

Nevada Iron Ltd

ACN 123 423 987

HALF YEAR FINANCIAL REPORT

**FOR THE SIX MONTHS ENDED
31 DECEMBER 2014**

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NEVADA IRON LTD

ACN 123 423 987

CORPORATE DIRECTORY

DIRECTORS

Mick McMullen (Executive Chairman)
Taj Singh (Non-Executive Director)
Andrew Brice (Non-Executive Director)
Heath Rushing (Non-Executive Director)
Donald Pattalock (Non-Executive Director)
Arden Morrow (Non-Executive Director)
Alec Peck (Non-Executive Director)

CHIEF FINANCIAL OFFICER (US Subsidiaries)

Bill Dean (commenced 3 November 2014)

COMPANY SECRETARY

Michael Higginson

**REGISTERED OFFICE & PRINCIPAL
PLACE OF BUSINESS**

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West Perth WA 6005
Telephone: +618 9481 2006
Facsimile: +618 9481 0052
Website: www.nv-iron.com

AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Advanced Share Registry Services Ltd
110 Stirling Highway
Nedlands WA 6009

Telephone: +61 (8) 9389 8033
Facsimile: +61 (8) 9262 3723

STOCK EXCHANGE LISTING

Australian Securities Exchange Ltd
Toronto Stock Exchange
ASX Code: NVI
TSX Code: NVR

NEVADA IRON LTD

DIRECTORS' REPORT

The Directors present their report together with the financial statements of Nevada Iron Ltd ("Nevada" or the "group") for the half year ended 31 December 2014.

DIRECTORS

The following persons held office as a Director of Nevada at the end of the half year:

- Mick McMullen (Executive Chairman and Managing Director)
- Taj Singh (Non-Executive Director)
- Andrew Brice (Non-Executive Director)
- Heath Rushing (Non-Executive Director)
- Donald Pattalock (Non-Executive Director)
- Arden Morrow (Non-Executive Director)
- Alec Peck – (Non-Executive Director)

The following Directors were in office from the beginning of the half-year until the date of this report;

- Mick McMullen
- Taj Singh
- Andrew Brice
- Heath Rushing
- Donald Pattalock
- Arden Morrow
- Alec Peck

RESULTS

The net loss of the group for the half year ended 31 December 2014 was \$13,250,991 (2013: \$892,027).

No dividends were paid or declared by the Company during the half-year.

REVIEW OF OPERATIONS

The following is a summary of the activities of Nevada during the period 1 July 2014 to 31 December 2014. It is recommended that this half yearly report be read in conjunction with the 30 June 2014 Annual Report and any public announcements made by the Company during the half year. In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding the activities of the Company.

Buena Vista Project

The Buena Vista Project is located in Nevada in the United States, approximately 40 kilometres from the Union Pacific rail line that connects to port facilities at Sacramento, Stockton, Long Beach and San Francisco.

Buena Vista is a magnetite iron deposit that was discovered in 1898, intermittently mined in the 1950s and 1960s and most recently explored by US Steel in the period 1961-1979 as a potential feed for a US based smelter. At least 320 diamond holes have been completed over the whole property, together with extensive metallurgical test work and mining studies.

The Indicated Mineral Resource for the Project totaled 148.7 Mt at 18.8% Fe. The Inferred Mineral Resource for the Project totaled 28.9 Mt at 19.6% Fe. The Project's resource statement is summarised in the table below:

NEVADA IRON LTD

DIRECTORS' REPORT

Buena Vista Iron Project					
Mineral Resource Estimate (1 May 2013)					
Deposit	Classification	Amount (million tonnes)	Density (t/m³)	Fe (%)	DTR (%)
Section 5	Indicated	32.1	3.01	17.7	16.8
West	Indicated	116.6	3.12	19.1	21.2
East	Inferred	28.9	3.12	19.6	23.4
Total Indicated		148.7	3.1	18.8	20.2
Total Inferred		28.9	3.12	19.6	23.4

This project demonstrates the attributes for a successful iron ore development, namely:

- Near surface resource
- Very low waste to ore ratio (<0.5:1)
- Easy metallurgy with a coarse grind producing a high grade (67.5-69% Fe) clean concentrate
- Close to existing nearby transport infrastructure and no requirement to build significant infrastructure, eg a rail line
- Access to multiple existing ports
- Manageable capital cost
- Stable and mining friendly jurisdiction
- No government royalty imposts
- Phase 1 project on private land, making permitting less onerous

Buena Vista Iron Project, USA (100%)

Logistics and Infrastructure

Agreement has been reached with Union Pacific Railroad for the transport of concentrate from the Huxley rail siding to a variety of ports for an initial five year term. The agreement is expected to be signed in early 2015. Negotiations with ports are ongoing to finalise the logistics chain required for operations. The Company has the ability to deliver a base load tonnage to multiple ports, which prefer non-coal bulk material. This makes the Nevada Iron tonnage especially attractive given the issues associated with exporting coal from west coast ports in the USA. Costs for port access continue to decline, and the recent fall in oil prices has also lead to reduced freight rates. Sea freight costs have fallen rapidly over the past 6 months as bulk cargoes have been reduced, with current freight rates in the order of US\$6-\$8/wmt lower than used in the NVI 43101 report of 2013.

Environmental Permitting Activities

The Buena Vista Mine project is located entirely on private lands, therefore all permits for the mine site will be issued by the State of Nevada. All mines operating within the State of Nevada are required to obtain several permits including, but not limited to, a Water Pollution Control Permit (WPCP), a Reclamation Permit and an Air Quality Permit. The WPCP and Reclamation Permit are issued by the Nevada Division of Environmental Protection (NDEP) Bureau of Mining Regulation and Reclamation (BMRR). The primary purpose of the WPCP is to protect all surface and ground waters. Therefore, initial engineering designs have been completed identifying each process component, where water and/or chemicals will be used in the process, and how the liquids will be contained to prevent release to the environment.

Information required in the WPCP application includes characterization of the lithology and hydrology at least 100 feet below each process component. All field characterization work has been completed. Characterization work included two drill programs around the pits and process components, qualitative and quantitative groundwater analysis, geophysical surveys, and geotechnical testing.

Very limited groundwater was encountered during the drilling program. This was born out through a series of pump tests. The groundwater information was used by Geomega Environmental Consultants, Boulder, Colorado, to construct and run established groundwater model programs, which confirmed that the low amounts of groundwater, coupled with the high evaporation rates, will not form pit lakes in either the West Pit or Section 5 pit. The models also demonstrate that the Dry Stack Tailings Disposal Facility will not impact groundwater.

NEVADA IRON LTD

DIRECTORS' REPORT

Samuels Engineering, Denver, Colorado, completed the designs of the crushing and milling circuits. The designs include the site plan, process flow sheets, and containment designs and calculations, as required by NDEP-BMRR. SRK Consultants (SRK), Reno, Nevada, designed the dry stack tailings impoundment and the waste rock dumps, and prepared the WPCP permit application. The application was submitted on September 8, 2014. The Company received notification in October that the application is administratively complete and the technical review is underway. The Company remains on track for receipt of the permit by the end of March 2015.

SRK has prepared the Reclamation Permit application and bonding cost estimate, which was submitted in November 2015. The public comment process closed on 22 February 2015. The permit has now been received.

Broadbent & Associates prepared the Air Pollution Control Permit application and air model, which was submitted at the end of September 2014. The Company has received notification of administrative completeness in October and the application is under technical review. The public comment period is complete. The permit is anticipated by the end of March 2015.

The Company submitted an application to locate a rail loading facilities on Bureau of Reclamation lands. The Bureau of Reclamation completed their internal review and cost recovery estimate in December 2015.

The submission of the key permit applications will reduce future costs until project financing is secured, as the main expenditure for the year to date has been data collection for permit modelling and permit preparation.

SIGNIFICANT CHANGES

There have been no changes in the state of affairs of the group that occurred during the half-year under review not otherwise disclosed in this report.

SUBSEQUENT EVENTS

On 5 February 2015, the Company announced the acquisition of a 2.5% royalty interest encompassing 640 acres in Section 31 of the Project.

On 10 February 2015, the Company issued 1,393,488 ordinary fully paid shares and completed the first tranche of the private placement. The 1,393,488 shares were issued at an issue price of US\$0.215 cents per share (approximately AU\$0.276 cents per share) and raised a total of US\$299,600 (approximately AU\$384,602).

On 18 February 2015 the Company announced that it has signed a rail freight agreement with Union Pacific Railroad for an initial five year term to transport iron ore concentrate to West Coast USA ports.

On 9 March 2015, the Company issued 557,210 ordinary fully paid shares and completed the second tranche of the private placement. The 557,210 shares were issued at an issue price of US\$0.215 cents per share (approximately AU\$0.278 cents per share) and raised a total of US\$119,800 (approximately AU\$154,904).

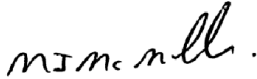
In early March 2015, the Bureau of Reclamation notified the Company that it had approved the Reclamation Permit. This Permit is one of three major permits required prior to commencement of construction of the Buena Vista Project. The Reclamation Permit includes 877 acres in Sections 3, 4, 5, 7, 8, 9, 10 and 17 Township 24 North, Range 34 East, MDM in Churchill County, Nevada. The permit was issued by the Nevada Division of Environmental Protection and is effective upon deposit of the bond.

There has been no other matter or circumstance that has arisen since 31 December 2014, 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.

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 7.

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, appearing to read 'mjm mll.', with a period at the end.

Mick McMullen
Chairman
Date: 16 March 2015
Perth, Western Australia

Competent Persons Statement

The information in this report that relates to the Mineral Resources of the Buena Vista Iron Project is based on information compiled by Sharron Sylvester, who is a Member and RPGeo of The Australian Institute of Geoscientists (#2512). Ms. Sylvester is employed full time by AMC Consultants Pty Ltd. Ms. Sylvester has sufficient experience, which is relevant to the style of mineralisation and type of deposit 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 Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Ms. Sylvester consents to the inclusion in the news release of the matters based on his information in the form and context in which it appears.

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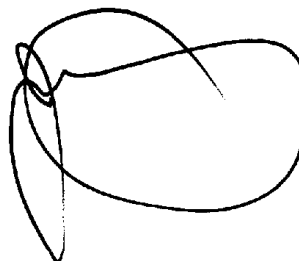
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Nevada Iron Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



Perth, WA
Dated: 16 March 2015

JAMES KOMNINOS
Partner

NEVADA IRON LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 December 2014 \$	30 June 2014 \$
Current assets			
Cash and cash equivalents		184,343	2,758,732
Trade and other receivables		50,346	43,624
Total current assets		234,689	2,802,356
Non-current assets			
Property, plant and equipment		945,880	768,155
Intangible assets		694,637	550,084
Exploration and evaluation expenditure	3	20,246,190	28,308,035
Total non-current assets		21,886,707	29,626,274
Total assets		22,121,396	32,428,630
Current liabilities			
Trade and other payables		1,104,105	1,522,884
Provisions		5,041	3,415
Total Current Liabilities		1,109,146	1,526,299
Total liabilities		1,109,146	1,526,299
Net assets		21,012,250	30,902,331
Equity			
Contributed equity	4	35,388,873	35,388,873
Share based payments reserve		4,661,477	4,754,114
Foreign currency translation reserve		5,041,825	1,680,915
Accumulated losses		(24,079,925)	(10,921,571)
Total equity		21,012,250	30,902,331

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

NEVADA IRON LTD
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	31 December 2014 \$	31 December 2013 \$
Revenue from continuing operations		60	1,250
Expenses from continuing operations			
Corporate and legal		(100,791)	(151,737)
Occupancy expenses		(26,215)	(64,598)
Employee and consulting costs		(381,557)	(606,183)
Administration costs		(32,525)	(100,983)
Depreciation and Amortisation expense		(5,883)	-
Impairment expense	3	(12,787,863)	-
Foreign exchange gain/(loss)		83,783	412,933
Loss before income tax expense		(13,250,991)	(892,027)
Income tax expense		-	-
Net loss for the period		(13,250,991)	(892,027)
		(13,250,991)	(892,027)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
-Foreign currency translation		3,360,910	1,066,542
Total comprehensive income (loss) for the period		(9,890,081)	174,515
Basic earnings per share (cents per share)		(39.80)	(7.30)
Diluted earnings per share (cents per share)		(39.80)	(7.30)

Diluted earnings per share are the same as basic earnings per share as none of the options on issue are considered dilutive.

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

NEVADA IRON LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Contributed equity	Accumulated losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
As at 1 July 2013	24,773,947	(10,565,342)	3,073,853	2,025,243	19,307,701
Total comprehensive income	-	(892,027)	-	1,066,542	174,515
Issue of shares	11,144,018	-	-	-	11,144,018
Share issue costs	(529,092)	-	-	-	(529,092)
Equity based payments	-	-	2,004,861	-	2,004,861
Expiry of options	-	84,326	(84,326)	-	-
As at 31 December 2013	35,388,873	(11,373,043)	4,994,388	3,091,785	32,102,003
As at 1 July 2014	35,388,873	(10,921,571)	4,754,114	1,680,915	30,902,331
Total comprehensive income	-	(13,250,991)	-	3,360,910	(9,890,081)
Issue of shares	-	-	-	-	-
Share issue costs	-	-	-	-	-
Equity based payments	-	-	-	-	-
Expiry of options	-	92,637	(92,637)	-	-
As at 31 December 2014	35,388,873	(24,079,925)	4,661,477	5,041,825	21,012,520

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

NEVADA IRON LTD
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 December 2014 \$	31 December 2013 \$
Cash flows related to operating activities		
Payments to suppliers, contractors and employees	(553,152)	(1,101,834)
Interest received	60	1,250
Net cash flows (used in) operating activities	(553,092)	(1,100,584)
Cash flows related to investing activities		
Payments for exploration and evaluation	(1,851,969)	(1,660,959)
Payments for property, plant & equipment	(74,309)	(35,047)
Payment for intangibles	(3,075)	-
Total cash flows (used in) investing activities	(1,929,353)	(1,696,006)
Cash flows from financing activities		
Proceeds from issue of shares and share options	9,174	8,912,028
Share issue costs	-	(529,092)
Net cash flows from financing activities	9,174	8,382,936
Net increase/(decrease) in cash and cash equivalents	(2,473,271)	5,586,346
Effects of exchange rates changes on cash	(101,118)	412,933
Cash and cash equivalents at beginning of the financial period	2,758,732	451,167
Cash and cash equivalents at end of the financial period	184,343	6,450,466

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

NEVADA IRON LTD
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL STATEMENTS

Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Nevada Iron Ltd and its controlled entities (consolidated entity). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the consolidated entity. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the consolidated entity for the year ended 30 June 2014, together with any public announcements made during the following half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

New and Revised Accounting Standards

In the current half year, Nevada Iron Ltd has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the entity's accounting policies.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$13,250,991 and had net cash outflows from operating activities and investing activities of \$553,092 and \$1,929,353 respectively during the half-year ended 31 December 2014. As at that date the consolidated entity had net current liabilities of \$874,457.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will continue as going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- As disclosed in Note 7, on 10 February 2015, the Company, issued 1,393,488 ordinary fully paid shares and completed the first tranche of the private placement. The 1,393,488 shares were issued at an issue price of US\$0.215 cents per share (approximately AUD\$0.276 cents per share) and raised a total of US\$299,600 (approximately AUD\$384,602);
- As disclosed in Note 7, on 9 March 2015, the Company, issued 557,210 ordinary fully paid shares and completed the second tranche of the private placement. The 557,210 shares were issued at an issue price of US\$0.215 cents per share (approximately AUD\$0.278 cents per share) and raised a total of US\$119,800 (approximately AUD\$154,904);
- In addition to the funds raised from the private placement above the Directors have authorised the issuance of shares to raise a further US\$1,200,000 (approximately AUD\$1,463,000) and support working capital requirements; and
- The ability to curtail administration and operations cash out flows as required

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

If the consolidated entity is not successful in raising additional capital, there is significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

NEVADA IRON LTD
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

2. DIVIDENDS

No dividends were paid or declared by the Company during the half-year.

3. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2014 \$	30 June 2014 \$
Opening balance	28,308,035	19,164,452
Exploration expenditure	1,633,394	9,809,000
Impairment expense	(12,787,863)	(376,204)
Effects of movements in exchange rates	3,092,624	(289,213)
Closing balance	<u>20,246,190</u>	<u>28,308,035</u>

4. CONTRIBUTED EQUITY

Issued capital:

Ordinary shares fully paid

33,291,771 (30 June 2014, 33,291,771) 35,388,873

	Issue Price \$	Number of Shares	\$
Movement in share capital:			
Opening balance 1 July 2014	-	33,291,771	35,388,873
Balance 31 December 2014		<u>33,291,771</u>	<u>35,388,873</u>

5. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The group does not have any contingent liabilities or contingent assets.

6. SEGMENT REPORTING

For management purposes the group is organised into two strategic units:

- Mineral exploration and corporate head office in Australia
- Mineral exploration in the United States of America

Such structural organisation is determined by the nature of risks and returns associated with each business segment and define the management structure as well as the internal reporting system. It represents the basis on which the group reports its primary segment information to the Board

The operating segment analysis presented in these financial statements reflects operations analysis by business. It best describes the way the group is managed and provides a meaningful insight into the business activities of the group.

NEVADA IRON LTD

**CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

6. SEGMENT REPORTING (Continued)

The following table presents details of revenue and operating profit by business segment as well as reconciliation between the information disclosed for reportable segments and the aggregated information in the financial statements. The information disclosed in the table below is derived directly from the internal financial reporting system used by the Board of Directors to monitor and evaluate the performance of our operating segments separately.

	Australia	United States	Total
Half-year ended 31 December 2014			
Revenue from external customers	20	40	-
Inter-segment revenue	-	-	-
Reportable segment (loss) after expenses before tax	(420,391)	(12,830,600)	(13,250,991)
Half-year ended 31 December 2013			
Revenue from external customers	-	-	-
Inter-segment revenue	-	-	-
Reportable segment (loss) after expenses before tax	(828,974)	(63,053)	(892,027)
Reportable segments assets at 31 December 2014	162,482	21,958,914	22,121,396
Reportable segments assets at 30 June 2014	2,542,895	29,885,735	32,428,630
Reconciliation of reportable segment profit or loss		2014	2013
Total profit or (loss) for reportable segments		(13,250,991)	(892,027)
Elimination of inter-segment profits		-	-
Profit before tax from continuing operations		(13,250,991)	(892,027)
Reconciliation of reportable segment assets			
Reportable segment assets		22,121,396	32,519,857
Total assets		22,121,396	32,519,857

7. EVENTS SUBSEQUENT TO REPORTING DATE

On 5 February 2015, the Company announced the acquisition of a 2.5% royalty interest encompassing 640 acres in Section 31 of the Project.

On 10 February 2015, the Company issued 1,393,488 ordinary fully paid shares and completed the first tranche of the private placement. The 1,393,488 shares were issued at an issue price of US\$0.215 cents per share (approximately AU\$0.276 cents per share) and raised a total of US\$299,600 (approximately AU\$384,602).

On 18 February 2015 the Company announced that it has signed a rail freight agreement with Union Pacific Railroad for an initial five year term to transport iron ore concentrate to West Coast USA ports.

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In early March 2015, the Bureau of Reclamation notified the Company that it had approved the Reclamation Permit. This Permit is one of three major permits required prior to commencement of construction of the Buena Vista Project. The Reclamation Permit includes 877 acres in Sections 3, 4, 5, 7, 8, 9, 10 and 17 Township 24 North, Range 34 East, MDM in Churchill County, Nevada. The permit was issued by the Nevada Division of Environmental Protection and is effective upon deposit of the bond.

NEVADA IRON LTD
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

7. EVENTS SUBSEQUENT TO REPORTING DATE (Continued)

There has been no other matter or circumstance that has arisen since 31 December 2014, 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.

8. EQUITY-BASED PAYMENTS

During the half year the no share options granted.

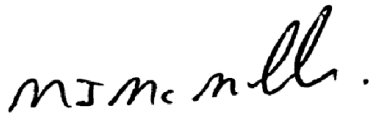
NEVADA IRON LTD
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Nevada Iron Ltd, I state that:

In the opinion of the Directors:

1. The financial statements and notes thereto are in accordance with the Corporations Act 2001, and:
 - (a) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date.
2. There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, appearing to read 'mjm, mll.', with a stylized flourish at the end.

Mick McMullen
Non-Executive Chairman

DATED: 16 March 2015
Perth, Western Australia

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
NEVADA IRON LIMITED**

We have reviewed the accompanying half-year financial report of Nevada Iron Limited which comprises the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Nevada Iron Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Nevada Iron Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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

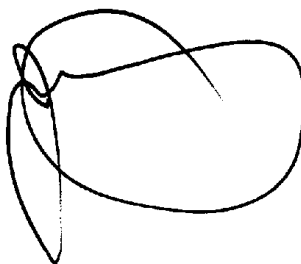
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred net losses of \$13,250,991 and had net cash outflows from operating activities and investing activities of \$553,092 and \$1,929,353 respectively during the half-year ended 31 December 2014. As of that date, the consolidated entity's current liabilities exceeded current assets by \$874,457. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



Perth, WA
Dated: 16 March 2015

JAMES KOMNINOS
Partner