

SportsHero Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	SportsHero Limited
ABN:	98 123 423 987
Reporting period:	For the half-year ended 31 December 2016
Previous period:	For the half-year ended 31 December 2015

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	down	99.4% to	1,730
Loss from ordinary activities after tax attributable to the owners of SportsHero Limited	down	95% to	408,000
Loss for the half-year attributable to the owners of SportsHero Limited	down	95% to	406,633

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for the half year ended 31 December 2016	Nil	Nil

Comments

The loss for the consolidated entity after income tax amounted to \$408,000 (31 December 2015: \$7,879,210).

In the previous half year the Company recorded an impairment expense of \$6,732,963 in relation to the capitalised exploration and evaluation expenditure of the Buena Vista Iron Project located in Nevada USA (the Project).

On 30 November 2016, the shareholders resolved to dispose of the Project. Sale of the Project being facilitated by sale of the Company's wholly owned Australian subsidiary Nevada Iron Holdings Pty Ltd, which in turn owns 100% of Nevada Iron LLC and Iron Horse Transportation LLC (both incorporated in USA). This strategy formed part of the acquisition of the SportsHero business, which was first announced to ASX on 20 May 2016. Although the disposal was not completed by 31 December 2016, the Company finalised the sale on 7 February 2017. The associated assets and liabilities were constitutently presented as held for sale in the December 2016 financial statements.

On 16 December 2016, the Company completed a 1 for 2 consolidation of capital.

3. Net tangible liabilities

	Reporting period Cents	Previous period Cents
Net tangible liabilities per ordinary security	<u>\$0.012</u>	<u>\$0.005</u>

4. Control gained over entities

During the half year the Company did not gain control over any entity.

5. Loss of control over entities

During the half year the Company did not lose control over any entity

6. Details of associates and joint venture entities

The Company has no associates or joint venture entities.

7. Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

8. Attachments

The Interim Financial Report of SportsHero Limited for the half-year ended 31 December 2016 is attached.

9. Signed



Signed

Date: 28 February 2017

Michael Higginson
Director
Queensland

SPORTSHERO LIMITED

(Formerly Nevada Iron Limited)

ACN 123 423 987

INTERIM FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2016**

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SPORTSHERO LIMITED

ACN 123 423 987

CORPORATE DIRECTORY

DIRECTORS

Howard Dawson (Non-Executive Chairman – appointed as a Director 23 January 2017 and as Chairman on 7 February 2017)

Michael Higginson (Non-Executive Director)

Christopher Green (Non-Executive Director)

CHIEF EXECUTIVE OFFICER

Dinesh Bhatia (appointed 7 February 2017)

COMPANY SECRETARY

Michael Higginson

REGISTERED OFFICE

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Lota, QLD 4179

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**PRINCIPAL
PLACE OF BUSINESS**

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Subiaco WA 6008

Website: www.sportshero.mobi

AUDITORS

RSM Australia Partners
8 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Advanced Share Registry Services Ltd
110 Stirling Highway
Nedlands WA 6009

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STOCK EXCHANGE LISTING

Australian Securities Exchange Ltd
ASX Code: SHO

SPORTSHERO LIMITED

DIRECTORS' REPORT

The Directors present their report together with the financial statements of SportsHero Limited ("SportsHero" or "the Company" or "the group") for the half year ended 31 December 2016.

DIRECTORS

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

- Mick McMullen (Executive Chairman – resigned 23 January 2017)
- Michael Higginson (Non-Executive Director)
- Christopher Green (Non-Executive Director)

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

- Michael Higginson
- Christopher Green

The following person was appointed as a Director on 23 January 2017;

- Howard Dawson (appointed Chairman on 7 February 2017)

The following person resigned as a Director on 23 January 2017;

- Mick McMullen

RESULTS

The net loss of the group for the half year ended 31 December 2016 was \$408,000 (2015: \$7,879,210).

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 SportsHero during the period 1 July 2016 to 31 December 2016. It is recommended that this half yearly report be read in conjunction with the 30 June 2016 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.

SportsHero Business

On 27 September 2016, the Company announced that it had executed the following agreements in relation to the acquisition of 100% of the SportsHero business (**Acquisition**):

- Share Purchase Agreement - for the acquisition of 100% of the issued share capital of Sportz Hero Pty Ltd (SPA);
- Share Sale Agreement – whereby SPA acquires an additional 83.33% of SportsHero Enterprise Pte Ltd (SPS), making SPS a 100% owned subsidiary of SPA. SPS is a company incorporated in Singapore and owner of the SportsHero Business, collectively the Agreements.

Key terms of the Share Purchase Agreement

The consideration payable for 100% of SPA is 36,000,000 Post Consolidation Shares and 72,000,000 Options each exercisable at \$0.05 and expiring 31 August 2019.

On 21 November 2016, the Company lodged a prospectus for the issue of up to 50,000,000 Post Consolidation Shares at an issue price of \$0.05 per Share to raise a minimum of \$2,500,000 plus oversubscriptions of up to a further 20,000,000 Post Consolidation Shares to raise up to a further \$1,000,000 (Placement).

Following completion of the Acquisition, the Company agreed to issue Sunshore Holdings Pty Ltd (or its nominee) 12,500,000 Post Consolidation Shares in consideration for introducing and assisting with the Acquisition.

SPORTSHERO LIMITED
DIRECTORS' REPORT (continued)

As required by the ASX Listing Rules, on 16 December 2016 the Company finalised a consolidation of its issued capital on the basis of one (1) Share for every two (2) Shares held (Consolidation).

Approval for, inter alia, the Acquisition, Placement and Consolidation was obtained at a general meeting held on 30 November 2016 (General Meeting).

Key terms of the Share Sale Agreement

SPA is the owner of 16.67% of SPS;

SPA is to acquire an additional 83.33% of SPS in consideration for the issue of 60,000,000 Post Consolidation Shares.

Sale of Buena Vista Iron Project

As announced on 20 May 2016, the Company agreed to enter into a sale agreement for the sale of 100% of the Company's interest in the Buena Vista Iron Project. On 30 November 2016, shareholders approved the sale of the Buena Vista Iron Project.

The consideration for the sale is as follows:

- the assumption of debt held by the Company's existing US subsidiaries which total not less than A\$800,000;
- the assumption of \$227,500 in liabilities owed to Mr McMullen and/or related entities;
- a cash payment of \$100,000 at settlement;
- a cash payment of:
 - (i) US\$250,000 on commencement of iron ore production at 1Mtpa or greater from the existing Buena Vista claims (Production Payment);
 - (ii) US\$250,000 on the first anniversary of the Production Payment (First Anniversary Payment), subject to production having been continuous during the period between the Production Payment and the First Anniversary Payment; and
 - (iii) US\$250,000 on the second anniversary of the Production Payment (Second Anniversary Payment), subject to production having been continuous during the period between the Production Payment and Second Anniversary Payment.

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.

SPORTSHERO LIMITED
DIRECTORS' REPORT (continued)

SUBSEQUENT EVENTS

On 23 January 2017, the Company's name changed to SportsHero Limited.

Following the receipt of shareholder approval at the General Meeting, on 23 January 2017 Mr Howard Dawson was appointed as a Director and Mr Mick McMullen resigned as a Director.

On 7 February 2017, the Company sold 100% of its interest in Buena Vista Iron Project. As per the Binding Heads of Agreement executed on 27 September 2016, subsequent to period end, the Company received consideration of \$100,000 and eliminated liabilities worth \$227,500 owed by the Company.

On 7 February 2017, the Company completed the Acquisition of SportsHero Business and Placement of shares as stated below.

Following the receipt of shareholder approval at the General Meeting, the Board of SportsHero allotted the following securities on 7 February 2017:

- 64,040,000 fully paid ordinary shares at an issue price of \$0.05 per share to raise \$3,202,000, pursuant to the Company's prospectus dated 21 November 2016;
- 60,000,000 fully paid ordinary shares to MyHero Ltd in consideration for the acquisition by SPA of an additional 83.33% of the issued share capital of SPS;
- 36,000,000 fully paid ordinary shares and 72,000,000 options each exercisable at \$0.05 and expiring 31 August 2019 to the shareholders of SPA in consideration for the acquisition of 100% of the issued share capital of SPA;
- 12,500,000 fully paid ordinary shares to Sunshore Holdings Pty Ltd; and
- 8,475,000 fully paid ordinary shares being the conversion of 8,475,000 convertible notes issued by the Company on 22 July 2016.

On 13 February 2017, ASX reinstated the Company's securities to Official Quotation and trading commenced on 15 February 2017.

There has been no other matter or circumstance that has arisen since 31 December 2016, 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 6.

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



Michael Higginson
Director
Date: 28 February 2017
Perth, Western Australia

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of SportsHero Limited for the half-year ended 31 December 2016, 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

RSM AUSTRALIA PARTNERS

David Wall

Perth, WA
Dated: 28 February 2017

DAVID WALL
Partner

SPORTSHERO LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016 \$	30 June 2016 \$
Current assets			
Cash and cash equivalents	7	2,265,525	245,673
Trade and other receivables		20,985	3,449
		<u>2,286,510</u>	<u>249,122</u>
Assets classified as held for sale	6	1,064,557	1,040,154
Total current assets		<u>3,351,067</u>	<u>1,289,276</u>
Non-current assets			
Exploration and evaluation expenditure	4	-	-
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>3,351,067</u>	<u>1,289,276</u>
Current liabilities			
Trade and other payables		2,710,116	647,645
Borrowings		169,500	-
		<u>2,879,615</u>	<u>647,645</u>
Liabilities associated with assets held for sale	6	941,956	809,397
Total Current Liabilities		<u>3,821,571</u>	<u>1,457,042</u>
Total liabilities		<u>3,821,571</u>	<u>1,457,042</u>
Net assets		<u>(470,504)</u>	<u>(167,766)</u>
Equity			
Contributed equity	8	37,629,324	37,525,429
Share based payments reserve		70,580	242,085
Foreign currency translation reserve		6,271,453	6,270,086
Accumulated losses		<u>(44,441,861)</u>	<u>(44,205,366)</u>
Total equity		<u>(470,504)</u>	<u>(167,766)</u>

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

SPORTSHERO LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	31 December 2016 \$	31 December 2015 \$
Revenue from continuing operations			
Other revenue		1,737	96
Gain on debt to equity issue		-	293,770
Expenses from continuing operations			
Corporate and legal		(177,555)	(74,129)
Occupancy expenses		(7,600)	(15,410)
Employee and consulting costs		(111,138)	(422,177)
Administration costs		(3,920)	(34,661)
Depreciation and amortisation expense		-	(569)
Foreign exchange loss		-	(7,244)
		<hr/>	<hr/>
Loss before income tax expense from continuing operations		(298,476)	(260,324)
Income tax expense		-	-
		<hr/>	<hr/>
Loss after income tax expense from continuing operations		(298,476)	(260,324)
Loss after income tax expense from discontinued operations	6	(109,524)	(7,618,886)
		<hr/>	<hr/>
Loss after income tax expense for the period		(408,000)	(7,879,210)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		1,367	420,324
Total comprehensive loss for the period		<hr/> <u>(406,633)</u>	<hr/> <u>(7,458,886)</u>
	3		
Basic loss per share (cents per share)		(1.04)	(37.57)
	3		
Diluted loss per share (cents per share)		(1.04)	(37.57)

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.

SPORTSHERO LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Contributed equity	Accumulated losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
As at 1 July 2015	35,873,757	(37,738,772)	1,903,227	5,908,553	5,946,765
Total comprehensive loss	-	(7,879,210)	-	420,324	(7,458,886)
Issue of shares	1,660,679	-	-	-	1,660,679
Share issue costs	(9,007)	-	-	-	(9,007)
Share based payments	-	-	68,701	-	68,701
Expired options	-	1,729,843	(1,729,843)	-	-
As at 31 December 2015	37,525,429	(43,888,139)	242,085	6,328,877	208,252
As at 1 July 2016	37,525,429	(44,205,366)	242,085	6,270,086	(167,766)
Total comprehensive loss	-	(408,000)	-	1,367	(406,633)
Issue of shares	103,895	-	-	-	103,895
Share issue costs	-	-	-	-	-
Share based payments	-	-	-	-	-
Expired options	-	171,505	(171,505)	-	-
As at 31 December 2016	37,629,324	(44,441,861)	70,580	6,271,453	(470,504)

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

SPORTSHERO LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	31 December 2016 \$	31 December 2015 \$
Cash flows related to operating activities			
Payments to suppliers, contractors and employees		(119,764)	(305,631)
Receipt from external parties		1,737	96
Net cash flows used in operating activities		(118,027)	(305,535)
Cash flows related to investing activities			
Payments for exploration and evaluation		(64,930)	(474,690)
Total cash flows used in investing activities		(64,930)	(474,690)
Cash flows from financing activities			
Proceeds from issue of shares and share options		-	716,585
Proceeds from pending issue of shares and share options		2,229,500	-
Share issue costs		-	(9,007)
Net cash flows from financing activities		2,229,500	707,578
Net increase/(decrease) in cash and cash equivalents		2,046,543	(72,647)
Effects of exchange rates changes		(25,045)	(6,348)
Cash and cash equivalents at beginning of the financial period		245,673	151,867
Cash and cash equivalents at end of the financial period	7	2,267,171	72,872

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

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

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 2016 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 SportsHero Limited 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 2016, 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, SportsHero Limited 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 \$408,000 and had net cash outflows from operating activities and investing activities of \$118,027 and \$64,930 respectively during the half year ended 31 December 2016. As at that date the consolidated entity had net current liabilities and net total liabilities of \$470,504.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a 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:

- On 7 February 2017, the Company completed the acquisition of the SportsHero Business and raised share capital of \$3,202,000 (before costs).
- On 15 February 2017 trading in the Company's securities was reinstated by ASX.
- On 7 February 2017, the Company sold 100% of its interest in Buena Vista Iron Project. As per the Binding Heads of Agreement executed on 27 September 2016, subsequent to period end, the company received consideration of \$100,000 and eliminated liabilities worth \$227,500 owed by the Company.

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

2. DIVIDENDS

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

	Consolidated	
3. Loss per share	31 December 2016	31 December 2015
	\$	\$
The following reflects the loss used in the basic and diluted loss per share computations.		
Loss used in calculating earnings per share		
For basic and diluted earnings per share:		
Loss for the year attributable to ordinary shareholders	408,000	260,324
Loss after income tax expense from continuing operations	298,476	7,618,886
Loss after income tax expense from discontinued operations	109,524	7,879,210
Weighted average number of shares		
	31 December 2016	31 December 2015
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic and diluted loss per share	39,230,427	20,974,850
Loss per share from continuing operations		
Basic loss per share (cents)	1.04	37.57
Diluted loss per share (cents)	1.04	37.57
Loss per share for loss from discontinued operations		
Basic loss per share (cents)	0.76	36.32
Diluted loss per share (cents)	0.76	36.32
Loss per share		
Basic loss per share (cents)	0.28	1.25
Diluted loss per share (cents)	0.28	1.25

4. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2016	30 June 2016
	\$	\$
Opening balance	-	5,783,467
Exploration expenditure	64,930	634,235
Impairment expense	(64,930)	(6,732,963)
Effects of movements in exchange rates	-	315,261
Closing balance	-	-

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

5. IMPAIRMENT CHARGES

	31 December 2016 \$
Exploration and evaluation expenditure impairment	64,930
Total	64,930

6. DISPOSAL OF GROUP

On 30 November 2016, the shareholders resolved to dispose of the Buena Vista Iron Project (the Project). Sale of the Project being facilitated by sale of the Company's wholly owned Australian subsidiary Nevada Iron Holdings Pty Ltd, which in turn owns 100% of Nevada Iron LLC and Iron Horse Transportation LLC (both incorporated in USA). This strategy formed part of the acquisition of the SportsHero business, which was first announced on 20 May 2016. Although the disposal was not completed by 31 December 2016, the Company finalised the sale on 7 February 2017. The associated assets and liabilities were constitutively presented as held for sale in the 31 December 2016 financial statements.

Financial performance information

	Consolidated	
	31 December 2016 \$	31 December 2015 \$
Interest Revenue	-	-
Total revenue	-	-
Exploration expenditure	-	(630,053)
Impairment of assets	(64,930)	(6,888,764)
Corporate and legal fees	-	(4,667)
Administrative expenses	(11,613)	(24,650)
Depreciation and amortisation expenses	(7,951)	(26,192)
Occupancy expenses	(25,030)	(44,560)
Loss before income tax	(109,524)	(7,618,886)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	(109,524)	(7,618,886)

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

6. DISPOSAL OF GROUP continued

Cash flow information

	Consolidated	
	31 December	30 June
	2016	2016
	\$	\$
Net cash flows from operating activities	91,621	(40,328)
Net cash used in investing activities	(64,930)	(474,690)
Net cash flows from financing activities	-	482,997
Effect of exchange rate changes	(25,045)	6,348
	<u>1,646</u>	<u>(25,673)</u>

Carrying amount of assets and liabilities in the disposal group

	Consolidated
	31 December
	2016
	\$
Cash and cash equivalent	1,646
Trade and other receivables	25,593
Property, plant and equipment	1,037,319
Intangible asset	-
Exploration and evaluation expenditure	-
Total assets	<u>1,064,558</u>
Trade and other payables	<u>941,956</u>
Total liabilities	<u>941,956</u>
Net assets	<u><u>122,602</u></u>

The assets and liabilities identified above represent assets and liabilities of Nevada Iron LLC and Iron Horse Transportation LLC which are in the disposal group.

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

7. CASH AND CASH EQUIVALENTS

	Consolidated	
	31 December	30 June
	2016	2016
	\$	\$
Cash at bank	2,265,525	245,673
Reconciliation to cash and cash equivalents at the end of the period		
Balance as above	2,265,525	245,673
Cash and equivalent under disposal group (note 6)	1,646	-
Net decrease in cash and cash equivalents from discontinued operations	2,267,171	(37,833)

8. CONTRIBUTED EQUITY

	31 December
	2016
	\$
Issued capital:	
<i>Ordinary shares fully paid</i>	
39,826,657 (30 June 2016, 69,263,566 – pre consolidation)	37,629,324

	Issue Price	Number	
Movement in share capital:	\$	of Shares	\$
Opening balance 1 July 2016	-	69,263,566	37,525,429
Shares issued 22 July 2016	0.010	10,389,530	103,895
Sub total		79,653,096	37,629,324
1 for 2 consolidation		(39,826,439)	-
Balance 31 December 2016		39,826,657	37,629,324

9. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

10. SEGMENT REPORTING

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

- 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.

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 2016			
Revenue from external customers	1,737	-	1,737
Inter-segment revenue	-	-	-
Reportable segment loss before tax	(298,476)	(109,524)	(408,000)
Half-year ended 31 December 2015			
Revenue from external customers	96	-	96
Inter-segment revenue	-	-	-
Reportable segment loss before tax	(260,324)	(7,618,886)	(7,879,210)
Reportable segments assets at 31 December 2016	2,286,510	1,064,557	3,351,067
Reportable segments assets at 30 June 2016	249,122	1,040,154	1,289,276
Reconciliation of reportable segment profit or loss			
		2016	2015
Total profit or loss for reportable segments		(408,000)	(7,879,210)
Elimination of inter-segment profits		-	-
Profit before tax from continuing operations		<u>(408,000)</u>	<u>(7,879,210)</u>
Reconciliation of reportable segment assets			
Reportable segment assets		<u>3,351,067</u>	<u>1,289,276</u>
Total assets		<u>3,351,067</u>	<u>1,289,276</u>

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

11. EVENTS SUBSEQUENT TO REPORTING DATE

On 23 January 2017, the Company's name changed to SportsHero Limited.

Following the receipt of shareholder approval at the General Meeting, on 23 January 2017 Mr Howard Dawson was appointed as a Director and Mr Mick McMullen resigned as a Director.

On 7 February 2017, the Company sold 100% of its interest in Buena Vista Iron Project. As per the Binding Heads of Agreement executed on 27 September 2016, subsequent to period end, the company received consideration of \$100,000 and eliminated liabilities worth \$227,500 owed by the Company.

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- 64,040,000 fully paid ordinary shares at an issue price of \$0.05 per share to raise \$3,202,000, pursuant to the Company's prospectus dated 21 November 2016;
- 60,000,000 fully paid ordinary shares to MyHero Ltd in consideration for the acquisition by SPA of an additional 83.33% of the issued share capital of SPS;
- 36,000,000 fully paid ordinary shares and 72,000,000 options each exercisable at \$0.05 and expiring 31 August 2019 to the shareholders of SPA in consideration for the acquisition of 100% of the issued share capital of SPA;
- 12,500,000 fully paid ordinary shares to Sunshore Holdings Pty Ltd; and
- 8,475,000 fully paid ordinary shares being the conversion of 8,475,000 convertible notes issued by the Company on 22 July 2016.

On 13 February 2017, ASX reinstated the Company's securities to Official Quotation and trading commenced on 15 February 2017.

There has been no other matter or circumstance that has arisen since 31 December 2016, 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.

SPORTSHERO LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

12. EQUITY-BASED PAYMENTS

During the half year no share options were granted.

	Number of Options
Movement in number of options:	
Opening balance 1 July 2016	9,815,882
Options issued	-
Expiry of options on 31 October 2016	(300,002)
Sub total	9,515,880
1 for 2 consolidation	(4,757,940)
Closing balance 31 December 2016	4,757,940

The following tables set out the assumptions made in determining the fair value of the options granted:

	6 Jan 2015 31 Dec 2017	6 Jan 2015 31 Dec 2017	27 Oct 2015 30 Sept 2017
Grant date			
Expiry date			
Type	Employee and Consultant	Employee and Consultant	Free attaching options
Dividend yield (%)	-	-	-
Expected price volatility	1.00	1.00	1.00
Risk-free interest rate (%)	2.50%	2.50%	2.5%
Expected life of options (years)	2.99	2.99	1.93
Option exercise price	\$0.51	\$0.62	\$0.10
Share price at grant date	\$0.07	\$0.07	0.03
Number of options issued	60,000	60,000	9,395,880

13. RELATED PARTY TRANSACTIONS

New Nevada Resources LLC and Mick McMullen

During the half year ended 31 December 2016, New Nevada Resources LLC (a company which former Director, Mr Heath Rushing, has relevant interest) loaned Nevada Iron LLC US \$20,000 (31 December 2015 Nil) and Mick McMullen loaned Nevada Iron LLC US\$10,000 (31 December 2015 – Nil) for working capital.

SPORTSHERO LIMITED
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of SportsHero Limited, 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 2016 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 company 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.



Michael Higginson
Director

DATED: 28 February 2017
Perth, Western Australia



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

We have reviewed the accompanying half-year financial report of SportsHero Limited which comprises the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, 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 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of SportsHero 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.

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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 SportsHero 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 SportsHero 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 2016 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS

David Wall

Perth, WA
Dated: 28 February 2017

DAVID WALL
Partner