a programme to optimise the CEIP mine plan using a fully mobile in-pit crushing and conveying operation. A successful drilling programme was finalised in December 2014, resulting in a 22% increase in the CEIP global Mineral Resource to support this planned increase in production.

In conjunction with these activities, the CEIP commercialisation programme has commenced to finalise product sales arrangements, the award of construction contracts, procurement of project funding and all regulatory approvals required to enable a final investment decision and commencement of the proposed development.

The on-going support of both State and Federal Governments has been of great benefit to the project and includes:

» Major Development Status granted by the State Government in August 2013;

» Major Project Facilitation Status granted by the Federal Government in April 2014; and

» Registration of the Mineral Claim by the State Government in May 2015.

This status recognises at a government level, the potential contribution of the CEIP to the state and national economies and allows for a coordinated approach to progressing regulatory approvals. The CEIP is the only project in South Australia to be currently granted such status.

Operating results for the year

The principal activities of the Group during the year were the exploration and evaluation of its iron ore interests, including additional metallurgical test work and mine planning activities. All Group operations have been funded by equity capital raised via the Australian Securities Exchange.

As a result of these activities, the Group incurred an operating loss after income tax for the year ended 30 June 2015 of $4,910,678 (2014: $4,680,363). The operating result includes an impairment of $8,660 (2014: $466,839) relating to the Gawler Iron Project in accordance with the Group's accounting policy to capitalise, but impair such exploration expenses until a JORC compliant resource is established.

Total exploration and evaluation expenditure was $13,536,163 (2014: $29,168,934) with the reduction attributable to the completion of programmes undertaken for the DFS in the prior year.

Interest income of $321,831 (2014: $1,232,188) was generated from equity contributions being held in interest bearing deposits until required to fund activities.

Changes in financial position

The Group's net assets remained largely unchanged during the year at $130,578,991 (2014: $135,433,542), principally due to the capitalisation of expenditure incurred on the further drilling programme and optimisation of the proposed CEIP mining operations.

Net working capital decreased to $2,265,513 (2014: $20,637,935) as the Group utilised cash resources for these programmes and at 30 June 2015 cash reserves amounted to $3,713,162 (2014: $21,337,668). It is forecast that additional funding is required to continue to progress the CEIP towards a final investment decision and the directors expect that this additional funding will be obtained from its shareholders when required to enable the Group to continue to meet its obligations as and when they fall due. Accordingly, the directors believe that the going concern assumption remains appropriate.

"Successful financing of the infrastructure components of the CEIP, alongside long term supply agreements over mine offtake, will take us a long way toward achieving full sources of funding for the Project"

Mr A Stocks, Managing Director

Risk management

Effective risk management is a critical component of the successful execution of the Group's growth strategy. The Board monitors key risk issues and ensures that management develops plans for appropriate risk management arrangements. Operational, financial and regulatory risks are considered and addressed by management, with specific areas of significant risk referred by management to the Board.

In order to prudently manage the Group's risk exposures and protect shareholder interests, the Board has adopted a governance system of oversight that includes:

» a budgeting process with an annual budget, together with any periodic revisions to budgets, being reviewed and approved by the Board;

» monthly, half-yearly and annual financial reporting of operating and financial results against budgets and forecasts;

» external auditor review and audit of half-yearly and annual financial reports respectively, including consideration of the Group's internal control and approvals environment necessary for supporting its risk profile;

» cash flow projections to enable accurate monitoring of operational progress and future activity plans against available cash resources; and

» monitoring of capital market conditions to ensure the Group has adequate plans for the sourcing of funds with which to execute its programmes and activities.

The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that activities take cognisance of such factors to enable effective risk management. The Board considers that at this stage of the Group's project development operations, it is important for all Board members to be a part of this process and as such the Board has not established a separate risk management committee.

Warramboo, South Australia

FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2015

Drill core from Warramboo, South Australia

"Our high quality product offers significant advantages for steel mills intent on running the most efficient and environmentally compliant operation"

Mr A Stocks, Managing Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	**2015** **$**	2014 $
Revenue from continuing operations			
Interest income		**321,831**	1,232,188
Expenses			
Impairment of exploration expenses	2	(8,660)	(466,839)
Depreciation	3	(285,309)	(280,944)
Employee benefits expense	4	(2,081,096)	(2,059,353)
General expenses		(320,809)	(400,954)
Professional fees	4	(1,122,898)	(755,083)
Travel and accommodation		(392,903)	(334,292)
Marketing		(320,649)	(409,742)
Rent and administration		(700,185)	(732,017)
Loss before income tax		**(4,910,678)**	(4,207,036)
Income tax expense	6	-	(473,327)
Loss for the year		**(4,910,678)**	(4,680,363)
Other comprehensive loss for the year		-	-
Total comprehensive loss for the year attributable to owners of Iron Road Limited		**(4,910,678)**	(4,680,363)

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

		Cents	Cents
Basic and diluted loss per share (cents)	15	**(0.86)**	(0.83)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Note	2015 $	2014 $
ASSETS			
Current assets			
Cash and cash equivalents	1	**3,440,754**	9,965,260
Bank Term deposits	1	**272,408**	11,372,408
Trade and other receivables	7	**399,172**	491,418
Total current assets		**4,112,334**	21,829,086
Non-current assets			
Exploration and evaluation expenditure	2	**118,097,874**	104,570,371
Property, plant and equipment	3	**10,344,912**	10,519,273
Total non-current assets		**128,442,786**	115,089,644
Total assets		**132,555,120**	136,918,730
LIABILITIES			
Current liabilities			
Trade and other payables	8	**1,390,337**	927,251
Provisions	5	**456,484**	263,900
Total current liabilities		**1,846,821**	1,191,151
Non-current liabilities			
Provisions	5	**129,308**	294,037
Total non-current liabilities		**129,308**	294,037
Total liabilities		**1,976,129**	1,485,188
Net assets		**130,578,991**	135,433,542
EQUITY			
Contributed equity	13	**151,676,845**	151,676,845
Reserves	13	**4,814,136**	4,758,009
Accumulated losses	13	**(25,911,990)**	(21,001,312)
Total equity		**130,578,991**	135,433,542

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

		Attributable to owners of Iron Road Limited			
	Note	Contributed Equity $	Accumulated losses $	Reserves $	Total Equity $
Balance at 1 July 2013		100,106,954	(16,320,949)	4,745,896	88,531,901
Loss for the year		-	(4,680,363)	-	(4,680,363)
Total Comprehensive Income for the year		**-**	**(4,680,363)**	**-**	**(4,680,363)**
Transactions with owners in their capacity as owners:					
Contributions to equity net of transaction costs	13	51,569,891	-	-	51,569,891
Share based payments	14	-	-	12,113	12,113
		51,569,891	**-**	**12,113**	**51,582,004**
Balance at 30 June 2014		**151,676,845**	**(21,001,312)**	**4,758,009**	**135,433,542**
Loss for the year		-	(4,910,678)	-	(4,910,678)
Total Comprehensive Income for the year		**-**	**(4,910,678)**	**-**	**(4,910,678)**
Transactions with owners in their capacity as owners:					
Share based payments	14	-	-	56,127	56,127
		-	**-**	**56,127**	**56,127**
Balance at 30 June 2015		**151,676,845**	**(25,911,990)**	**4,814,136**	**130,578,991**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Research and development tax refund		**-**	1,172,267
Payments to suppliers and employees (inclusive of GST)		**(4,801,930)**	(3,798,008)
Interest received		**411,861**	1,165,970
Net cash outflow from operating activites	4	**(4,390,069)**	(1,459,771)
Cash flows from investing activities			
Payments for term deposits		**(4,000,000)**	(29,872,408)
Receipts from term deposits		**15,100,000**	18,500,000
Payments for exploration and evaluation		**(13,121,239)**	(33,331,232)
Payments for property and equipment		**(113,198)**	(1,572,847)
Net cash outflow from investing activities		**(2,134,437)**	(46,276,487)
Cash flows from financing activities			
Proceeds from issue of shares/options		**-**	52,374,322
Share issue transaction costs		**-**	(1,582,790)
Net cash inflow from financing activities		**-**	50,791,532
Net increase/(decrease) in cash and cash equivalents		**(6,524,506)**	3,055,274
Cash and cash equivalents at the beginning of the year		**9,965,260**	6,909,986
Cash and cash equivalents at the end of the year	1	**3,440,754**	9,965,260

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

Mr Cassidy - Chairman and Mr Ingle - General Manager at Iron Road's core processing facility

"The style of magnetite mineralisation at Warramboo is unique and this sets it apart from any other."

Mr Larry Ingle, General Manager

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

WHAT'S NEW IN 2015

Structure of Notes and materiality

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

KEY NUMBERS	STRUCTURES	CAPITAL	ADDITIONAL INFORMATION	UNRECOGNISED ITEMS
1. Cash	9. Controlled entities	13. Equity and reserves	16. Remuneration of auditors	19. Commitments
2. Exploration	10. Segment information	14. Share-based payments	17. Accounting policies	20. Contingencies
3. Property, plant and equipment	11. Related parties	15. Loss per share	18. Risk management	21. Events after reporting date
4. Operating activities	12. Parent entity information			
5. Provisions				
6. Taxation				
7. Trade receivables				
8. Trade payables				

Accounting policies and critical accounting judgements applied to the preparation of financial statements have been moved to the relevant section.

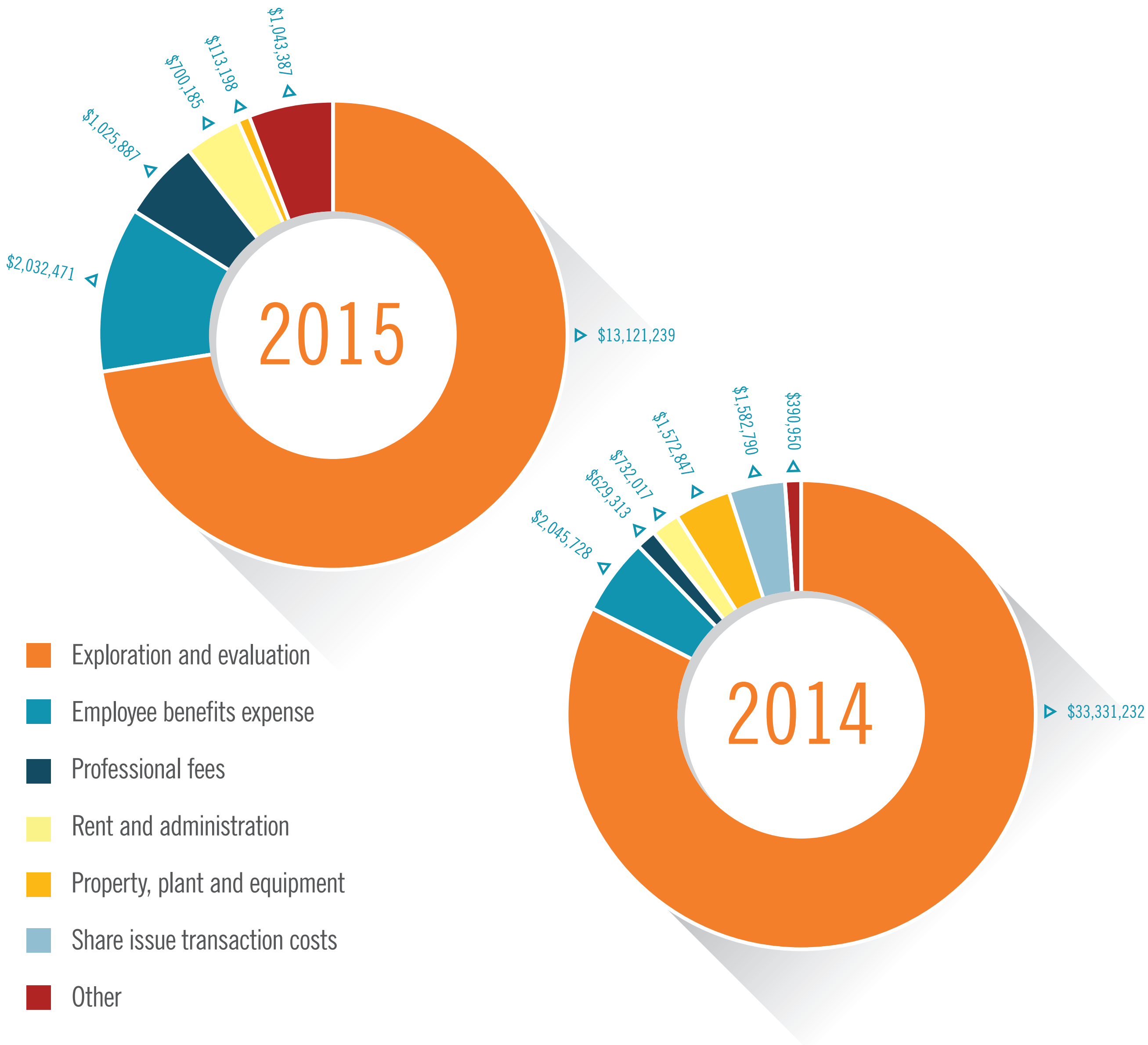
Information is only being included in the Notes to the extent that is has been considered material and relevant to the understanding of the financial statements.

KEY NUMBERS

1. Cash

Where we spent our money

Per the Consolidated Statement of Cash flows, total cash expended during the year ended 30 June 2015 was $18,036,367 (2014: $40,284,877) in the following areas:



Cash and cash equivalents at 30 June 2015 was $3,440,754 (2014: $9,965,260) and bank term deposits held were $272,408 (2014: $11,372,408). The bank term deposit of $272,408 is held as security for the Group's credit card facility.

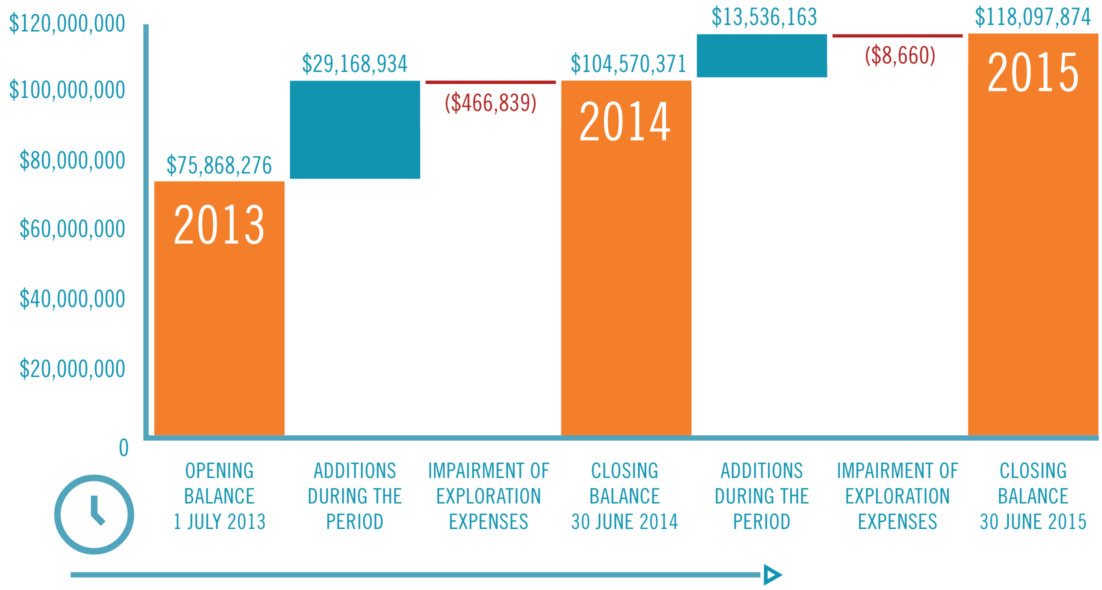
Cash at bank earns a floating interest rate based on the at call daily rate. Funds held in a term deposit facility for greater than 3 months have been reclassified to bank term deposits in the consolidated statement of financial position per AASB 107.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

2. Exploration

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



The Group's exploration and evaluation policy is to capitalise and carry forward exploration and evaluation expenditure where a JORC compliant resource has been identified. This appropriately recognises that these projects are in the advanced exploration, evaluation or feasibility phase. Expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Exploration and evaluation expenditure in relation to the CEIP's exploration licence 4849 for the year ended 30 June 2015 was $13,536,163 (2014: $29,168,934). 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.

For areas of interest where a JORC compliant resource is yet to be identified or where exploration rights are no longer current, the capitalised values are charged to the profit and loss. The exploration and evaluation assets that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged to profit and loss.

An impairment of $8,660 for the twelve months ended 30 June 2015 (2014: $466,839) relates to exploration and evaluation expenditure on the Gawler Iron Project, which is impaired in accordance with the Group's accounting policy.

Recoverability of exploration and evaluation assets

The Group's accounting policy requires management 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 year ended 30 June 2015, the Group invested $110,948 in property, plant and equipment, with no purchases of land (2014: $1,575,097).

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

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

	LAND AND BUILDINGS			PLANT AND EQUIPMENT		
Year ended 30 June 2014	**Land & Buildings $**	**Land $**	**Buildings & Improvements $**	**Equipment $**	**Motor Vehicles $**	**Total $**
Opening net book value	8,422,624	-	-	763,262	39,234	9,225,120
Transfer In/Out	(8,422,624)	7,577,356	977,742	(132,474)	-	-
Additions	-	1,401,062	2,250	171,785	-	1,575,097
Depreciation charge	-	-	(84,455)	(184,029)	(12,460)	(280,944)
Closing net book amount	-	**8,978,418**	**895,537**	**618,544**	**26,774**	**10,519,273**
At 30 June 2014						
Cost	-	8,978,418	998,428	1,009,179	64,839	11,050,864
Accumulated depreciation	-	-	(102,891)	(390,635)	(38,065)	(531,591)
Net book amount	-	**8,978,418**	**895,537**	**618,544**	**26,774**	**10,519,273**
Year ended 30 June 2015						
Opening net book value	-	8,978,418	895,537	618,544	26,774	10,519,273
Additions	-	-	41,762	69,186	-	110,948
Depreciation charge	-	-	(67,773)	(205,238)	(12,298)	(285,309)
Closing net book amount	-	**8,978,418**	**869,526**	**482,492**	**14,476**	**10,344,912**
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**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

Depreciation methods and useful lives

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

Land is not depreciated and on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Computer equipment 3 - 4 years
- Office equipment 3 - 20 years
- Plant and equipment 3 - 20 years
- Buildings & improvements 4 - 40 years
- Motor vehicles 5 - 10 years

In the case of leasehold improvements, the allocation of cost is over the term of the lease. The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

4. Operating activities

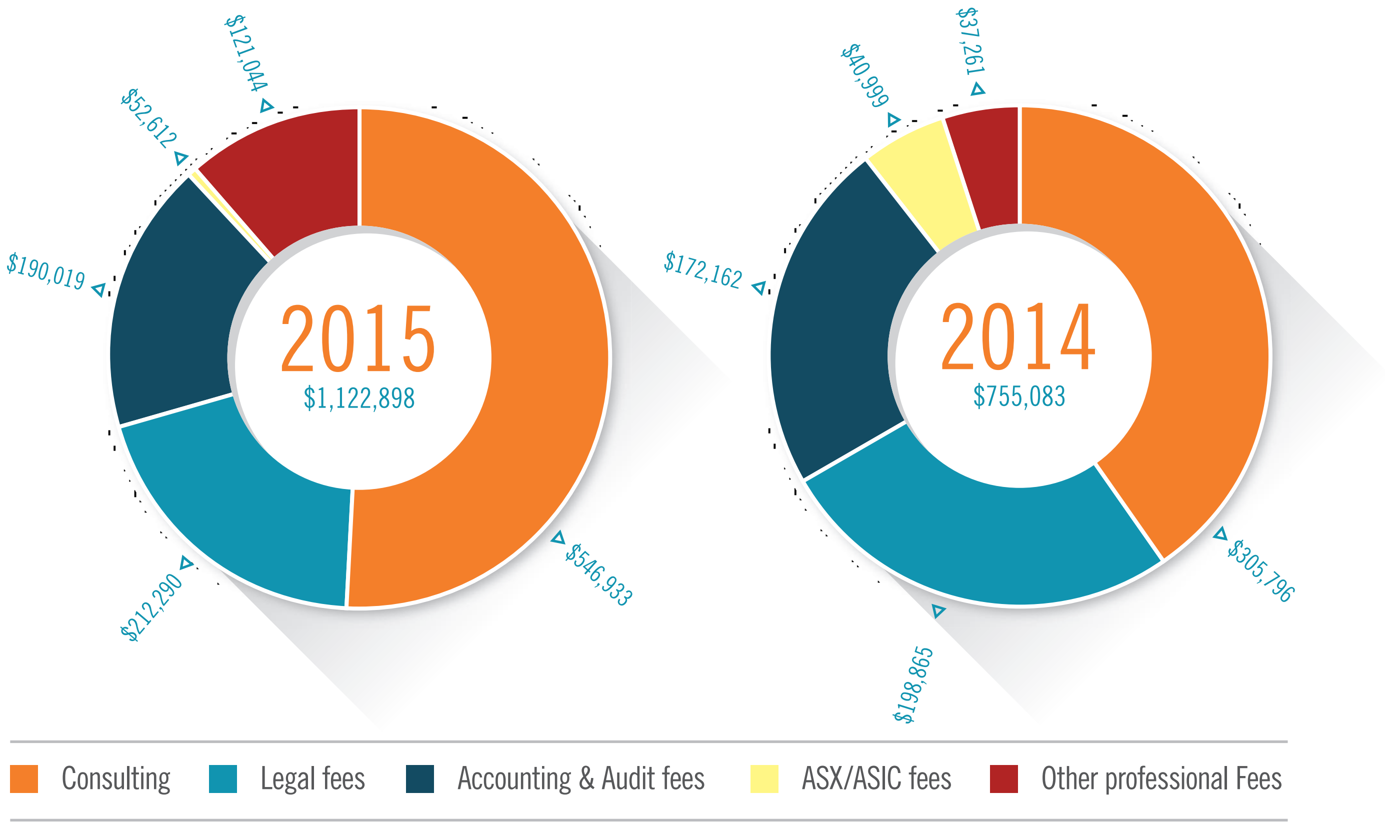
Operating expenses were $5,232,509 for the year ended 30 June 2015 (2014: $5,439,224).

Loss before tax includes the following specific expenses:

Employee benefits expense

	2015 $	2014 $
Salaries and wages	1,600,693	1,570,406
Defined contribution superannuation expense	130,266	128,659
Directors' fees	254,500	254,500
Share based payments expense	56,127	12,113
Annual leave expense	(2,303)	43,209
Carparking fees	34,946	31,920
Other employee benefits expense	6,867	18,546
Total employee benefits expense	**2,081,096**	2,059,353

Professional fees



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

	2015 **$**	2014 $
Net loss for the period	**(4,910,678)**	(4,680,363)
Depreciation	285,309	280,944
Share based payments	56,127	12,113
Non cash - rent incentive	(1,388)	33,333
Non-cash - tax expense on capital raising costs	-	473,327
Formation	497	(1,987)
Impairment of exploration expenses	8,660	466,839
Change in operating assets and liabilities		
Decrease in trade and other receivables	85,730	1,882,576
Increase/(Decrease) in trade payables	56,430	(27,721)
Increase in other provisions	29,244	101,168
Net cash outflow from operating activities	**(4,390,069)**	(1,459,771)

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

5. Provisions

Provisions	Current provisions		Non current provisions		
	Annual leave $	Current Long service leave $	Non current Long service leave $	Other provisions $	Total $
Carrying amount as at 1 July 2014	263,900	-	213,482	80,555	557,937
Additional provision recognised during the year	215,941	-	31,546	-	247,487
Amounts used during the year	(218,244)	-	-	(1,388)	(219,632)
Transfers	-	194,887	(194,887)	-	-
Carrying amount as at 30 June 2015	261,597	**194,887**	**50,141**	**79,167**	**585,792**

The employee benefits provision covers the Group's liability for long service leave and annual leave. This provision represents a present obligation as a result of past events, where it is probable that an outflow of resources will be required to settle the obligation. The current portion of this liability includes all of the accrued annual leave and the unconditional entitlements to long service leave where employees have completed the required period of service. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within twelve months.

Short term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

Other long term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Notwithstanding the classification of annual leave as a long term employee benefit, the related obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when actual settlement is expected to occur.

The following amounts reflect leave that is not expected to be taken or paid within twelve months:

	2015 $	2014 $
Annual leave obligations expected to be settled after twelve months	156,958	158,340
Current long service leave obligations to be settled after twelve months	194,887	-
Total current leave obligations expected to be settled after twelve months	**351,845**	158,340

6. Taxation

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

This note provides an analysis of the Group's income tax expense, amounts recognised and deferred tax assets and liabilities. The income tax expense of nil for the year ended 30 June 2015 (2014: $473,327) represents the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is determined using a tax rate applicable at the end of the reporting period and expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

	2015 $	2014 $
Income tax expense	**-**	473,327

Reconciliation of income tax benefit to prima facie tax	**2015 $**	2014 $
Loss from continuing operations before income tax benefit	(4,910,678)	(4,207,036)
Tax at the Australian tax rate of 30% (2014: 30%)	(1,473,203)	(1,262,111)
Tax effect of amounts which are not deductible in calculating taxable income	17,376	5,432
Current year tax losses not recognised	1,455,827	1,730,005
Income tax expense	**-**	473,327

Tax expense recognised in equity	**2015 $**	2014 $
Deferred tax credited directly to equity	-	473,327

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities	**2015 $**	2014 $
The balance of deferred tax assets comprises temporary differences attributable to:		
Tax losses	38,575,975	33,756,333
Business related costs	511,412	792,283
Accrued expenses	246,744	152,215
Total recognised and unrecognised deferred tax assets	**39,334,131**	34,700,830
The balance of deferred tax liabilities comprises temporary differences attributable to:		
Accrued income	1,175	28,184
Exploration expenditure	33,928,121	30,724,856
Total deferred tax liabilities	**33,929,296**	30,753,040
Net deferred tax assets	5,404,835	3,947,790
Deferred tax assets on tax losses and temporary differences not recognised	(5,404,835)	(3,947,790)
Net deferred tax assets	-	-

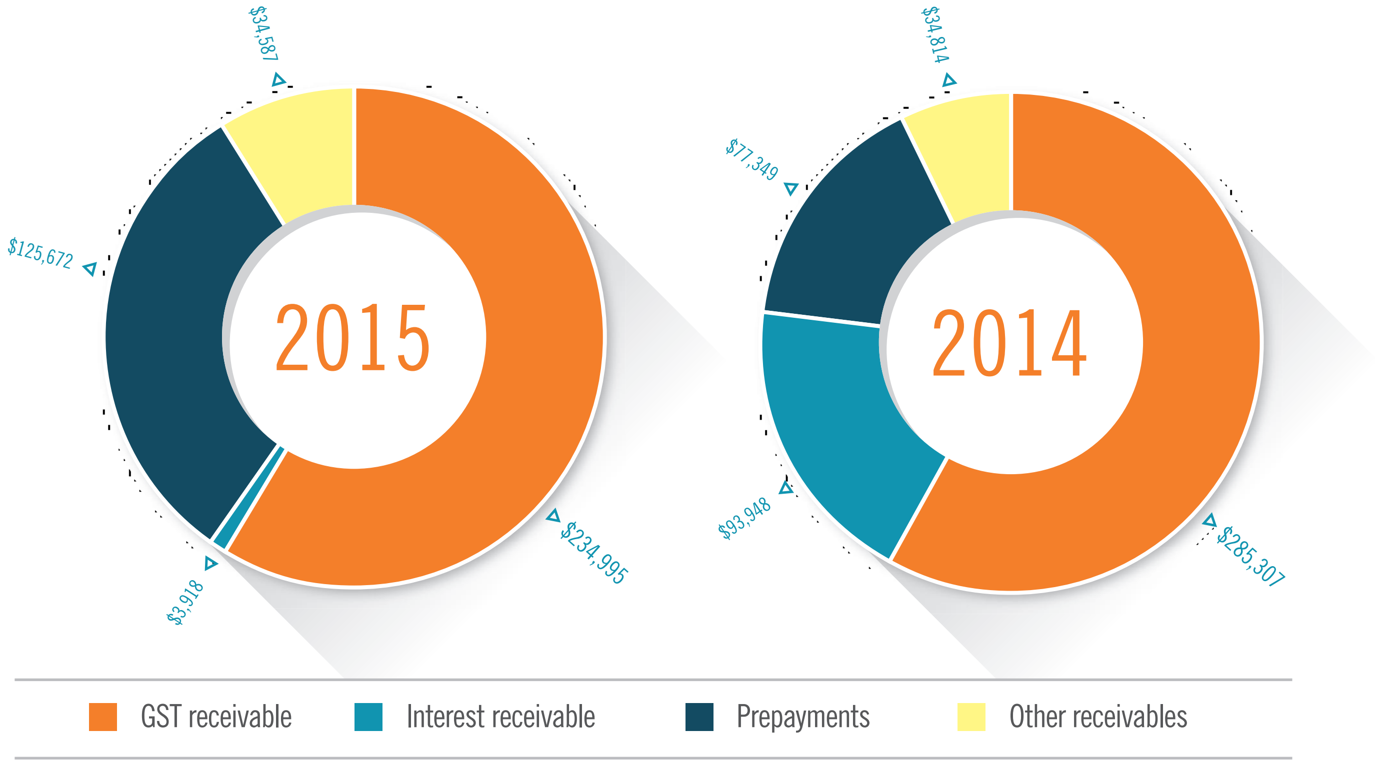
A net deferred tax asset of $5,404,835 (2014: $3,947,790) has not been recognised as it is not probable within the immediate future that taxable profits will be available against which temporary differences and tax losses can be utilised.

Critical accounting judgments

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

7. Trade receivables

Trade and other receivables for the year ended 30 June 2015 were $399,172 (2014: $491,418) which was largely due to a reduction in interest bearing deposits and GST receivable.



As at 30 June 2015, other receivables that were past due or impaired were nil (2014: nil). At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Exposure to risk is considered in Note 18(a).

Due to the short term nature of current receivables, their carrying amount is assumed to approximate fair value.

8. Trade payables

	2015 $	2014 $
Trade payables	722,265	174,118
Accruals	667,065	752,117
Other payables	1,007	1,016
Total trade and other payables	**1,390,337**	927,251

Trade and other payables for the year ended 30 June 2015 were $1,390,337 (2014: $927,251). These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. The carrying amount of trade and other payables are assumed to approximate their fair values, due to their short term nature.

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2015

STRUCTURES

9. Controlled entities

Iron Road Limited has the following subsidiaries, all of which are 100% owned (2014: 100%) and located and incorporated in Australia.

The following are subsidiaries of Iron Road Limited:

IRD Corporate Services Pty Ltd

IRD Group Finance Pty Ltd

IRD Port Assets Midco Pty Ltd

IRD Port Assets Holdings Pty Ltd

IRD Rail Assets Holdings Pty Ltd

IRD Port Assets Pty Ltd (formerly Eyre Properties Pty Ltd)

IRD (Central Eyre) Pty Ltd

IRD (Gawler) Pty Ltd

IRD Train Operations Pty Ltd

IRD Track Services Pty Ltd

IRD Marine Operations Pty Ltd

IRD Cargo Services Pty Ltd

IRD Mining Operations Pty Ltd

Eyre Exploration Pty Ltd

IRD Rail Assets Midco Pty Ltd

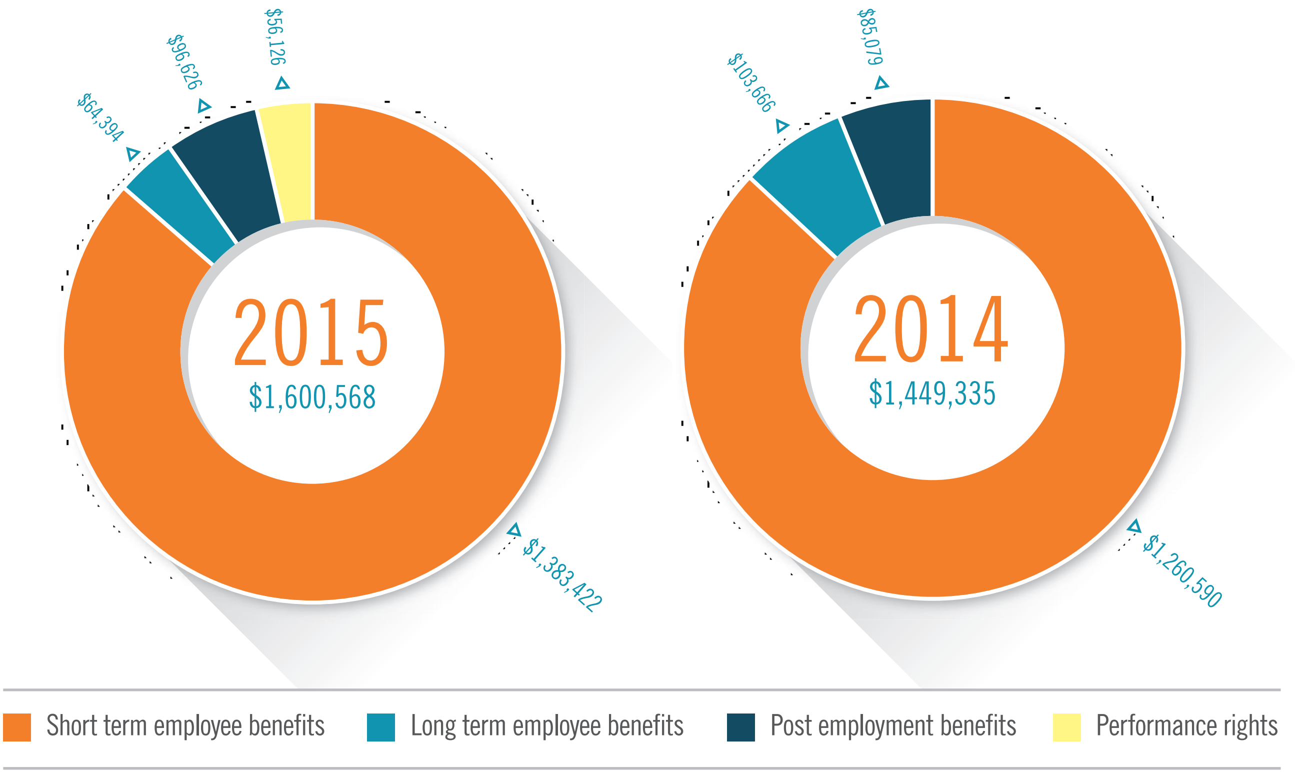
10. Segment information

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. Related parties

The parent entity of the Group and the ultimate parent entity and controlling party is The Sentient Group (incorporated in the Cayman Islands) which at 30 June 2015 owned 72.85% (2014: 72.85%) of the issued ordinary shares of Iron Road Limited.

Transactions with Key Management Personnel having authority and responsibility over the Groups activities are as follows:



Detailed remuneration disclosures are provided in the Remuneration Report on page 22.

The following additional transactions occurred with The Sentient Group:

	2015 **$**	2014 $
Reimbursement of travel related expenditure	60,131	26,329
Reimbursement of legal fees	-	88,793
Directors fees	54,500	54,500
Capital raising costs	-	1,047,486
Consulting fees	248,029	69,292
Total	**362,660**	1,286,400

Of the above, $13,625 (2014: $13,625) remained outstanding as at 30 June 2015 and has been disclosed within trade payables. All transactions were made on standard commercial terms and conditions and at market rates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

12. Parent entity information

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

	2015 $	2014 $
ASSETS		
Total current assets	**14,918,850**	32,584,816
Total non-current assets	**117,799,296**	104,433,384
Total assets	**132,718,146**	137,018,200
LIABILITIES		
Total current liabilities	**1,846,821**	1,191,151
Total non-current liabilities	**129,308**	294,037
Total liabilities	**1,976,129**	1,485,188
Net assets	**130,742,017**	135,533,012
EQUITY		
Issued capital	**151,676,845**	151,676,845
Reserves	**4,814,136**	4,758,009
Accumulated losses	**(25,748,964)**	(20,901,842)
Total equity	**130,742,017**	135,533,012
Loss for the year	**(4,847,121)**	(4,599,399)
Total comprehensive loss for the year	**(4,847,121)**	(4,599,399)

The financial information for the parent entity, Iron Road Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint ventures.

Investments in subsidiaries are accounted for at cost in the financial statements of Iron Road Limited.

(ii) Tax consolidation

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

The company has not provided any financial guarantees as at 30 June 2015 and has no contingent liabilities as at 30 June 2015.

13. Equity and reserves

Share capital

	2015 Shares	2014 Shares	2015 $	2014 $
Ordinary shares - fully paid	581,936,904	581,936,904	151,676,845	152,481,276
Deferred tax expense recognised in equity	-	-	-	473,327
Cost of capital raising	-	-	-	(1,277,758)
Balance	**581,936,904**	581,936,904	**151,676,845**	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 shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Performance rights

Date	Details	Number	Fair value at grant date
24 December 2014	Performance rights issued	3,000,000	$0.16
13 January 2015	Performance rights issued	3,750,000	$0.16

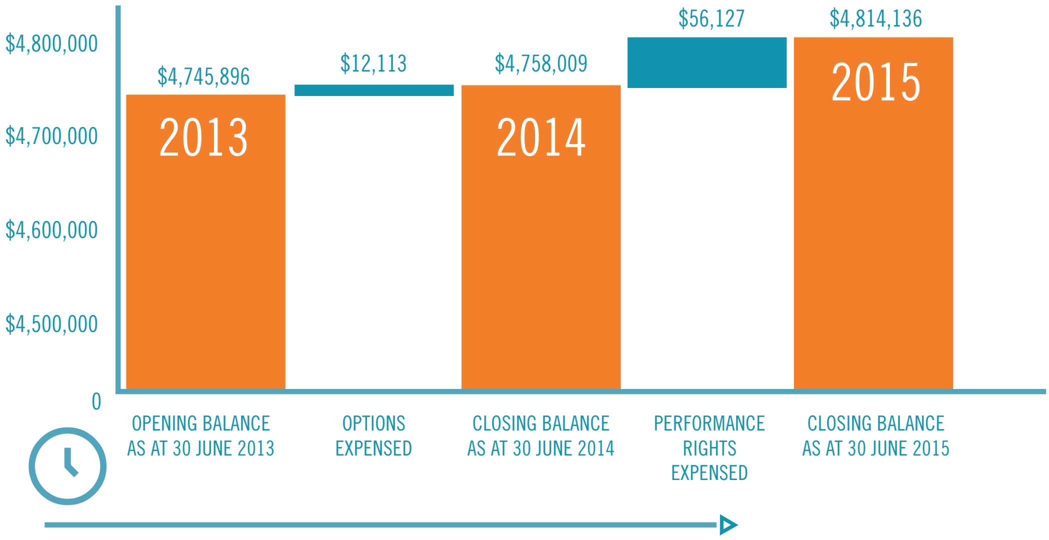
Information relating to the Iron Road Employee Option Plan and Equity Incentive Plan including details of options issued, exercised and lapsed during the financial year and outstanding at the end of the reporting period are set out in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

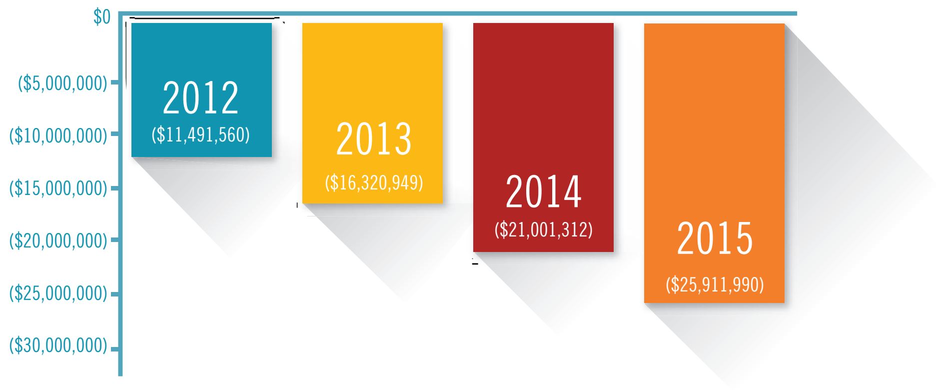
FOR YEAR ENDED 30 JUNE 2015

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



There have been no dividends paid during the current or prior financial years (2014: nil).

14. Share-based payments

Share-based compensation benefits are provided to Directors and KMP through the Iron Road Limited Employee Option Plan and the Iron Road Equity Incentive Plan.

Employee Option Plan

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

The Employee Option Plan is designed to provide long-term incentives for directors and senior executives to deliver long-term shareholder returns. Under the plan, participants are granted options some of which vest on issue and others that vest if certain market and non-market conditions are met. Options are granted under the plan for no consideration and carry no dividend or voting rights and will lapse if not exercised within five years from issue. When exercisable, each option is convertible into one ordinary share. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The fair value of options granted under the Iron Road Limited Employee Option Plan is recognised as a share based payments expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

There were no options granted or exercised during the reporting period ended 30 June 2015, with all options expensed in prior periods.

The weighted average remaining contractual life of options outstanding at 30 June 2015 is 1.073 years (2014: 0.731 years).

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

Grant date	Expiry date	Exercise price	Balance at start of period	Expired/ forfeited during the year	Balance at end of period	Vested and exercisable at end of period
30 June 2015						
Director options						
23 December 2009	15 December 2014	$0.1926	625,000	625,000	-	-
23 December 2009	15 December 2014	$0.2426	625,000	625,000	-	-
23 December 2009	15 December 2014	$0.2926	625,000	625,000	-	-
23 December 2009	15 December 2014	$0.3426	625,000	625,000	-	-
25 July 2011	25 July 2016	$0.9926	500,000	-	500,000	500,000
Total			**3,000,000**	**2,500,000**	**500,000**	**500,000**
Weighted average exercise price			**$0.3752**	**$0.2036**	**$0.9926**	**$0.9926**
30 June 2014						
Director options						
23 December 2009	15 December 2014	$0.1926	625,000	-	625,000	625,000
23 December 2009	15 December 2014	$0.2426	625,000	-	625,000	625,000
23 December 2009	15 December 2014	$0.2926	625,000	-	625,000	625,000
23 December 2009	15 December 2014	$0.3426	625,000	-	625,000	625,000
25 July 2011	25 July 2016	$0.9926	500,000	-	500,000	500,000
Employee Options						
7 August 2008	6 August 2013	$0.3426	3,000,000	(3,000,000)	-	-
24 August 2011	24 August 2016	$0.9926	100,000	(100,000)	-	-
24 August 2011	24 August 2016	$1.2426	100,000	(100,000)	-	-
24 August 2011	24 August 2016	$1.4926	100,000	(100,000)	-	-
Total			6,300,000	(3,300,000)	3,000,000	3,000,000
Weighted average exercise price			$0.4010	$0.4244	$0.3752	$0.3752

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

Movements in unlisted options on issue:

Date	Details	Number of shares	Issue price
1 July 2013	Opening balance	6,300,000	
6 August 2013	Expiry of unlisted options	(3,000,000)	$0.3426
31 March 2014	Forfeiture of unlisted options	(100,000)	$0.9926
31 March 2014	Forfeiture of unlisted options	(100,000)	$1.2426
31 March 2014	Forfeiture of unlisted options	(100,000)	$1.4926
30 June 2014	**Balance**	**3,000,000**	
15 December 2014	Expiry of unlisted options	(625,000)	$0.1926
15 December 2014	Expiry of unlisted options	(625,000)	$0.2426
15 December 2014	Expiry of unlisted options	(625,000)	$0.2926
15 December 2014	Expiry of unlisted options	(625,000)	$0.3426
30 June 2015	**Balance**	**500,000**	

Equity Incentive Plan – Long term incentive

The Board adopted the Iron Road Equity Incentive Plan issued on 8 October 2014, aimed at attracting, motivating and retaining persons with the skills and experience to deliver strong performance and outcomes in pursuit of the Group's key strategic objectives. The plan forms part of the Groups remuneration policy and provides a mechanism for driving long term performance and the retention of executives.

Under the plan, participants are granted performance rights, all of which have performance related vesting conditions. Performance rights are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each right is convertible into one ordinary share with an exercise price of nil. A participant in the plan is at the Boards discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

At the Boards discretion, the Managing Director and KMP were invited to participate in the Equity Incentive Plan during the financial year ended 30 June 2015. A total of 8,050,000 rights were granted with a fair value at grant date of $0.16 for nil consideration, with 1,300,000 subsequently forfeited. The fair value of the rights are determined by the market price of Iron Road Limited shares at grant date and assuming no dividend pay-out during the five year period. All performance rights granted have vesting conditions relating to securing funding for the advancement of the CEIP and will lapse if not exercised within five years.

Grant date	Expiry date	Fair value at grant date	Balance at start of period	Granted during the year	Forfeited during the year	Balance at end of period	Vested and exercisable at end of period
30 June 2015							
23 December 2014	24 December 2019	$0.16	-	3,000,000	-	3,000,000	-
23 December 2014	13 January 2020	$0.16	-	2,000,000	-	2,000,000	-
23 December 2014	13 January 2020	$0.16	-	1,750,000	-	1,750,000	-
23 December 2014	13 January 2020	$0.16	-	1,300,000	(1,300,000)	-	-
Total			**-**	**8,050,000**	**(1,300,000)**	**6,750,000**	**-**

There were no rights exercised during the reporting period ended 30 June 2015 and the weighted average remaining contractual life of all rights at this date is 4.52 years (2014: not applicable).

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

	2015 $	2014 $
Options expensed	-	12,113
Performance rights expensed	56,127	-
Total share based payment expense	**56,127**	12,113

15. Loss per share

Basic earnings per share is calculated by dividing:

i) the profit /(loss) attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, and

ii) the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

iii) the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

iv) the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

	2015 cents	2014 cents
Total basic loss per share attributable to the ordinary equity owners of the company	**(0.86)**	(0.83)
Total diluted loss per share attributable to the ordinary equity owners of the company	**(0.86)**	(0.83)
Loss from continuing operations attributable to the members of the group used in calculating basic earnings per share:	**(4,910,678)**	(4,680,363)

Weighted average number of shares used as the denominator is 572,037,214 in 2015 (2014: 562,137,525).

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

ADDITIONAL INFORMATION

16. Remuneration of auditors

During the year ended 30 June 2015, total fees paid or payable for services provided by PricewaterhouseCoopers and its related practices were as follows:

PricewaterhouseCoopers (Australia)	2015 $	2014 $
Total remuneration for audit and other assurance services	57,120	62,000
Total remuneration for tax services	23,226	46,050
Total remuneration of PricewaterhouseCoopers (Australia)	**80,346**	108,050

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers expertise and experience is important. These assignments are principally audit and assurance services and taxation advice. PricewaterhouseCoopers is awarded assignments on a competitive basis and it is the Group's policy to seek competitive tenders for all major projects.

17. Accounting policies

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Iron Road Limited and its controlled entities. The financial statements were authorised for issue by the directors on 28 September 2015. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation of historical financial information

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Iron Road Limited is a for-profit entity for the purpose of preparing the financial statements. Iron Road Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements are presented in Australian Dollars.

(i) Compliance with IFRS

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

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

(iii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statement are disclosed in Note 17(g).

(iv) Going concern

The directors have prepared the financial statements on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a net loss of $4,910,678 for the year (2014: $4,680,363). With cash reserves as at 30 June 2015 of $3,713,162, current forecasts indicate that additional funding will be required before the end of 2015. Management are confident that this additional funding will be obtained from its shareholders when required to enable the Group to continue to meet its obligations as and when they fall due. Accordingly, the directors believe that the going concern assumption is appropriate.

(v) New standards and interpretations not yet adopted.

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

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Iron Road Limited as at 30 June 2015 and the results of all controlled entities for the year then ended. Iron Road Limited and its controlled entities together are referred to in this financial report as the Group.

Controlled entities are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Controlled entities are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

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

c) Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

d) Investment and other financial assets

The Group classifies its financial assets as loans and receivables. Management determines the classification of its investments at initial recognition. Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

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

e) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

f) Revenue recognition

Interest income on bank term deposits is calculated on the term of the deposit and the bank interest rate at lodgement date and accrued in revenue from continuing operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

g) Critical accounting estimates and judgements

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

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

(i) Exploration and evaluation assets (note 2)

(ii) Taxation (note 6)

18. Risk management

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

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

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations and arises principally from the Group's receivables, cash and cash equivalents and bank term deposits.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalent and bank term deposit.

Exposure to credit risk

The carrying amount of the Groups financial assets represents the maximum credit exposure. There are no significant concentrations of credit risks, whether through exposure to individual customers or specific industry sectors. The Group's maximum exposure to credit risk at the reporting date was $4,112,334 (2014: $21,829,086).

The credit quality of financial assets that are neither past due not impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

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

	2015 $	2014 $
Counterparties without an external credit rating:		
Financial assets with no default in the past	**399,172**	491,418
Cash at bank and fixed term deposits with a credit rating:		
AA-	**3,686,107**	21,310,433
A	**27,055**	27,235
Total	**4,112,334**	21,829,086

b) Liquidity risk

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

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

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

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

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

Contractual maturities of financial liabilities	Less than 6 months	Total contractual cash flows	Carrying amount
At 30 June 2015			
Trade and other payables	1,390,337	1,390,337	1,390,337
Total non-derivatives	**1,390,337**	**1,390,337**	**1,390,337**
At 30 June 2014			
Trade and other payables	927,251	927,251	927,251
Total non-derivatives	**927,251**	**927,251**	**927,251**

There are no derivative financial instruments.

c) Market risk

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

(i) Currency risk

The Group operates in Australian dollars with infrequent and low value transactions in other currencies. Such transactions present immaterial currency risk.

(ii) Interest rate risk

Exposure arises from assets bearing variable interest rates. With consideration of the cash balance at 30 June 2015 and the Group's intention to hold fixed rate assets to maturity, the impact of interest rate risk is considered to be immaterial.

(iii) Price Risk

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

d) Capital risk management

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

There were no changes to the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

UNRECOGNISED ITEMS

19. Commitments

Mining tenements

All of the Group tenements are situated in the South Australia. In order to maintain an interest in the mining and exploration tenements, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the Mining Act 1971.

The following obligations are not provided for in the financial report:

Exploration expenditure commitments	2015 $	2014 $
Within one year	453,333	1,060,000
Later than one year but no later than five years	976,667	-
Total exploration expenditure commitments	**1,430,000**	1,060,000

The Groups interest in mining tenements is as follows:

South Australia	Tenement Reference	Interest
Warramboo	EL4849	100%
Lock	EL5496	100%
Mulgathing	EL5298	90% Iron Ore rights

Lease commitments

The Group leases various offices, expiring within two years, with varying terms and renewal rights. On renewal, the terms of the leases are renegotiated.

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

The total commitments for minimum payments in relation to operating leases for the year ended 30 June 2015 were $648,128 (2014: $1,045,572) and are categorised as follows:

Operating Lease commitments	2015 $	2014 $
Within one year	416,065	405,424
Later than one year but no later than five years	232,063	640,148
Total lease commitments	**648,128**	1,045,572

Capital commitments

There were no outstanding contractual commitments as at 30 June 2015.

20. Contingencies

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

21. Events after reporting date

There is no matter or circumstance arisen since 30 June 2015, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

DIRECTORS' DECLARATION

The directors' of the Group declare that:

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

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

   b) give a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date.

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

3. The remuneration disclosures included in the directors' report (as part of audited Remuneration Report), for the year ended 30 June 2015, comply with section 300A of the Corporations Act 2001.

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

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

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

Andrew Stocks
Managing Director
28 September 2015

INDEPENDENT AUDITOR'S REPORT

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

Report on the financial report

We have audited the accompanying financial report of Iron Road Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Iron Road Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 17(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

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

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757
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T: +61 8 8218 7000, F: +61 8 8218 7999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Auditor's opinion

In our opinion:

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

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 17(a).

Report on the Remuneration Report

We have audited the remuneration report included in pages 22 to 29 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Iron Road Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Andrew Forman
Partner

Adelaide
28 September 2015

ASX ADDITIONAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2015

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is shown below. All information is current as at 15 September 2015.

Distribution of equity securities

Analysis of number of equity security holders by size of holding:

Spread of holding	Number of holders	Shares held	Percentage of ordinary fully paid shares
1-1,000	193	94,472	0.02%
1,001-5,000	456	1,311,837	0.23%
5,001-10,000	279	2,276,995	0.39%
10,001-100,000	593	19,234,299	3.31%
100,001 and over	140	559,019,301	96.06%
Total holdings on register	**1,661**	**581,936,904**	**100.00%**

Twenty largest shareholders

The names of the twenty largest shareholders of quoted ordinary shares are:

	Holder name	Shares held	Percentage of ordinary fully paid shares
1	Sentient Executive GP IV Limited	343,259,453	58.99%
2	Sentient Executive GP III Limited	51,558,593	8.86%
3	National Nominees Limited	43,010,321	7.39%
4	Sentient Executive GP II Limited	29,131,005	5.01%
5	HSBC Custody Nominees Australia Limited	15,230,765	2.62%
6	SANBA II Inv Company	9,861,112	1.69%
7	DEVIPO Pty Ltd	5,151,203	0.89%
8	JP Morgan Nominees Australia Limited	3,972,492	0.68%
9	SEISUN Capital Pty Ltd	3,486,625	0.60%
10	Graham Anderson Pty Ltd	3,271,716	0.56%
11	Cedarose Pty Ltd	3,257,936	0.56%
12	Anderson, CM & SM	2,500,000	0.43%
13	Paul, Geoffrey John	2,406,989	0.41%
14	UBS Wealth Management Australia Nominees	2,125,500	0.37%
15	Citicorp Nominees Pty Ltd	2,044,473	0.35%
16	BNP Paribas Nominees Pty Ltd	2,034,196	0.35%
17	Stonecot Pty Ltd	2,005,000	0.34%
18	Leadville Investments Pty Ltd	1,500,000	0.26%
19	Stocks, Claire Margaret	1,442,657	0.25%
20	Stocks, Andrew James	1,442,656	0.25%
	Total	**528,692,692**	**90.86%**

Substantial shareholder

These substantial shareholders have notified the company in accordance with section 671B of the Corporations Act 2001:

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

Voting rights

All ordinary shares are fully paid and carry one vote per share without restriction.

Iron concentrate from the CEIP, South Australia

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"Successful financing of the infrastructure components of the CEIP, alongside long term supply agreements over mine offtake, will take us a long way toward achieving full sources of funding for the Project"

Mr A Stocks, Managing Director

Eyre Peninsula, South Australia

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