# IRON MOUNTAIN MINING LIMITED

**ABN 62 112 914 459**

## ANNUAL REPORT

**For the year ended 30 June 2014**

# IRON MOUNTAIN MINING LIMITED
# CORPORATE DIRECTORY

**Directors**

Mark Gwynne
Brett Smith
Robert Sebek

**Company Secretary**

Suraj Sanghani

**Registered Office**

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Perth WA 6000

**Email**
info@ironmount.com.au

**Auditors**

Rothsays Chartered Accountants
4 Ventnor Avenue
WEST PERTH Western Australia 6005

**Legal Advisors**

HopgoodGanim
Level 27
Allendale Square
77 St Georges Terrace
Perth Western Australia 6000

**Share Registry**

Computershare Investor Services Pty Limited
Level 2 45 St Georges Terrace
Perth WA 6000

**Website Address**

**www.ironmount.com.au.**

**Country of Incorporation**

Iron Mountain Mining Limited is domiciled and incorporated in Australia

**Stock Exchange Listing**

Iron Mountain Mining Limited is listed on the Australian Securities Exchange
(ASX Code: IRM)

# IRON MOUNTAIN MINING LIMITED
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## CORPORATE GOVERNANCE REPORT
## IRON MOUNTAIN MINING LIMITED ("THE COMPANY")

### STATEMENT

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity and pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable the Company has adopted the Eight Essential Corporate Governance Principles and Best Practice Recommendations ("Recommendations") as published by ASX Corporate Governance Council. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The Company's website (www.ironmount.com.au) includes further information about the Company's corporate governance practices. In accordance with the recommendation of the ASX, some information is published on the Company's website.

Key Corporate Governance issues are outlined below followed by explanations of areas where the company policy differs from recommended practice.

### Board Composition

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the financial report and their term of office are detailed in the Directors' Report.

### Corporate reporting

The Directors have made the following certifications to the board:

- that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and are in accordance with relevant accounting standards.
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

### Code of Conduct

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

In summary, the Code requires that at all times all company personnel act with the utmost integrity, objectivity, in the best interests of the company and in compliance with the letter and the spirit of the law and company policies.

Any breaches of the Code are reported to the chairman in the first instance for notification to the board.

The directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

**Continuous disclosure and shareholder communication**

The Company has a policy that information concerning the Company that a reasonable person would expect to have a material effect on the price of the company's securities is continuously disclosed as required under the Australian Stock Exchange (ASX) listing rules.

The Company encourages communication with shareholders and the attendance and effective participation by shareholders at general meetings.

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All information disclosed to the ASX is posted on the company's website as soon as it is disclosed to the ASX.

Annual and half yearly reports are made available on the company's website and mailed to those shareholders who request a hard copy.

**Independent Advice**

There is no formal policy or procedure regarding the taking of professional advice by the independent directors; however no restrictions are placed on the independent directors to take advice on matters arising from their roles as independent directors of the company, or the reimbursement of the costs incurred by the company.

**Independence of Board Members**

The determination by the Board as to whether individual directors are independent is a matter of judgement. In making this determination the Board has followed the guidance in Box 2.3 of the Recommendations. The Board considers the relationships the independent directors have with the company do not materially impact on their independence. In determining the materiality of these relationships, the Board has considered both quantitative and qualitative factors. In determining the quantitative factors the Board considers that a relationship is immaterial where it is equal to or less than 5% of the base amount. In applying this level of materiality to the relationship of the independent directors, in the case of shareholders and suppliers, the Board considers that the independent directors' interest is less than 5% of the base amount. In respect to the qualitative measures the Board has considered the factors affecting the independent directors' relationship with the company and consider these qualitative factors to be immaterial in the assessment of their independence.

Mr Gwynne, the Non- Executive Chairman of the board, is considered by the Board to be an independent director.

Mr Smith, a Non-Executive Director of the board, is considered by the board to be an independent director

**Trading Policy**

The Company's policy regarding Directors and employees trading in its securities is set by the Board of Directors. The policy restricts Directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

**Remuneration Policy**

The Company's remuneration policy was developed by and approved by the Board. All executives receive a salary and statutory superannuation.

The Company occasionally participates in share based remuneration for its executives to Directors, employees and consultants. The terms of the share options to Directors, employees and consultants are based on what similar sized companies in the mining industry are offering. All share options to be issued to Directors require shareholder approval before being issued.

The amounts of remuneration for all directors, including monetary and non-monetary components, are detailed in the Directors' Report under the key management personnel remuneration heading. All remuneration paid to executives is valued at the cost to the Company and expenses. Shares given to executives are valued as the difference in the market value of those shares and the amount paid by the executive. Options given to executives are valued using the Black-Scholes methodology.

**Departures from Best Practice Recommendations**

**Principle 1 recommendation 1.1, 1.5, 1.6, 1.7**

**Explanation for Departure:**

The Company has not disclosed: (1) the respective roles and responsibilities of its board and management; (2) those matters expressly reserved for the board and those delegated to management. (3) the company does not have a formal diversity policy, (4) a process for evaluating the performance of the board or senior executives or whether a performance evaluation has occurred during the reporting period.

The Board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and management, and evaluating the performance of senior executives. The Board has established a framework for the management of the Company and the roles and responsibilities of the Board and management. Previously, due to the small size of the Board and of the Company, the Board did not think that it was necessary to formally document the roles of the Board and management as these roles were clearly understood by all members of the Board and management. The Board is responsible for the strategic direction of the Company, establishing goals for management and monitoring the achievement of these goals, monitoring the overall corporate governance of the Company and ensuring that shareholder value is increased.

Management is responsible for implementing the directions of the board and for ensuring that the board is made aware of matters which are likely to impact on the company.

The Company considers that at this time no efficiencies or benefits would be gained by introducing a formal diversity policy. In the future, as the company grows and increases in size and activity, the Board will consider the establishment and disclosure of formal diversity policy.

There are currently two females employed by the company representing 29% of all staff. No females currently occupy key management positions

The Board considers that at this time no efficiencies or other benefits would be gained by introducing formal evaluations. Such evaluations occur informally. In the future, as the Company grows and increases in size and activity, the Board will consider the establishment of formal board and individual director and executive evaluation processes.

**Principle 2 Recommendation 2.1, 2.2**

**Explanation for Departure**

The board does not have a nomination committee, has not disclosed a skills matrix

The full Board carries out the role of a nomination committee in the Nomination Committee Charter formalised on 15 January 2007. The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee, in particular at this early stage of the Company's operations, where the Company's focus is on the retention of directors and senior executives.

Although no formal skills matrix has been prepared The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has relevant industry experience and specific expertise relevant to the Company's business and level of operations.

**Principle 4 Recommendations 4.1,**

**Explanation for Departure**
The Board has not established an Audit Committee.

The Company's financial statements are prepared internally and reviewed in detail by the Board. The Board also relies on the functions and capabilities of its external auditors to ensure proper audit of financial statements. Whilst the Board considers this process sufficient to ensure integrity in financial reporting in the current circumstances, it will continue to monitor whether any further safeguards are required and make changes accordingly.

**Principle 6 Recommendation 6.2, 6.3**

**Explanation for Departure:**

The Company does not have a formal investor relations program or a policy in place to encourage participation at meetings of security holders.

The Company strongly encourages more communication between the shareholders and the Company and Board. All general meetings include briefings by board members to provide a deeper insight into the Company, opportunities for the shareholders to have their questions answered, and following all general meetings, the directors encourage shareholders to chat informally with them. As the Company grows in size, the board is very keen to develop more formal and expansive communications with shareholders.

**Principle 7 Recommendation 7.1, 7.2,**

**Explanation for Departure:**

The Board does not have any risk committees and does not formally review the entities risk management framework annually.

The Board is aware of the various risks that affect the Company and its particular business and has implemented a number of controls to mitigate or limit the effects of these risks. As the Company grows and increases in size and activity, the Board will develop formal policies to deal with risk oversight management and internal compliance. Currently, given the size and nature of the business the risk management of the business is carries out by the full board as a whole.

The Company does not believe that it has any material exposure to economic, environmental or social sustainability risks.

**Principle 8 Recommendation 8.1**
**Explanation for Departure:**

The Company has not established a remuneration committee,

Due to the early stage of development and small size of the Company, a remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and key executives. The Board considers that it is more appropriate to set aside time at 2 Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. In addition, all matters of remuneration will continue to be in accordance with Corporations Act requirements, especially in respect of related party transactions. That is, none of the Directors participate in any deliberations regarding their own remuneration or related issues.

**Operations**
**Review of Operations**

During the year the company continued to explore and evaluate its tenement portfolio with a view to identifying and progressing potential commercial and development opportunities. An updated Measured, Indicated & Inferred JORC Resource of 266,000t @ 1.7g/t Au (14,600oz) was announced for the Golden Camel Project in Victoria following the incorporation of results from the drilling program in early 2013. Infrastructure Only Mining Licence 5570 adjacent to MIN5548 (Golden Camel) was granted and work commenced on defining requirements to undertake Net Acid Production Potential (NAPP), Sulphide Sulphur and Net Acid Generation (NAG) tests on waste rock produced during the proposed open cut mining process. Final metallurgy test work results were received identifying optimal treatment and recovery options including the possibility of heap leaching. A reconnaissance trip to the Pithara Project (E70/3948) was completed to gauge site access and local infrastructure as well as to meet with the landowner. Numerous historical drilling sites were located and inspected for vehicular and auger access. The option to re-process a 2007 ground magnetic survey is being considered to identify potential geochemical survey target areas. Following an evaluation of realistic commercial options, the company completed a total divestment of its HMS Project in Victoria following the relinquishment of low priority Exploration Licences 5307 and 5356 and the sale of Exploration Licences 5303 and 5305 for A$50,000 and A$40,000 respectively. The company signed an Option and Joint Venture Agreement with MMG Exploration Pty Ltd ("MMG") over the company's wholly owned Treasure Project (EL25346) whereby MMG can earn up to 90% by sole funding A$3,000,000 of exploration expenditure. A high resolution aeromagnetic survey was flown by MMG in late 2013 and subsequent plans for drilling where deferred in preference of a targeted ground EM program over selected areas. At the Miaree Project, a Section 40E licence (P47/1725-S) was recently granted to applicants known to the company for the purposes of gold prospecting/exploration under a collaborative agreement to share prospecting/exploration results. No updates were received for the Blythe (Tas) or Mt Richardson (WA) Projects during the year. The location of the company's exploration projects are shown in Figure 1.

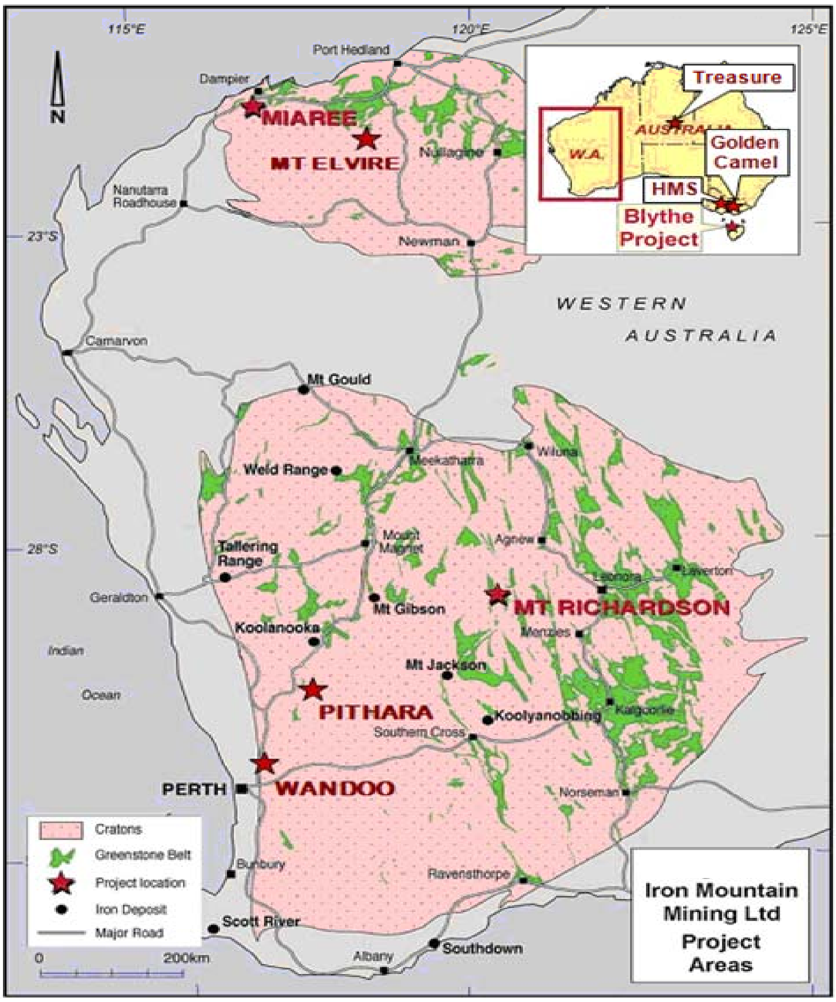


Figure 1 – Australian Project locations.

## GOLDEN CAMEL PROJECT

**Location : Heathcote Greenstone Belt, VIC**

The Golden Camel Project in Victoria is comprised of granted Mining Licence MIN5548 which hosts the Golden Camel Resource and Infrastructure Only Mining Licence MIN5570 located on the Mt Camel Range within the Heathcote Greenstone Belt in North-Central Victoria. The project was formerly known as the Cornella gold deposit contained within former MIN4149 (see Fig.2).

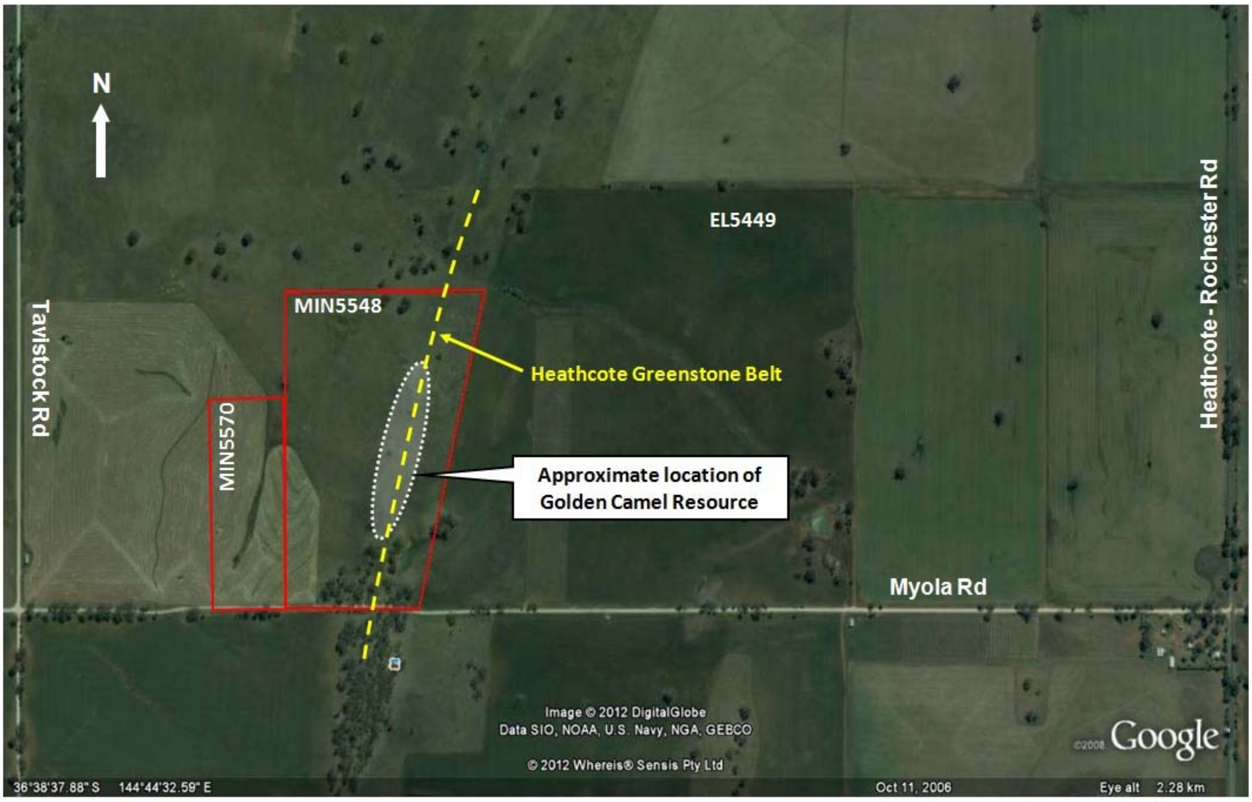


Figure 2 – Location of Golden Camel resource (MIN5548) and adjacent MIN5570 over Heathcote Greenstone Belt

During the year, the company continued to evaluate the project with a view to assessing the potential for a small scale open pit to be mined under a toll treatment scenario. All results from the diamond drilling program completed on 9 May 2013 (7 holes for 538.8m) were finally received and incorporated into the resource model. The drilling program was designed to provide technical and geological information for subsequent resource modelling as well as geotechnical and metallurgical studies. Following the incorporation of drilling results, the Company announced an updated Measured, Indicated & Inferred JORC Resource of 266,000t @ 1.7g/t Au (14,600oz) for Golden Camel which now forms the basis on which the Company continues to investigate commercialisation options. The resource update was estimated by independent resource consultant Zurkic Mining Consultants Pty Ltd.

Complimentary to the metallurgical and geotechnical information, the 7 diamond drill-holes provided varying levels of support to the existing data quality and location. Confidence in more recent data was increased relative to older data which is not material to overall potential pit limits. A conservative approach was harnessed through a Kriging estimate leading to an overall higher tonnage and lower mean gold grade. Tonnages were also impacted due to a lowering of the in-situ density which was, for the first time in the projects history, quantified through rigorous measurement. The Company is now confident it has a robust resource estimate with more than 28% classified in the highest JORC category of Measured; this along with the Indicated Resource amounts to more than 88% of the Resource being available for economic evaluation.

A summary of the Golden Camel Measured, Indicated & Inferred Resource is provided in Table 1 below. Additional technical information in regards to the resource estimation is contained within the ZMC Golden Camel Resource Statement (Oct 2013) provided in Appendix 1 of the "Golden Camel Resource Update" (ASX 22 Oct 2013).

| Lower Cut-off Grade (g/t Au) | MEASURED | | | INDICATED | | | INFERRED | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Tonnes (t) | Grade (g/t Au) | Gold (oz) | Tonnes (t) | Grade (g/t Au) | Gold (oz) | Tonnes (t) | Grade (g/t Au) | Gold (oz) | Tonnes (t) | Grade (g/t Au) | Gold (oz) |
| 0.5 | 94,000 | 1.5 | 4,600 | 271,000 | 1.3 | 11,500 | 43,000 | 1.4 | 2,000 | 408,000 | 1.4 | 18,100 |
| 0.6 | 93,000 | 1.5 | 4,600 | 254,000 | 1.4 | 11,200 | 39,000 | 1.5 | 1,900 | 386,000 | 1.4 | 17,700 |
| 0.7 | 90,000 | 1.6 | 4,500 | 228,000 | 1.5 | 10,700 | 37,000 | 1.6 | 1,900 | 355,000 | 1.5 | 17,000 |
| 0.8 | 87,000 | 1.6 | 4,400 | 201,000 | 1.6 | 10,000 | 35,000 | 1.6 | 1,800 | 323,000 | 1.6 | 16,300 |
| 0.9 | 82,000 | 1.6 | 4,300 | 175,000 | 1.7 | 9,300 | 33,000 | 1.7 | 1,800 | 289,000 | 1.7 | 15,300 |
| **1.0** | **79,000** | **1.7** | **4,200** | **156,000** | **1.7** | **8,800** | **31,000** | **1.7** | **1,700** | **266,000** | **1.7** | **14,600** |
| 1.1 | 74,000 | 1.7 | 4,000 | 141,000 | 1.8 | 8,300 | 28,000 | 1.8 | 1,600 | 242,000 | 1.8 | 13,800 |
| 1.2 | 65,000 | 1.8 | 3,700 | 124,000 | 1.9 | 7,600 | 26,000 | 1.8 | 1,500 | 215,000 | 1.9 | 12,800 |
| 1.3 | 58,000 | 1.8 | 3,400 | 108,000 | 2.0 | 7,000 | 22,000 | 1.9 | 1,300 | 188,000 | 1.9 | 11,700 |
| 1.4 | 51,000 | 1.9 | 3,100 | 93,000 | 2.1 | 6,300 | 19,000 | 2.0 | 1,200 | 163,000 | 2.0 | 10,700 |
| 1.5 | 42,000 | 2.0 | 2,700 | 78,000 | 2.2 | 5,600 | 18,000 | 2.0 | 1,200 | 138,000 | 2.1 | 9,500 |

Table 1 – Details of the updated Golden Camel Measured, Indicated & Inferred Mineral Resource at varying cut-off grades[1]

In anticipation of potential mine design constraints given the limited size of MIN5548, the company applied for Infrastructure Only Mining Licence MIN5570 adjacent to existing MIN5548 which was subsequently granted on 26 September 2013 (see Fig.3). The company expects that MIN5570 will be used to assist in the safe and efficient design of site offices, workshops, ROM pad, mullock dump etc if required.

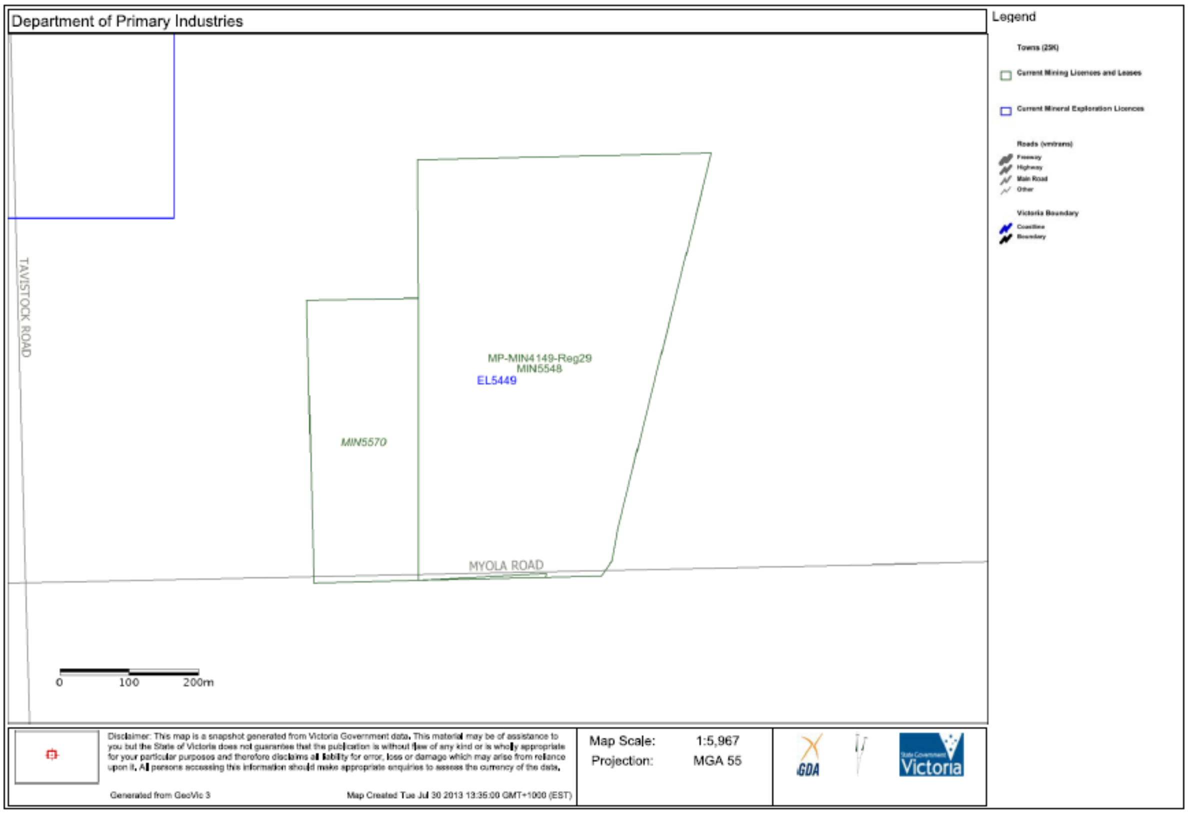


Figure 3 – Plan of Golden Camel MIN5548 within EL5449 showing location of recently granted MIN5570

1 Refer to announcement "Golden Camel Resource Update" (ASX 22 Oct 2013) for full details.

Towards the end of 2013, work on the project was scaled back in response to a period of softening gold prices which resulted in weaker anticipated toll treatment production margins. Preliminary consultation was commenced with a view to compiling sufficient data to undertake Net Acid Production Potential (NAPP), Sulphide Sulphur and Net Acid Generation (NAG) tests on waste rock produced during the proposed open cut mining process. Pit optimisations previously prepared by Crystal Sun Consulting estimated waste rock volumes for a variety of pit shells under varying AUD gold price scenarios (see Fig.4). This data will be used in conjunction with retained sample pulps from the 2013 diamond drilling program to design an appropriate testing procedure to be designed to identify acid production/potential in mined waste rock to determine waste dump design criteria.

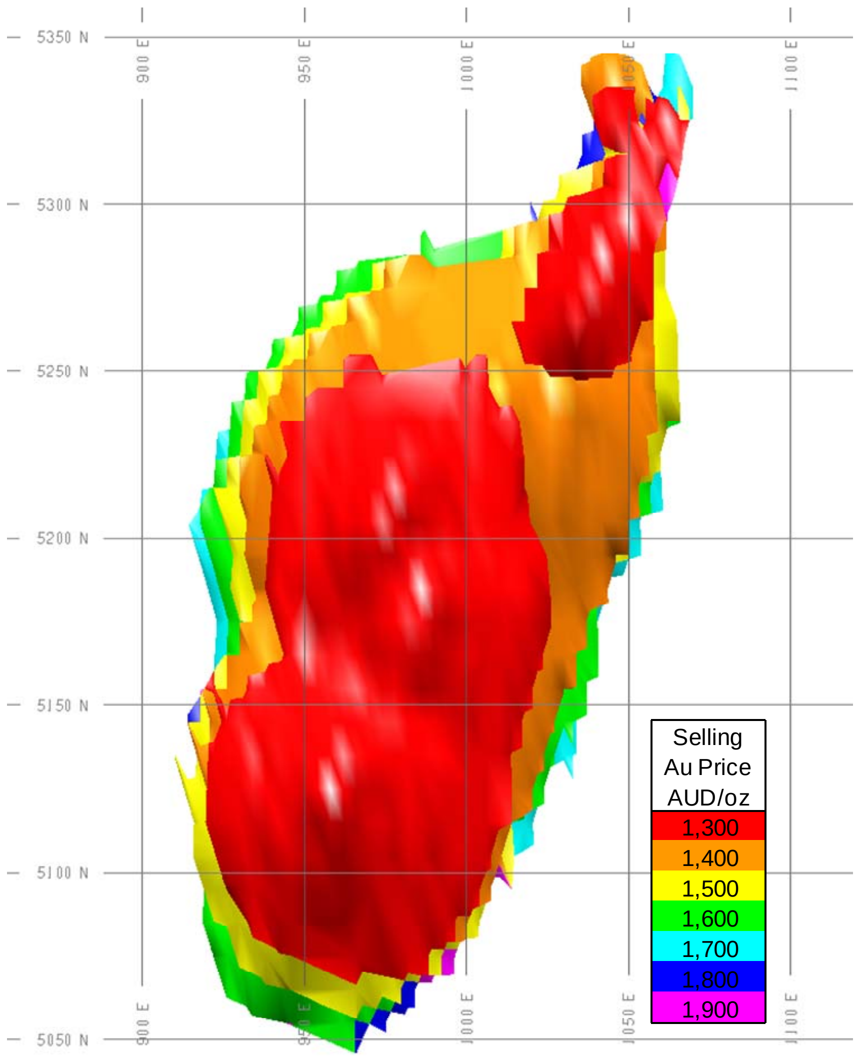


Figure 4 - Preliminary pit optimisation shells for A$1300-A$1900/oz gold price scenarios using maiden resource estimate over historical mine grid.

Additional metallurgical test work was approved in late 2013 to compliment and complete assessment required to evaluate previously proposed open cut development under a toll treatment scenario. The Company received the results from its ongoing metallurgical test work program on the gold mineralisation at its Golden Camel Project in Victoria in early 2014. The primary purpose of the test work was to define the metallurgical characteristics of the gold mineralisation in order to identify the most suitable options from the several existing processing plants in central Victoria for potential development under a toll treatment open cut scenario.

**METALLURGICAL TEST WORK**

Intersections of oxide and transition (or "Trans") gold bearing diamond core from the Golden Camel Project were sent to ALS Burnie (TAS) for composite generation and assessment of possible gold recovery routines. A total of 181 bags of cut core from hole MET03 were dispatched for preparation and testing (see Table 2).

| COMPOSITE | HOLE NO. | SAMPLE INTERVAL NO. | INTERSECTION (M) | HEAD GRADE Au (ppm) |
|---|---|---|---|---|
| Met03 Oxide Composite | Met03 | 013-041 | 26.0-43.0 | 4.04 |
| Met03 Trans Composite | Met03 | 079-093 | 65.0-72.5 | 1.09 |

Table 2– Composite sample details including hole number, intersection and head grade[2]

In consultation with ALS Burnie, a program of gold leach and flotation assessment focussing on the shallow oxide and transition gold mineralisation at Golden Camel was designed and implemented. The first stage of the assessment was to investigate the mode of occurrence of gold by diagnostic leach assessments and product sizings. As expected the oxide intersection leaches well in cyanide however unrecovered gold is locked in the sulphides present. Sizing results indicate that a fine grind is required to maximise gold recovery (see Table 3).

| ASSESSMENT | OXIDE COMPOSITE | TRANS COMPOSITE |
|---|---|---|
| Feed p80 | 75µm | 75µm |
| Cyanide Soluble Au | 78% | 2% |
| Sulphide Locked Au | 19% | 76% |
| Silicate Locked Au | 3% | 22% |
| Cyanide Au Rec at 100µm | 62% | 4% |
| Cyanide Au Rec at 10µm | 92% | 28% |

Table 3 – Diagnostic leach assessment for oxide and transition composites

Results from the Trans Composite sample shows almost no recovery of gold under intense cyanidation leaching where the gold is strongly occluded in both the sulphide and silicate grains. The Trans Composite sample is also very refractory to leaching with results indicating a very fine grind size is required for even moderate recovery of gold by direct cyanidation.

The Oxide Composite yielded relatively poor flotation results with some 23% gold recovered. A range of specialty "gold" collectors were tested resulting in some moderate improvements to the gold recovery to 29%. Gold recovery correlates with sulphur recovery suggesting that most of the gold recovered is that in association with sulphides present.

Trans Composite flotation yielded overall gold and sulphide recovery of around 81% and 82% respectively. Gold and sulphur recovery are closely correlated indicating a strong mineralogical association.

Overall flotation results indicate a good response for the Trans composite which may allow the production of a low mass sulphide product for further gold recovery treatment. The Oxide Composite yielded a poor response to flotation which is not atypical for the flotation of gold from oxides. Analytical results for elements of interest for the oxide and transition composites are provided in Table 4.

Given the preliminary metallurgical results and the shallow oxide nature of the proposed open pit operation under consideration, gold recovery from the Golden Camel oxide mineralisation would appear to be optimised by treatment through a conventional CIL processing facility. A review of the

[2] Refer to announcement "Golden Camel Progress Report" (ASX 26 August 2013) for details of drilling and sampling.

preliminary metallurgical results is ongoing and is being undertaken in conjunction with economic evaluation to determine the best overall treatment scenario.

| ANALYTE | UNIT | OXIDE | TRANS |
|---|---|---|---|
| Au | ppm | 1.09 | 4.04 |
| Ag | ppm | 1.49 | 1.86 |
| Sb | ppm | 269 | 306 |
| As | ppm | 821 | 1170 |
| Cu | ppm | 324 | 2060 |
| Pb | ppm | 41.7 | 69.9 |
| Zn | ppm | 672 | 542 |
| Bi | ppm | 0.23 | 0.31 |
| Co | ppm | 29.3 | 8.4 |
| Mo | ppm | 29.4 | 36.8 |
| Ni | ppm | 143.5 | 83.1 |
| Te | ppm | 1.86 | 1.79 |

Table 4 - Details of ICP analysis for elements of interest in the oxide and transition composites

**HEAP LEACHING**

As part of a complete evaluation of possible treatment scenarios, the company is also reviewing the possibility of heap leaching the oxide mineralisation; mineralisation closest to the surface and the first potential source of ore production. Historical column leach test results undertaken by Perseverance Corporation Ltd during their time as operators of the Fosterville Gold Mine and Joint Venture partners at the Cornella Project (now MIN5548 Golden Camel) are currently being assessed with a view to determining whether results are sufficient to proceed directly to economic evaluation.

The option to potentially heap leach the Golden Camel oxide mineralisation may result in lower achievable gold recoveries compared to conventional CIL with the trade-off being significantly lower processing costs. This would then require pit re-optimisations at an anticipated lower cut-off grade with a resultant increase in mineable gold ounces produced. Subject to favourable gold prices, the Company believes it will be in a position to select the most appropriate processing method in the coming months. The project economics will then be completed prior to a decision being made to proceed to development and production.

The project continues to be assessed as a potential toll treatment or off-site processing open cut development. Metallurgical test work has identified optimal recovery scenarios for the shallow oxide nature of the proposed open pit including conventional CIL processing and heap leaching. Results from historical column leach tests are sufficiently encouraging to warrant further evaluation of the potential for heap leaching. Preliminary enquiries have been made to independent commercial laboratories in regards to confirming the costs and parameters for undertaking column leach test work to provide up to date leaching results for the oxide mineralisation. The company continues to evaluate all available treatment and economic options ahead of making a commercial decision for the project.

**DROMEDARY PROJECT**

**Location : Heathcote Greenstone Belt, VIC**

The Dromedary Gold Project is comprised of two granted exploration licences in Victoria that include EL5449 covering 47 graticules and EL5490 covering 173 graticules. EL5449 was formerly held by Fosterville Gold Mine Pty Ltd as EL3484 where they identified 4 advanced prospects and 10 geophysical targets. The former EL3484 was subject to a 1997 CRA Exploration Pty Ltd (Rio) royalty of 2.5% of gross sale revenue which was extinguished on the surrender of EL3484 in 2012. The company's Golden Camel Project (MIN5548) is centrally located within EL5449 (see Fig.5).

The Dromedary Project now covers in excess of 25km of strike of the Heathcote Greenstone Belt following the grant of EL5490 on 6 December 2013 which contains previously identified prospects including Dowds, Silver Spoon and Glen Garry. Dowds prospect is located on the Mt William Fault and is prospective for silver, gold lead and nickel with historic shallow drilling returning strongly anomalous results from the oxide zone. The Silver Spoon prospect is located 15km to the south of Dowds on the Mt William Fault near Mt Camel and is reported to host silver-lead-gold mineralisation including a copper soil anomaly along the Mt William Fault line between Dowds and Silver Spoon. The historic Glen Garry Mine is reported as being a shallow high grade gold reef.

EL5449 contains numerous historical mines and prospects as well as the Mt Camel Copper Show where native copper, cuprite and copper carbonates were exposed in costeans in 1906. Numerous gossans have also been identified at Mt Camel, Mt Ida and near Cornella. Aeromagnetic survey data collected over EL5449 by the former licence holders Fosterville Gold Mine is being assessed for possible re-processing by a consulting geophysicist with a view to confirming/rejecting previously identified prospects as well as generating new targets.

During the year, the company continued its review and assessment of the extensive amount of historical exploration data that has been accumulated over the past 40 years. The licence areas contain numerous historical mines and prospects as well as the Mt Camel Copper Show where native copper, cuprite and copper carbonates were exposed in costeans in 1906. Numerous gossans have also been identified at Mt Camel, Mt Ida and near Cornella. Existing open file data includes an aeromagnetic survey conducted by the former licence holders.

The company continues to evaluate the potential for re-processing the existing geophysical data with a consulting geophysicist with a view to confirming/rejecting previously identified prospects as well as generating new targets. Review and assessment of the extensive historical exploration database is ongoing with the inclusion of the additional project area from EL5490 with all historic prospects and results requiring verification prior to planning and undertaking suitable exploration programs. It is hoped that Dromedary Project has the potential to host additional satellite gold deposits similar to Golden Camel that are sufficiently robust to be exploited by small scale toll treatment operations.

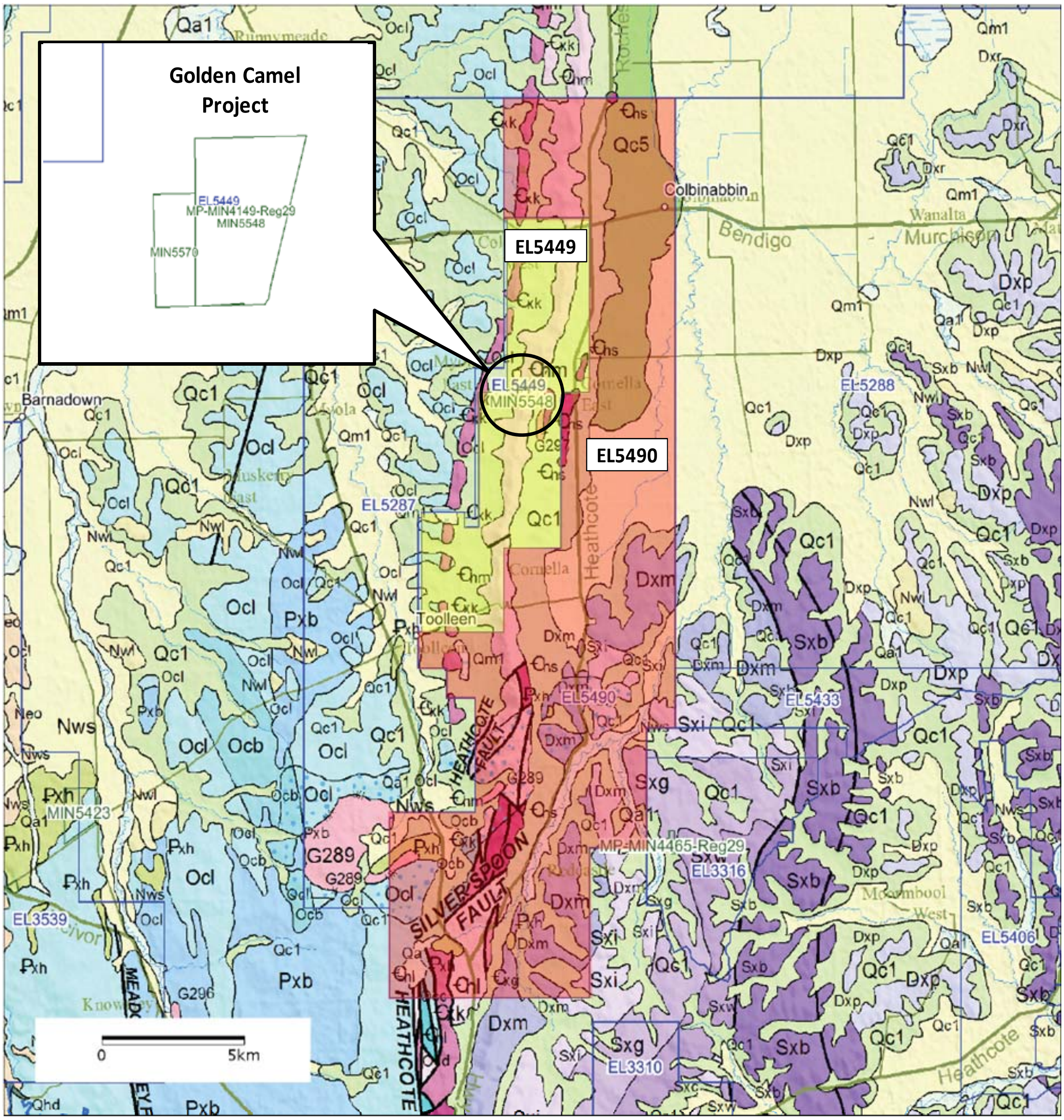


Figure 5– Exploration licences 5449 and 5490 over geology showing location of Golden Camel Project and coverage of prospective greenstone belt

**PITHARA PROJECT**

**Location : Pithara, WA**

The Pithara Gold Project is comprised of a single granted exploration licence (E70/3948) that covers 55km2 and is located approximately 15km southeast of Dalwallinu in Western Australia. The exploration licence was acquired from Geotech International Pty Ltd for $20,000 and the transfer registered to Iron Mountain Mining Ltd on 8 May 2013. Independence Group NL (ASX: IGO) was the first to identify the gold potential of the area in 2003 which eventually led to an aircore drilling program that identified coarse gold mineralisation within a glassy, laminated quartz vein adjacent to an amphibolite contact. The company's interest in E70/3948 stems from the internally excluded M70/1279 which contained the small high grade gold deposit discovered by IGO that was subsequently mined by McVerde Minerals Pty Ltd as a open cut toll treatment operation between 2010-2011 (see Fig.6).

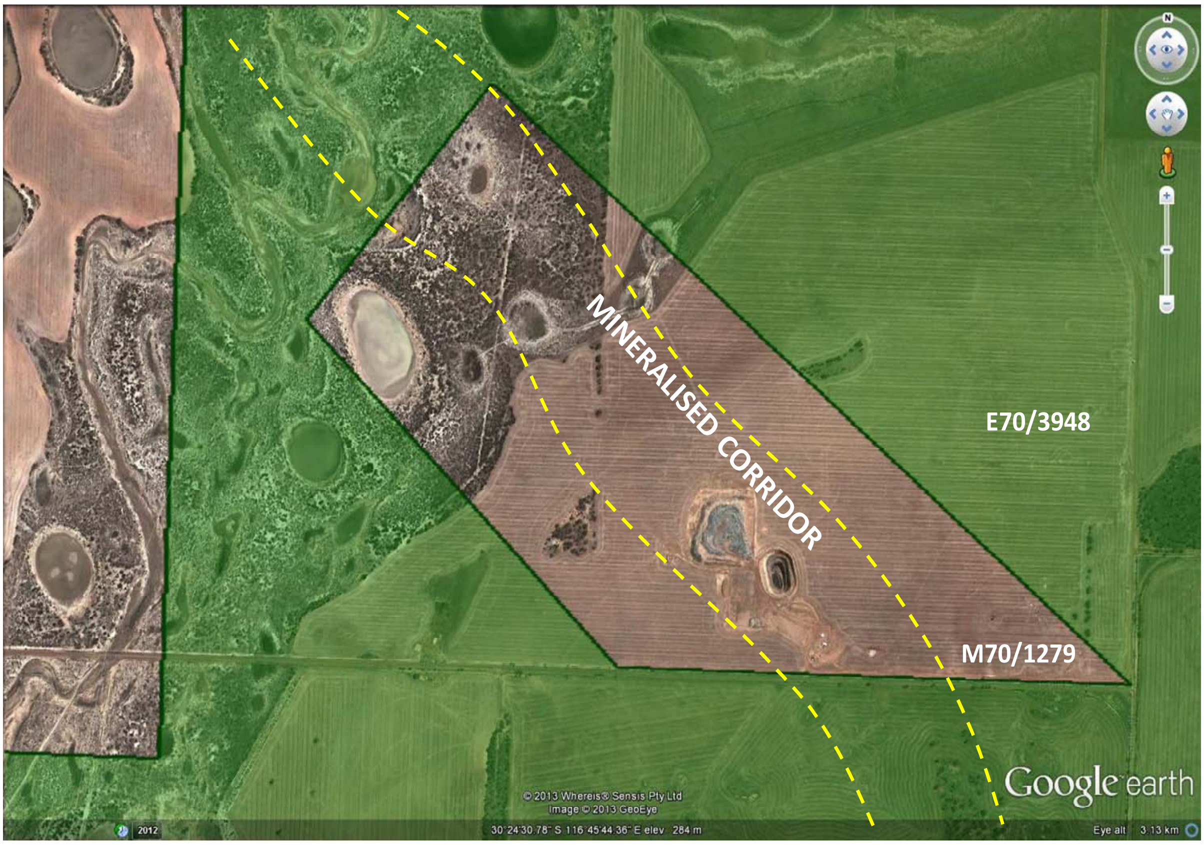


Figure 6 – Historically mined open cut within M70/1279 within defined mineralised corridor

A reconnaissance trip was undertaken during the year to gauge site access and local infrastructure as well as to meet with the landowner and inspect previous mining and drilling locations. Direct access to the project is by sealed road with a network of existing tracks providing excellent internal access to most areas. Remote locations can be accessed by traversing private land when not in use for agricultural purposes and with land owner consent given the almost flat topography. Numerous historical drilling sites around the northern and north western perimeter of M70/1279 within E70/3948 were located and inspected for vehicular and auger access (see Fig.7).

The company believes that the mineralised corridor identified by historical exploration continues into E70/3948 with potential drilling targets likely to be defined by localised geochemical auger sampling programs and geophysical surveys. The company is currently considering exploration options including the reprocessing of a past ground magnetic survey (2007) carried out by IGO followed by targeted geochemical auger sampling with a view to identifying coincident anomalies for assessment as potential drilling targets.

Figure 7 – Examining location of historical drill sites within E70/3948

**HMS PROJECT**

**Location : Horsham, Vic**

The company has completed a total divestment of the HMS Project in Victoria following a detailed review and evaluation of future project requirements. The HMS Project was comprised of 4 granted exploration licences covering over 400km2 over 5 known WIM-style heavy mineral sand (HMS) deposits within the Murray Basin in Western Victoria.

During the year, the company relinquished low priority Exploration Licences 5307 and 5356 and retained advanced Exploration Licences 5303 and 5305 for further development. Following ongoing evaluation of commercialisation options and discussions with interested parties, the company accepted an offer of A$50,000 for EL5305 from WIM Resource Pty Ltd (ASX:IRM, 19 Mar 2014) and a later offer of A$40,000 for EL5303 from Murray Zircon Pty Ltd (ASX:IRM, 23 May 2014). The sale of EL5305 and EL5303 was completed and reported on 23 May 2014 and 22 July 2014 respectively following the successful execution of all transfer documents and the full receipt of the agreed consideration. Completion of the sale of EL5303 marked the company's total divestment of the HMS Project in Victoria.

**BLYTHE RIVER PROJECT**

**Location : Burnie area, Tasmania**

Forward Mining Ltd is the owner/operator of the Blythe Magnetite Project in Tasmania which was acquired from 50:50 Blythe Joint Venture holders Iron Mountain Mining Ltd ("Iron Mountain") and Red River Resources Ltd ("Red River") on 27 June 2012. Terms of sale were amended to minimise financial impediments to development however total agreed consideration (A$6,300,000) remained unchanged. Following the receipt of a A$1,300,000 sale execution payment (Iron Mountain share A$650,000), the balance of the total consideration (A$5,000,000) remains payable to the previous 50:50 Project Joint

Venture partners Iron Mountain Mining Ltd and Red River Resources Ltd under the following restructured milestones:

- Payment of A$1,000,000 upon the first shipment of iron ore extracted from the Blythe Project tenements
- Payment of A$2,000,000 upon the first anniversary of the first shipment of iron ore extracted from the Blythe Project tenements
- Payment of A$2,000,000 upon the second anniversary of the first shipment of iron ore extracted from the Blythe Project tenements

The originally agreed royalty of 1.5% payable on the gross Free on Board revenue from all shipments of iron ore from the Blythe tenements also remains intact.

During the year, no project updates were received. Future updates on the status of the Blythe Project will be announced as provided by Forward Mining Ltd.

**MIAREE PROJECT**
**Location : Karratha, WA**
The Miaree Project is comprised of exploration licenses E08/1350, E47/1309 & E47/1707 (approximately 150km2) and are prospective for magnetite and gold. The project tenements are currently held under a joint venture between Iron Mountain Mining Ltd and Red River Resources Ltd ("RVR"). In 2011, Iron Mountain Mining opted not to progress to 70% by sole funding a further $2,000,000 but rather to continue under the non-contributory dilution provisions of the joint venture agreement. At 30 June 2014, the company's equity in the Miaree Project was 60.25%.

**Miaree Magnetite**
The Miaree Magnetite Project contains an independently estimated JORC Inferred Resource of 286Mt of magnetite at an overall grade of 31.36% Fe comprised of 177Mt @ 29.68% Fe based of 2008 drilling and 109Mt @ 34.10% Fe based on drilling undertaken in 2012 (see Table 5). The southern component of the Miaree resource within E08/1350 (109Mt @ 34.10% Fe) is southerly adjacent to Iron Ore Holdings Ltd ("IOH") Area B resource of 811Mt @ 31.0% Fe (see Fig.8) on which IOH has undertaken a Conceptual Study (ASX:IOH, 14 Dec 2012) and which is part of IOH's greater Maitland River Project Resource of 1.1Bt @ 30.4% Fe (ASX:IOH, 4 June 2012). The company continues to seek expressions of interest from a strategic partner or buyer with a view to a potential joint venture or outright sale of the project as a way of realising value from this key asset.

| Drilling | Tenements | Inferred Resource (Mt) | Fe (%) | $Al_2O_3$ (%) | $SiO_2$ (%) | P (%) | LOI (%) | Cut-off Fe (%) |
|---|---|---|---|---|---|---|---|---|
| 2008[1] | E08/1350, E47/1309 & E47/1707 | 177 | 29.68 | 3.18 | 43.80 | 0.05 | 1.80 | 25 |
| 2012[2] | E08/1350 | 109 | 34.10 | 1.76 | 42.27 | 0.07 | -0.82 | 25 |
| **TOTAL MIAREE INFERRED RESOURCE** | | **286** | **31.36** | **2.64** | **43.22** | **0.06** | **0.80** | **25** |

1 48 RC holes for 4229m, Av. Depth = 88m, Vertical resource projection to -125RL
2 6 RC holes for 2102m, Av. Depth = 350m, Vertical resource projection to -325RL

Table 5 – Summary of the Total Miaree Magnetite Inferred Mineral Resource at a 25% Fe head grade cut-off [3]

[3] Refer to announcement "Miaree Magnetite Project Maiden JORC Resource" (ASX 13 Aug 2012) for full details.

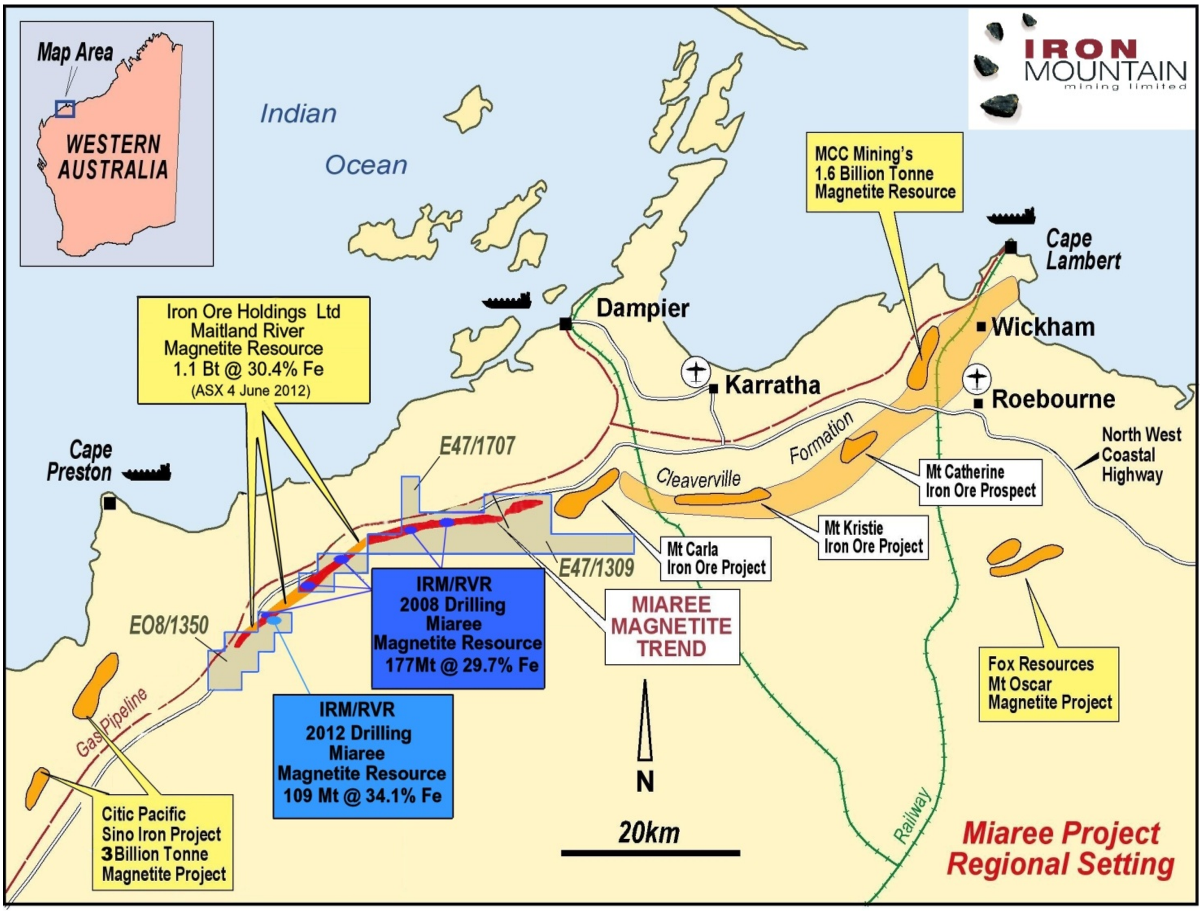


Figure 8 – Miaree Project tenements showing location of reported resources

**Miaree Gold**

The Miaree Gold Project is contained primarily within tenement E47/1309 and contains multiple prospect areas that have regularly returned high gold grades from past exploration including two phases of drilling. The controls on mineralisation are not yet fully understood and further evaluation is warranted. A Section 40E licence (P47/1725-S) was recently granted to applicants known to the company for the purposes of gold prospecting/exploration. Under a collaborative arrangement, any relevant prospecting/exploration results are to be shared with the company and added to the Miaree database.

**TREASURE PROJECT**

**Location : Alice Springs, NT**

The Treasure Prospect is comprised of EL25346 covering 101km2 located approximately 130km northeast of Alice Springs in the Northern Territory (see Fig.9). It was originally acquired as part of the Aluminex acquisition in December 2009 where it was subject to a Joint Venture Agreement with Mithril Resources Ltd ("Mithril"). On 4 September 2012, Mithril advised the company of their intention to withdraw from the Treasure JV as they had not met the necessary expenditure requirement. The Treasure Project hosts the Baldrick Prospect which has the potential to host Ni-Cu sulphide mineralisation.

On 17 September 2013, the company announced that it had signed an Option and Joint Venture Agreement with MMG Exploration Pty Ltd ("MMG") over the company's wholly owned Treasure Project (EL25346). Under the terms of the agreement, MMG can acquire up to 90% by sole funding A$3,000,000 of expenditure after which Iron Mountain can elect to contribute to further exploration in proportion to its participating interest or revert its stake in the project to a 1.5% net smelter return royalty. MMG is required to undertake A$1,000,000 of expenditure in the first three years (Stage 1) and a further $A1,000,000 in the following two years (Stage 2) to earn 80%. Following satisfactory execution of Stage 2, MMG can undertake a further A$1,000,000 of expenditure (Stage 3) to lift its equity in EL25346 to 90%.

During October-November 2013, MMG completed a high resolution aeromagnetic survey which partly covered Treasure Project tenement EL25346 (see Fig.10). The survey was flown at 50m spacings and heights of less than 50m to optimise the definition and interpretation of subtle signatures indicative of potential target intrusions. The current exploration focus is centered on the prospective Lloyd Gabbro Suite of intrusives. A preliminary image of the recently acquired data provided by MMG revealed some potentially interesting intrusion-like anomalies that warrant further assessment. As part of a larger proposed regional drilling program, MMG subsequently planned to drill three reverse circulation holes within the Treasure JV area to test three possible occurrences of the Lloyd Gabbro Suite of intrusive with drilling originally scheduled for July-August 2014.

MMG subsequently undertook a technical review of the Treasure Project including their broader area-of-interest and have decided to place their previously proposed RC drilling program on hold. Latest modelling of magnetic anomaly targets initially selected for drilling revealed that many of the anomalies do not appear to be large enough in size to meet MMG company target size criteria. As a result, MMG have elected to proceed with a more targeted ground EM program over some selected areas in the adjoining tenure with the goal of direct detection of mineralisation in contrast to the more 'wild cat' style of drill testing originally proposed. MMG has indicated that if the revised proposal generates encouraging ground EM survey results, follow-up drill testing may occur. At this stage, MMG are looking to undertake the ground EM surveys in late July 2014. Future updates on the status of the Treasure JV will be announced as provided by MMG.

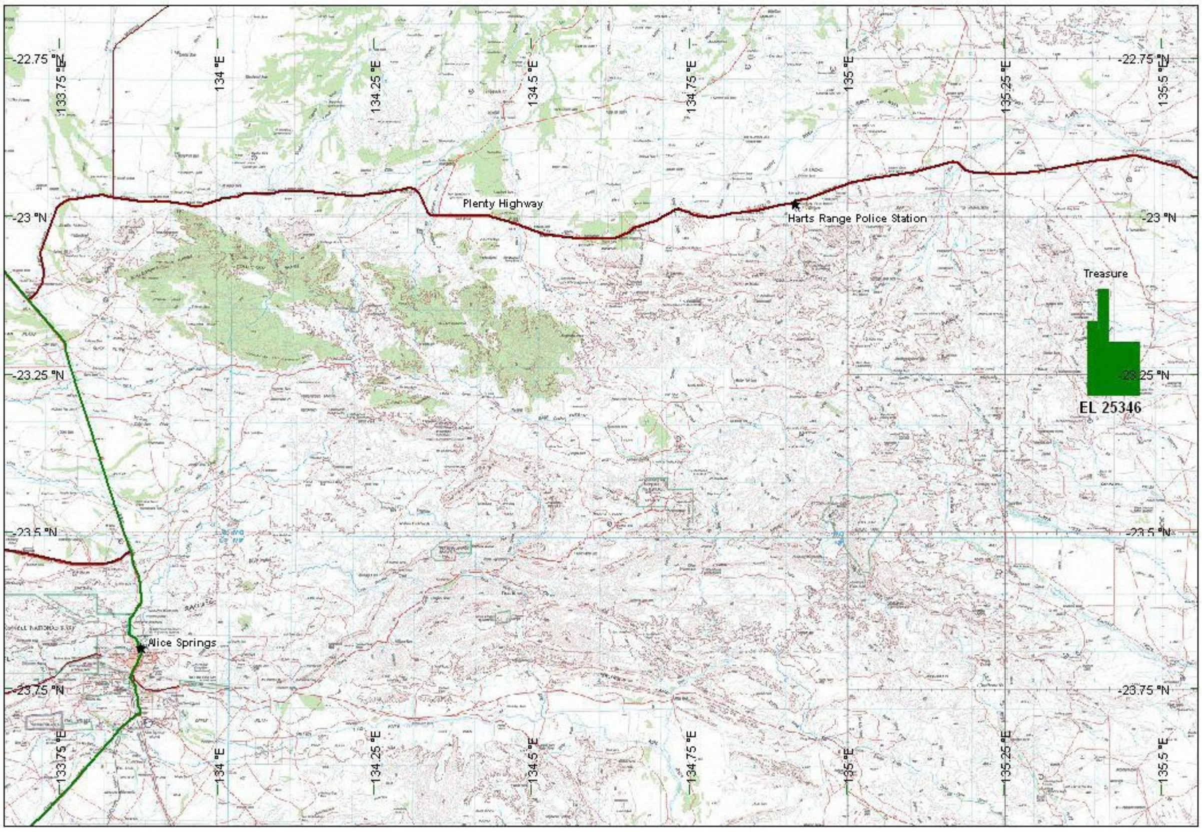


Figure 9 – Location of EL25346.

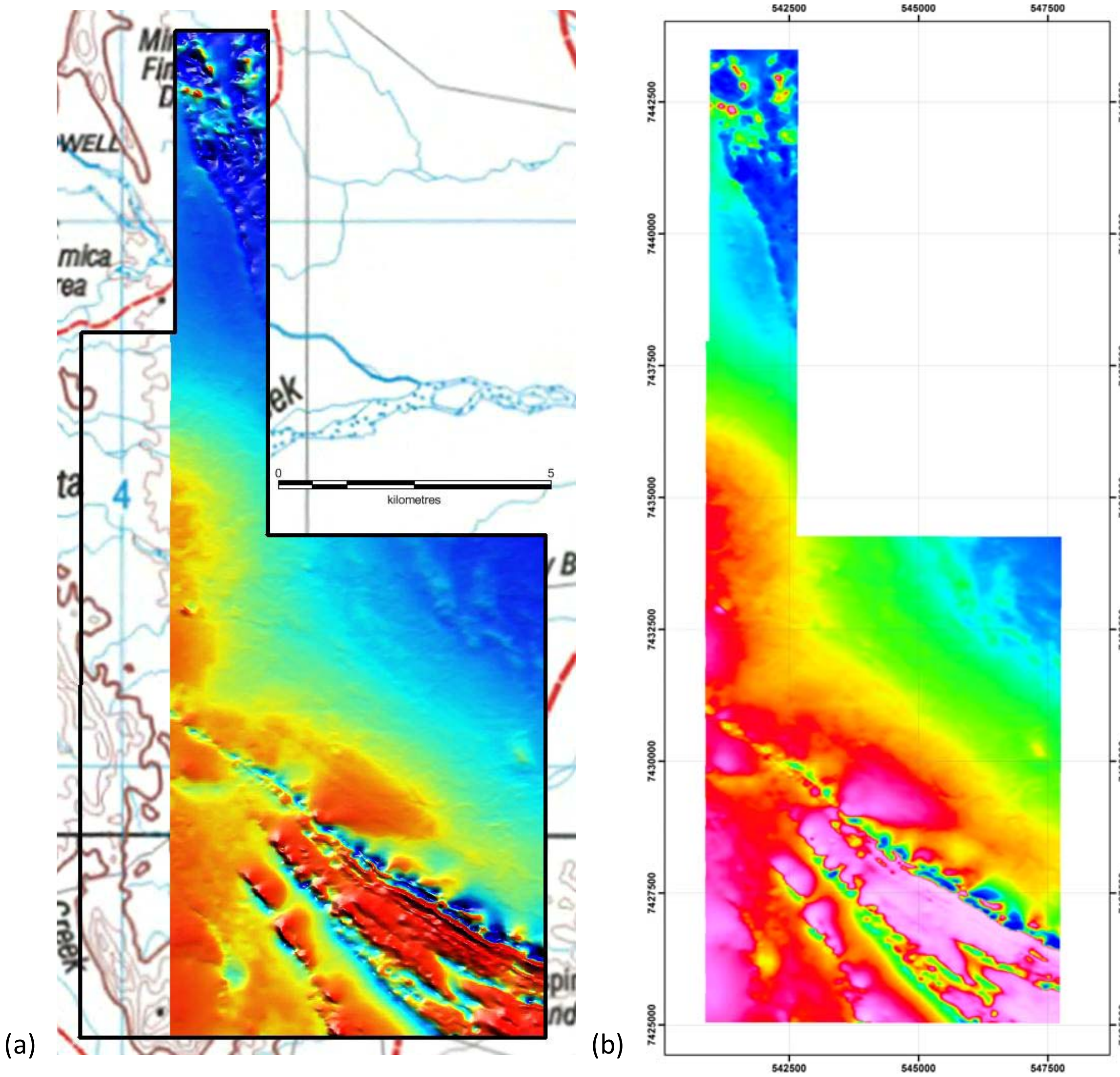


Figure 10 – (a) Survey area coverage with respect to EL25346 tenement boundary (black polygon); and (b) Total Magnetic Intensity (TMI) aeromagnetic data within EL25346.

**MT RICHARDSON PROJECT**

**Location : Eastern Goldfields, WA**

The Mt Richardson Project is comprised of a single exploration licence (E29/571) located approximately 130km west of the township of Leonora with access via the Menzies-Sandstone road. Cliffs Asia Pacific Iron Ore Pty Ltd ("Cliffs") is the owner of E29/571 following finalisation of the sale of the Mt Richardson Project on 13 July 2010. Iron Mountain Mining retains a royalty of 2% on average/tonne FOB sales value of iron ore product that departs E29/571 as well as a one off payment of AUD 0.50 per dry metric tonne on tonnages in excess of independently evaluated Indicated or Measured resources of 10,000,000 tonnes.

No updates were received on the progress at Mt Richardson during the year. Future updates on the status of the Mt Richardson Project will be announced as provided by Cliffs.

## WANDOO PROJECT

**Location : 100km north of Perth, Western Australia**

The Wandoo Project tenements were sold to Alpha Bauxite Pty Ltd in August 2012 for A$4,000,000. Iron Mountain Mining Ltd retains a royalty of A$0.75 per Dry Metric Tonne on future production of bauxite ore transported from the Wandoo Project tenements payable within 30 days of the end of each quarterly reporting period. Total Inferred Resources of bauxite at Wandoo at the time of the sale was 89.3Mt @ 41.75% $Al_2O_3$.

No update was received on the progress of the Wandoo Project during the year. Future updates on the status of the Wandoo Project will be announced as provided by Alpha Bauxite Pty Ltd.

**Alpha Bauxite Pty Ltd**

Alpha Bauxite is a private company comprised of Chinese Aluminium Industry and Australian investors led by THTF Australia Mining Pty Ltd ("TAM"). TAM is a Chinese backed Australian company with a mandate to identify mineral resource investment opportunities in Australia and other emerging regions by leveraging their in-house technical capabilities and Chinese funding to invest in or acquire key mining and exploration assets for expedited development. The Chinese shareholders of TAM include Hong Kong THTF Co. Ltd (part of the THTF group), Chengdu Rolar Investment Ltd (a private multiple business) and Hainan Mining Co. Ltd (controlled by the Fosun Group). TAM is working in partnership with a Chinese aluminium industry company interested in securing a safe long-term supply of bauxite.

## ELVIRE PROJECT

**Location : Pilbara, WA**

Following a review the project with a view to assessing whether any self-funded exploration could be justified given prevailing market conditions, the company determined that no further work was justified and the tenement was surrendered.

## RELINQUISHED PROJECTS

As part of ongoing project evaluation, all tenements are regularly reviewed to assess prospectivity and to determine whether any further work is justified or warranted. During the course of the year, the following tenements were sold, surrendered, withdrawn or relinquished:

- EL5303 (Vic HMS)
- EL5305 (Vic HMS)
- EL5307 (Vic HMS)
- EL5356 (Vic HMS)
- E04/2329 (West Kimberley, WA)
- E04/2330 (West Kimberley, WA)
- E47/1823-I (Mt Elvire, WA)

## FINANCIAL

Loss for the year ended 30 June 2014 is largely in line with the prior year. In the current financial year there were a number of one off items impacting the loss from operations, including impairments on exploration and evaluation expenditure, impairments on available for sale financial assets as well as a gain on the sale of Red River Resources Limited. Underlying operating costs from on-going exploration activities remained consistent with the prior year as management focuses on the efficient and cost effective operation of the group's exploration program.

*Financial position*

At the end of the 2014 financial year the group has net assets of $3,222,082 including cash reserves of $2,290,299. As indicated the group has made a number of strategic investments and divestments during the year to improve the group's exploration assets and financial position in general.

## CORPORATE

During the year, the company announced and undertook a takeover bid for an illiquid and distressed listed company in which it shared project joint ventures. On 6 June 2013, the company announced its intention to make an off market takeover bid for all the shares and options in Red River Resources Ltd

("RVR") comprised of $0.015 for every RVR share plus 1 Iron Mountain Mining Ltd ("IRM") share for every 6 shares held in RVR. At the close of the offer on 13 August 2013, IRM held 47,914,512 shares in RVR being 69.11% 69,330,005 of the total ordinary shares on issue. As part of the offer, the company issued 7,685,914 new shares and now has a total of 135,933,713 fully paid ordinary shares on issue. As a result of the ongoing depressed nature of capital markets for junior explorers and ongoing funding difficulties, the company subsequently announced its decision to sell its shareholding in RVR for $320,000. The 47,914,512 shares in RVR held by the company was sold to various sophisticated and professional investor clients of corporate advisory firm Beer & Co. Settlement of the sale was announced on 28 March 2014.

On 15 July 2103, the company announced that the sale of its exploration office at 113 Mackie St Victoria Park WA had settled. Net proceeds to the company as a result of the sale amounted to $632,239.

A nomination for Rothsay Chartered Accountants to replace BDO Audit (WA) was announced on 3 October 2013 for approval at a General Meeting of the Company. The resolution to remove BDO Audit (WA) and appoint Rothsay Chartered Accountants as company auditor was passed at the Annual General Meeting of the Company on 22 November 2013.

A Notice of General Meeting to consider an Equal Capital Reduction for the return of approximately $1,359,337 to shareholders equivalent to $0.01 per share for all 135,933,713 IRM shares on issue was announced on 19 December 2013 and subsequently approved by shareholders at a General Meeting on 15 January 2014. The Capital Reduction was completed on 31 January 2014 with the dispatch of cheques to all shareholders.

The company announced the resignations of David Zohar as Director and Shoshanna Zohar as Company Secretary on 11 February 2014 and 19 February 2014 respectively. Suraj Sanghani was appointed as Company Secretary on 19 February 2014.

Former company director David Zohar had been the subject of charges brought by the Australian Securities & Investments Commission in connection with his conduct concerning Aluminex Resources Limited (Aluminex), a wholly owned subsidiary of the Company (ASIC Charges). Pursuant to an agreement between the Company and Mr Zohar, the Company funded certain legal costs of that former director in defending the ASIC Charges. Following the resignation of Mr Zohar as a director of the Company in February 2014 and his subsequent guilty plea in respect of the ASIC Charges, the Company has commenced the process of seeking recovery of all payments made by the Company for legal costs incurred in Mr Zohar's defence of the ASIC Charges. Total defence costs which the Company will seek to recover are approximately $590,000.

The company reported on 2 May 2014 that former director David Zohar ceased to be a substantial shareholder in the company following the off-market sale of his total shareholding (31.2%). The company subsequently welcomed substantial holders Bright Bell Pty Ltd (5.85%) and Boonjarding Resources Ltd (5.85%) to the register on 6 May 29014.

The company also announced changes to its board on 13 May 2014 which included the appointment of Mark Gwynne as Chairman and Brett Smith as Non-Executive Director. The new board appointments followed the resignations of Simon England (Chairman) and Zeke Pervan (Non-Executive Director). The Company extended its thanks to Simon and Zeke for their past services and were excited to welcome such technically experienced and well credentialed appointments to the board as their replacements.

*The information within this report as it relates to geology and mineral resources was compiled by Mr Robert Sebek. Mr Sebek is a Member of the Australian Institute of Mining and Metallurgy. Mr Sebek has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration 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, the JORC Code". Mr Sebek is employed by Iron Mountain Mining Ltd and consents to the inclusion in the report of the matters based on information in the form and context which it appears.*

Your directors present their report on the consolidated entity consisting of Iron Mountain Mining Limited (Group or Consolidated Entity) and the entities it controlled at the end of, or during, the year ended 30 June 2014.

**DIRECTORS**

The following persons were directors of the Group during the whole of the financial year and up to the date of this report.

**MARK GWYNNE (Appointed 13 May 2014)**
**Non- Executive Chairman**
Mr Gwynne has 22 years experience in senior and corporate management of resource companies registered and listed in Australia and the United Kingdom, with operations in Australia, Africa, South America and the Former Soviet Union. Mr Gwynne has extensive experience in project acquisition and development in precious and base metals and oil and gas and has undertaken extensive capital raising and marketing for several companies. Mr Gwynne is currently a director of ASX listed FE Limited and has previously been a director of a number of ASX listed companies in the past three years including Kupang Resources Limited, Orca Energy Limited, International Goldfields Limited. He was also previously a director of NSX listed International Petroleum Limited.

Mr Gwynne indirectly holds 1,060,837 ordinary shares in Iron Mountain Mining Limited

**SIMON CHRISTOPHER ENGLAND (Resigned 13 May 2014)**
**LLB(HONS) BCOM GAICD**
**Chairman**

Mr England is a lawyer with over 15 years experience in private practice. He has considerable experience in all areas of commercial law including the formation and listing of public companies on the ASX and ASX compliance requirements for listed companies. He has been involved in many agreements between various participants in the mining industry. He has completed the Australian Institute of Company Directors Course for Company Directors.

Mr England's other directorships with public companies in the past three years is Actinogen Ltd.

Mr England indirectly holds 1,420,834 ordinary shares in Iron Mountain Mining Ltd.

**ROBERT SEBEK**
**B.App.Sc, B.Sc (Hons), MBA, MAusIMM**
**Managing Director**

Mr Sebek is a geologist with over 19 years experience in the resources sector including exposure to import/export analysis and negotiations. He has held senior mining and exploration positions as well as consulting roles in the fields of metals refining and tenement management. Prior to his appointment, Mr Sebek was employed as an analyst with CommSec (Commonwealth Bank of Australia) providing technical input on mining and exploration projects. Mr Sebek was also a Non-Executive Director of Eagle Nickel Ltd and has not held any other Directorships apart from Iron Mountain Mining Ltd and Eagle Nickel Ltd in the past three years.

Mr Sebek holds nil shares and 6,000,000 options in Iron Mountain Mining Ltd.

**Dr ZHUKOV PERVAN (Resigned 13 May 2014)**
**MB BS (WA), FRACGP, FAICD**
**Non-Executive Director**

Dr Pervan is a Doctor of Medicine with over 35 years experience in various capacities in Western Australia. He has consulted to several university and government bodies in many areas. He has conducted original research in collaboration with the University of Western Australia Departments of Microbiology and Human Movement. This research has been published in international journals. In the past Dr Pervan has served as a Director of several public companies involved in exploration and in the general commercial world, including Agforce Ltd, Gold Lake Mining Pty Ltd, Innovative Coatings Ltd and Visionglow Global Ltd. Directorships of listed public companies over the past three years are Actinogen Ltd, Elysium Resources Ltd (formerly United Orogen Ltd) Eagle Nickel Ltd and Red River Resources Ltd.

Dr Pervan holds 3,031,427 ordinary shares in Iron Mountain Mining Ltd.

**BRETT SMITH (Appointed 13 May 2014)**
**BSc (Hons), MAusIMM, MAIG, MAICD**
**Non-Executive Director**

Mr Smith has acquired more than 25 years of experience in the mining and exploration industry as a geologist, manager, consultant and director in Australia, North & South America and Africa. His industry experience is broad, dominated by exploration and resource definition for mining operations. He is currently the Managing Director of Corazon Mining Ltd and Non-Executive Director of Cauldron Energy Ltd, Metals of Africa Ltd and Jacka Resources Ltd. Other Directorships in the past three years include Blackham Resources Limited and Eclipse Uranium Limited.

Mr Smith indirectly holds 1,060,837 ordinary shares in Iron Mountain Mining Limited

**DAVID ALAN ZOHAR (Resigned 11 February 2014)**
**BSc DipEd**
**Executive Director**

Mr Zohar has undertaken undergraduate studies in Geology and post graduate studies in Accountancy and Commercial Law. He has been active in the exploration industry for over 20 years. He has been a director and/or CEO of a number of exploration companies and has also negotiated numerous agreements with various companies and other participants within the mining industry.

He has been involved in the formation and/or listing on the ASX of several public mining companies. Directorships of other listed public companies over the past three years are Red River Resources Limited, Elysium Resources Ltd (formerly United Orogen Ltd), Eagle Nickel Ltd, and Actinogen Ltd.

Mr Zohar indirectly holds 30,000,000 options in Iron Mountain Mining Ltd.

**Company Secretaries**

**SURAJ SANGHANI (Appointed 19 February 2014)**
**BCom CA ACIS**

Mr Sanghani is a chartered accountant with over 8 years experience in the auditing and accounting profession and in commerce. This included roles with Ernst & Young, as well as roles with a number of ASX listed exploration companies operating domestically and internationally.

Mr Sanghani has a Bachelor of Commerce Degree from the University of Western Australia and is a member of the Institute of Chartered Accountants in Australia and the Governance Institute of Australia

Mr Sanghani has previously been company secretary of Actinogen Ltd, Eagle Nickel Ltd and Red River Resources Ltd. He was also a Director of Red River Resources Limited in the last three years.

Mr Sanghani indirectly holds 142,000 ordinary shares and 250,000 options in Iron Mountain Mining Ltd.

**SHOSHANNA ZOHAR (Resigned 19 February 2014)**

Ms Zohar serves is a lawyer with over five years of experience. She has a Bachelor of Laws from the Murdoch University and has previously worked in law firms practicing in corporate law, including Minter Ellison and Clavey Legal.

Ms Zohar has also been the Company Secretary of Actinogen Ltd and Red River Resources Ltd. The only other company secretarial position held in the past three years was Elysium Resources Ltd (formerly United Orogen Ltd).

Ms Zohar holds no ordinary shares or options in Iron Mountain Mining Ltd.

**Principal Activities**

The principal activity of the Group during the course of the financial year was mineral exploration.

**Dividends**

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

**Review of Operations**

Information on the operations of the group and its business strategies and prospects is set out in the Review of Operations and Activities on pages 5 to 20 of this annual report.

**Significant changes in the state of affairs**

The following significant changes in the state of affairs of the Group occurred during the financial year.

On 15 July 2013 Iron Mountain Mining Limited has announced settlement on the sale of its property 113 Mackie Street, Victoria Park, WA. Net proceeds to the company from the sale amounted to $632,239.

On 15 August 2013 the Company announced that at the close of the takeover offer to acquire all of the shares in Red River Resources Limited it had received acceptances totalling 47,914,512 shares representing 69.11% of the issued shares of Red River Resources Limited. The Company issued a total of 7,685,914 shares and paid $691,717.76 as consideration.

On 31 January 2014 the Company announced that it had completed a capital reduction representing a a payment of $0.01 per share for a total cash outflow of $1,359,337

On 12 March 2014 the Company announced the sale of its equity stake in Red River Resources Limited for $320,000. This settled on 28 March 2014.

On 13 March 2014 the Company announced the commencement of proceedings to recover legal costs from former Director David Zohar that the company incurred in defending charges in which he plead guilty.

**Matters Subsequent to the End of the Financial Year**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**Likely Developments and Expected Results of Operations**

The Company will continue to focus on the exploration of minerals. This may or may not include seeking expressions of interest for the sale of non-core projects and assets.

**Environmental Regulation**

The directors believe the Group is not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

*Greenhouse Gas and Energy data reporting requirements*

The group is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the group to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the group intends to take as a result.

The National Greenhouse and Energy Reporting Act 2007 require the group to report its annual greenhouse gas emissions and energy use.

For the year ended 30 June 2014 the group was below the reported threshold for both legislative reporting requirements therefore is not required to register or report. The group will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

**Greenhouse Gas and Energy data reporting requirements**

The Group has assessed its reporting obligations under the National Greenhouse and Energy Reporting Act 2007 and Energy Efficiency Opportunities Act 2006. For the year ended 30 June 2014, the Group was below the reported thresholds for both legislative reporting requirements, therefore is not required to register or report. The Group will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

**Directors' Meetings**

The following table sets out the number of meetings of the Company's Directors held while each Director was in office and the number of meetings attended by each Director:

| | **Board Meetings** | |
|---|---|---|
| **Director** | **Number of meetings held** | **Number of meetings attended** |
| Mark Gwynne | 2 | 2 |
| Brett Smith | 2 | 2 |
| Robert Sebek | 7 | 7 |
| David Alan Zohar | 3 | 3 |
| Simon Christopher England | 5 | 5 |
| Dr Zhukov Pervan | 5 | 5 |

**REMUNERATION REPORT (AUDITED)**

The information contained in the remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

**Principles used to determine the nature and amount of remuneration**

The Group's policy for determining the nature and amount of emoluments of board members and senior executives are as follows:

**Executive Remuneration**

The Group's remuneration policy for Executive Directors is designed to promote superior performance and long term commitment to the Group. Executives receive a base salary which is market related. Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the best interests of the Group and its shareholders to do so. The Board's reward policy reflects its obligation to align executive's remuneration with shareholders' interests and retain appropriately qualified executive talent for the benefit of the Group. The main principles of the policy are:

- Reward reflects the competitive market in which the Group operates;
- Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Refer below for details of Executive Directors' remuneration.

**Non-Executive Remuneration**

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Board recommends the actual payments to directors. The maximum aggregate remuneration approved for non-executive directors is currently $250,000 (2013: $250,000). All directors are entitled to have indemnity insurance paid by the Group which is currently $12,375 (2013: $12,183).

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Refer below for details of Non-Executive Directors' remuneration.

Executives are also entitled to participate in the employee share and option arrangements. Refer to Note 18(b) to the financial report for details of all Directors' share and option holdings.

The Executive Directors and Executives receive a superannuation guarantee contribution required by the government, which, as at 30 June 2014 was 9.25% (increases to 9.5% from 1 July 2014), and do not receive any other retirement benefits.

All remuneration paid to Directors and Executives is valued at the cost to the Group and expensed. Options are valued using either the Black-Scholes or binomial methodologies.

The Board 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, during the year no advice was sought. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. 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 Iron Mountain Mining Ltd and are able to participate in an employee option plan (none adopted to date).

**Performance Based Remuneration**

The Group currently has no performance based remuneration or short or long term incentives component built into Director and Executive remuneration packages.

The Board believes that as the Group is in its start up phase of development it is not feasible to establish meaningful Key Performance Indicators from which to base Director and Executive remuneration packages. Once the Group is more fully established the Board will reconsider this policy.

**Use of remuneration consultants**

For the year ended 30 June 2014, the Group did not employ any remuneration consultants to provide recommendations on employee remunerations matters.

**Remuneration governance**

The Group has not established a remuneration committee due to the relatively small size and early stage of development of the Group. The Board as a whole monitors the activities normally reserved for a remuneration committee.

The Corporate Governance Statement provides further information on the role of the Board in this context.

**Details of Remuneration**

Details of the remuneration of the directors and key management personnel of the group are set out below.

The Key Management Personnel of the Group are the directors and company secretaries.

**Directors:**
Mark Gwynne (Non-Executive Director)(Appointed 13 May 2014)
Brett Smith (Non-Executive Director) (Appointed 13 May 2014)
David Alan Zohar (Executive Director) (Resigned 11 February 2014)
Simon Christopher England (Non-Executive Chairperson) (Resigned 13 May 2014)
Robert Sebek (Managing Director)
Dr Zhukov Pervan (Non-Executive Director) (Resigned 13 May 2014)

**Company Secretaries:**
Suraj Sanghani (Appointed 19 February 2014)
Shoshanna Zohar (Resigned 19 February 2014)

**General Counsel:**
Shoshanna Zohar (Resigned 19 February 2014)

**Key Management Personnel Remuneration:**

**2014**

| | Short Term | | Post-employment | Share based payments | | | Value of Share Based payments as a % of total remuneration |
|---|---|---|---|---|---|---|---|
| **Name** | **Cash salary and fees $** | **Non-monetary benefits $** | **Superannuation $** | **Options $** | **Shares $** | **Total $** | |
| **Directors** | | | | | | | |
| Robert Sebek | 182,428 | 15,948 | 14,222 | - | - | 212,598 | 0.00% |
| Mark Gwynne | 8,737 | - | 808 | - | - | 9,545 | 0.00% |
| Brett Smith | 8,740 | - | - | - | - | 8,740 | |
| Dr Zhukov Pervan | 78,000 | - | - | - | - | 78,000 | 0.00% |
| David Zohar | 157,135 | - | - | - | - | 157,135 | 0.00% |
| Simon England | 65,000 | - | - | - | - | 65,000 | 0.00% |
| **Company Secretary/ General Council** | | | | | | | |
| Suraj Sanghani[1] | 125,124 | - | 11,100 | - | - | 136,224 | 0.00% |
| Shoshanna Zohar[2] | 92,000 | - | 8,510 | - | - | 100,510 | 0.00% |
| Total | 717,164 | 15,948 | 34,640 | - | - | 767,752 | 0.00% |

[1] Suraj Sanghani was appointed as company secretary on 19 February 2014. Included in this amount is a total of $5,124 paid to an associate of Suraj for conveyanceing and corporate Services. These services were provided on an arm's length basis.
[2] Ms Shoshanna Zohar resigned on 19 February 2014.

**2013**

| Name | Short Term: Cash salary and fees $ | Short Term: Non-Monetary Benefits $ | Post-employment: Superannuation $ | Share based payments: Options $ | Share based payments: Shares $ | Total $ | Value of Share Based payments as a % of total remuneration |
|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | |
| Robert Sebek | 180,000 | 15,857 | 16,200 | 68,000 | - | 280,057 | 24.28% |
| Dr Zhukov Pervan | 64,500 | - | - | - | - | 64,500 | 0.00% |
| David Zohar | 210,915 | - | - | - | - | 210,915 | 0.00% |
| Simon England | 65,000 | - | - | - | - | 65,000 | 0.00% |
| **Company Secretary/ General Council** | | | | | | | |
| Suraj Sanghani[1] | - | - | - | - | - | - | 0.00% |
| Shoshanna Zohar[2] | 138,000 | - | 12,420 | - | - | 150,420 | 0.00% |
| Total | 658,415 | 15,857 | 28,620 | 68,000 | - | 770,892 | 8.82% |

[1] Suraj Sanghani resigned from the position of company secretary on 4 July 2012
[2] Ms Shoshanna Zohar was appointed company secretary on 4 July 2012.

**Share Based Compensation**

The terms and conditions of the grant of options affecting remuneration in the prior reporting periods are as follows:

| Director | Options issued as compensation | Issue Date / date vested and exercisable | Value per option at grant date (cents) | Exercise price (cents) | Expiry Date |
|---|---|---|---|---|---|
| Robert Sebek | 2,000,000 | 1 June 2011 | 7.59 | 20 | 1 May 2016 |
| Robert Sebek | 4,000,000 | 30 November 2012 | 0.17 | 10 | 28 November 2017 |

Options issued under the plan contain no dividend or voting rights.

When exercised, each option is converted in to one ordinary share.

The assessed fair value of the options at grant date is calculated in accordance with AASB 2 Share-based Payments. The values are determined using a Black-Scholes pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

No options have been issued during this financial year.

The exercise price of each of these options was reduced by $0.01 each due to the capital reduction paid by the company on 31 January 2014.

**Additional Information**

The table below sets out the performance of the Group and the consequences on shareholders' wealth for the past five years:

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Quoted price of ordinary shares at period end (cents) | 1.4 | 2.1 | 2.8 | 8.7 | 5 |
| Quoted price of options at period end (cents) | - | - | - | 0.7 | 2.3 |
| Earnings / (loss) per share | (1.70) | (1.82) | (2.76) | 1.13 | 0.00 |
| Dividends paid | - | - | - | - | - |

**Service Agreements and Remuneration Commitments**

From 1 January 2014, Robert Sebek's service agreement was amended such that he has fixed term contract expiring 1 January 2016.

The value of the service agreement is as follows:

| 30 June 2014 | Mr Sebek |
|---|---|
| Due within 1 year | 231,238 |
| Due later than 1 year | 105,974 |
| Total | 337,212 |

Apart from the above agreement described there are no outstanding commitments payable to any of the key management personnel as at 30 June 2014.

**Securitisation Policy**

Iron Mountain Mining Limited's security trading policy provides guidance on acceptable transactions in dealing in the Company's various securities, including shares, debt notes and options. Iron Mountain Mining Limited's security trading policy defines dealing in company securities to include:

(a) Subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things;

(b) Advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in Company Securities; and

(c) Entering into agreements or transactions which operate to limit the economic risk of a person's holdings in Company Securities.

The securities trading policy details acceptable and unacceptable times for trading in Company Securities including detailing potential civil and criminal penalties for misuse of "inside information". The Directors must not deal in Company Securities without providing written notification to the Chairman. The Chairman must not deal in Company Securities without the prior approval of the Chief Executive Officer. The Directors are responsible for disclosure to the market of all transactions or contracts involving the Company's shares.

The Iron Mountain Mining Limited Employee Option Plan rules contain a restriction on removing the 'at risk' aspect of the options granted to key management personnel and executives. Participants in the Iron Mountain Mining Limited Employee Option Plan may not enter into derivative transactions with third parties to eliminate the performance element of the options. This rule is enforced via an annual declaration of compliance by all option plan participants.

**Voting and comments made at the company's 2013 Annual General Meeting.**

Iron Mountain Mining Ltd received more than 76.6% of "yes" votes on its remuneration report for the 2013 financial year.

**End of remuneration report (audited)**

**Shares under Option**

Unissued ordinary shares of Iron Mountain Mining Ltd under option at the date of this report are as follows:

| Date options granted | Expiry Date | Issue price of shares | Number under option |
|---|---|---|---|
| 1 June 2011 | 1 May 2016 | 19 cents | 2,000,000 |
| 3 June 2011 | 1 May 2016 | 19 cents | 30,000,000 |
| 30 November 2012 | 28 November 2017 | 9 Cents | 5,250,000 |

No option holder has any right under the options to participate in any other share issue of the Company.

No shares were issued during the year ended 30 June 2014 on the exercise of options granted.

**Indemnifying Officers**

All current directors have been indemnified by the Company for costs incurred, in their capacity as Directors, for which they may be held personally liable. During the financial year, Iron Mountain Mining Ltd paid a premium of $12,375 (GST inc)(2013: $12,183 (GST incl)) to insure the directors and secretaries of the company and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of group entities and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their positions or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

**Proceedings on behalf of the Group**

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

The Group was not a party to any such proceedings during the year.

**Non-audit Services**

No non-audit services were provided to the Group by the Group's auditors during the year ended 30 June 2013. Non-audit services are only provided by the Group's auditors where the Board of Directors is satisfied that the provision of non-audit related services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.*

**Auditor's Independence Declaration**

The auditor's independence declaration as required under *section 307C of the Corporations Act 2001,* for the year ended 30 June 2014 has been received and is set out on page 30.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

**Robert Sebek**
**Director**
16 September 2014
Perth, Western Australia

ROTHSAY

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P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Iron Mountain Ltd
Level 7
231 Adelaide Terrace
Perth WA 6000

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 30 June 2014 financial statements; and

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

GRSwan

Graham R Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 16 September 2014

Chartered Accountants

# IRON MOUNTAIN MINING LIMITED
# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## For the year ended 30 June 2014

| | Note | 2014<br>$ | 2013<br>$ |
|---|---|---|---|
| Revenue from continuing operations | 5 | 125,522 | 348,164 |
| Other Income | 5 | 1,024,007 | 588,297 |
| Administration | | (843,497) | (934,841) |
| Exploration costs | | (214,101) | (586,050) |
| Depreciation | 12 | (35,515) | (37,075) |
| Employment costs | | (1,125,152) | (1,218,050) |
| Impairment of available for sale financial assets | 11 | (342,092) | (73,275) |
| Impairment of related party loans | | - | (230) |
| Impairment of Property | 12 | - | (275,279) |
| Impairment of exploration and evaluation expenditure | 13 | (1,064,587) | (71,860) |
| Loss on disposal of property plant and equipment | | (10,386) | - |
| Loss on sale of available for sale financial asset | | (155) | - |
| Loss on deregistration of Aluminex Resources Ltd | | (9,429) | |
| Share of net loss of associates accounted for using the equity method | 31 | (61,810) | (21,304) |
| Loss on disposal of treasury shares | | - | (237,323) |
| **(Loss) before Income Tax** | | (2,557,195) | (2,518,826) |
| Income tax (expense) / benefit | 6 | 274,357 | - |
| **(Loss) for the Year** | | **(2,282,838)** | **(2,518,826)** |
| Profit is attributable to | | | |
| Owners of Iron Mountain Mining Limited | | (2,215,686) | (2,442,764) |
| Non-controlling interest | | (67,152) | (76,062) |
| | | (2,282,838) | (2,518,826) |
| **Other Comprehensive Income** | | | |
| *Items that may be reclassified to profit and loss* | | | |
| Changes in the fair value of available for sale financial assets | 11 | - | (4,715) |
| **Total comprehensive (loss) for the year** | | **(2,282,838)** | **(2,523,541)** |
| *Total comprehensive (loss) is attributed to:* | | | |
| Owners of Iron Mountain Mining Limited | | (2,215,686) | (2,447,479) |
| Non-controlling interest | | (67,152) | (76,062) |
| | | (2,282,838) | (2,523,541) |
| **(Loss) per share attributed to the Owners of Iron Mountain Mining Limited** | | | |
| Basic loss per share (cents) | 26 | (1.70) | (2.76) |

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

# IRON MOUNTAIN MINING LIMITED
# CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## As at 30 June 2014

| | Note | 2014 $ | 2013 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and Cash Equivalents | 7 | 2,290,299 | 4,902,872 |
| Trade and Other Receivables | 8 | 71,328 | 173,678 |
| Assets Held for Sale | 9 | - | 632,239 |
| **TOTAL CURRENT ASSETS** | | 2,361,627 | 5,708,789 |
| **NON-CURRENT ASSETS** | | | |
| Receivables | 8 | - | - |
| Investments Accounted for using the Equity Accounting Method | 10 | - | 282,478 |
| Available For Sale Financial Assets | 11 | 227,676 | 35,393 |
| Property, Plant and Equipment | 12 | 779,452 | 822,703 |
| Exploration and Evaluation Expenditure | 13 | - | - |
| **TOTAL NON-CURRENT ASSETS** | | 1,007,128 | 1,140,574 |
| **TOTAL ASSETS** | | 3,368,755 | 6,849,363 |
| **CURRENT LIABILITIES** | | | |
| Trade and Other Payables | 14 | 70,515 | 164,938 |
| Provisions | 15 | 76,158 | 60,169 |
| **TOTAL CURRENT LIABILITIES** | | 146,673 | 225,107 |
| **TOTAL LIABILITIES** | | 146,673 | 225,107 |
| **NET ASSETS** | | 3,222,082 | 6,624,256 |
| **EQUITY** | | | |
| Contributed Equity | 16 | 13,186,212 | 14,314,976 |
| Reserves | 17 | 1,251,255 | 1,241,826 |
| Accumulated Losses | | (11,215,385) | (8,932,546) |
| Capital and Reserves attributable to the owners of Iron Mountain Mining Limited | | 3,222,082 | 6,624,256 |
| Non Controlling Interest | | - | - |
| **TOTAL EQUITY** | | 3,222,082 | 6,624,256 |

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

# IRON MOUNTAIN MINING LIMITED
# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
## For the year ended 30 June 2014

| **2013** | **Contributed Equity $** | **Accumulated Losses $** | **Asset Revaluation Reserve $** | **Option Reserve $** | **Total $** | **Non Controlling Interest $** | **Total $** |
|---|---|---|---|---|---|---|---|
| **Balance as at 1 July 2012** | 14,297,825 | (6,353,719) | (4,714) | 1,162,005 | 9,101,397 | 4 | 9,101,401 |
| **Total comprehensive income for the year** | | | | | | | |
| Loss for the year | - | (2,442,764) | - | - | (2,442,764) | (76,062) | (2,518,826) |
| **Other comprehensive loss** | | | | | | | |
| Change in fair value of available for sale financial assets | - | - | (4,715) | - | (4,715) | - | (4,715) |
| **Total other comprehensive loss for the year** | - | - | (4,715) | - | (4,715) | - | (4,715) |
| **Total comprehensive loss for the year** | - | (2,442,764) | (4,715) | - | (2,447,479) | (76,062) | (2,523,541) |
| **Transactions with equity holders in their capacity as equity holders** | | | | | | | |
| Shares issued during the year | 491,798 | - | - | - | 491,798 | - | 491,798 |
| Options issued during the year | - | - | - | 89,250 | 89,250 | - | 89,250 |
| Increase in non controlling interest | - | - | - | - | - | 20,000 | 20,000 |
| Non-controlling interest on acquisition of subsidiary | - | - | - | - | - | 170,422 | 170,422 |
| Transactions with non-controlling interest | - | (136,063) | - | - | (136,063) | (114,364) | (250,426) |
| Acquisition of treasury shares | (474,647) | - | - | - | (474,647) | - | (474,647) |
| **Balance as at 30 June 2013** | 14,314,976 | (8,932,546) | (9,429) | 1,251,255 | 6,624,256 | - | 6,624,256 |

# IRON MOUNTAIN MINING LIMITED
# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
## For the year ended 30 June 2014

| 2014 | Contributed Equity $ | Accumulated Losses $ | Asset Revaluation Reserve $ | Option Reserve $ | Total $ | Non Controlling Interest $ | Total $ |
|---|---|---|---|---|---|---|---|
| **Balance as at 1 July 2013** | 14,314,976 | (8,932,546) | (9,429) | 1,251,255 | 6,624,256 | - | 6,624,256 |
| **Total comprehensive income for the year** | | | | | | | |
| Loss for the year | - | (2,215,687) | - | - | (2,215,687) | (67,152) | (2,282,839) |
| **Other comprehensive loss** | | | | | | | |
| Change in fair value of available for sale financial assets | - | - | - | - | - | - | - |
| **Total other comprehensive loss for the year** | - | - | - | - | - | - | - |
| **Total comprehensive loss for the year** | - | (2,215,687) | - | - | (2,215,687) | (67,152) | (2,282,839) |
| **Transactions with equity holders in their capacity as equity holders** | | | | | | | |
| Shares issued during the year | 230,573 | - | - | - | 230,573 | - | 230,573 |
| Capital reduction | (1,359,337) | | | | (1,359,337) | - | (1,359,337) |
| Non-controlling interest on acquisition of subsidiary | - | - | - | - | - | 428,309 | 428,309 |
| Transaction with non-controlling interest | - | (67,152) | - | - | (67,152) | (361,157) | (428,309) |
| Deconsolidation of subsidiary - Aluminex | - | - | 9,429 | - | 9,429 | - | 9,429 |
| **Balance as at 30 June 2014** | 13,186,212 | (11,215,385) | - | 1,251,255 | 3,222,082 | - | 3,222,082 |

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

# IRON MOUNTAIN MINING LIMITED
# CONSOLIDATED STATEMENT OF CASH FLOWS
## For the year ended 30 June 2014

| | Note | 2014 $ | 2013 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Interest received | | 107,145 | 231,735 |
| Receipts from customers | | 87,089 | 93,652 |
| Option Income | | - | - |
| Sale of tenements | | - | - |
| Payments for exploration and evaluation | | (214,102) | (569,350) |
| Payments to suppliers and employees | | (2,089,679) | (1,942,069) |
| Research and Development tax offset | | 274,357 | - |
| NET CASH (OUTFLOWS) FROM OPERATING ACTIVITIES | 24 | (1,835,190) | (2,186,032) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Net cash outflow on acquisition of subsidiary | | (308,038) | 19,376 |
| Net cash as a result of disposal of subsidiary | | 200,747 | (3,941) |
| Transaction costs relating to acquisition of subsidiary | | (26,846) | (86,809) |
| Proceeds from the sale of projects | | 55,000 | - |
| Payments for available for sale financial assets | | - | (65,000) |
| Proceeds from sale of property, plant and equipment | | 654,133 | 4,100 |
| Payments for property, plant and equipment | | - | (4,936) |
| Proceeds from sale of assets held for sale | | - | 4,000,000 |
| Proceeds from sale of available for sale financial assets | | 6,957 | - |
| NET CASH INFLOW / (OUTFLOWS) FROM INVESTING ACTIVITIES | | 581,953 | 3,862,790 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Capital Reduction | | (1,359,337) | - |
| Proceeds from share issue | | - | 20,000 |
| Share buy back transaction costs | | - | (68,369) |
| NET CASH (OUTFLOWS) FROM FINANCING ACTIVITIES | | (1,359,337) | (48,369) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | (2,612,573) | 1,628,389 |
| Cash and cash equivalents at the beginning of the financial year | | 4,902,872 | 3,274,483 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR** | 7 | 2,290,299 | 4,902,872 |

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include financial statements for the consolidated entity consisting of Iron Mountain Mining Ltd and its subsidiaries.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001.*

**Compliance with IFRS**

The financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Iron Mountain Mining Ltd is a for profit entity for the purpose of preparing the financial statements.

**New and amended standards adopted by the group**

The Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current annual reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the first time for the annual reporting period commencing 1 July 2013 that are relevant to the Group include:

- AASB 10 Consolidated Financial Statements;
- AASB 11 Joint Arrangements;
- AASB 12 Disclosure of Interests in Other Entities;
- AASB 13 Fair Value Measurement;
- AASB 119 Employee Benefits;
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities; and
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior years. However, the above standards have affected the disclosures in the notes to the financial statements.

**Early adoption of standards**

No new standards have been adopted early.

**Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and certain classes of property, plant and equipment.

**Critical accounting estimates and significant judgements**

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 statements are disclosed in note 3.

**Changes to presentation – classification of expenses**

The Group decided in the current financial year to change the classification of its expenses in the income statement from a classification by nature to a functional classification. We believe that this will provide more relevant information to our stakeholders as it is more in line with common practice in the industries the Group is operating in. The comparative information has been reclassified accordingly.

**(b) Principles of consolidation**

*Subsidiaries*
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Iron Mountain Mining Ltd (company) as at 30 June 2013 and the results of all subsidiaries for the year then ended. Iron Mountain Mining Ltd and its subsidiaries together are referred to in this financial report as either the Consolidated Entity or Group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries 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 the acquisition of subsidiaries by the Group.

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interests result in gains and losses for the Group that are recorded in the consolidated statement of profit or loss and other comprehensive income. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

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 subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and statement of changes in equity respectively.

*Changes in ownership interests*
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of Iron Mountain Mining Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

*Associates*
Associates are all entities over which the group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. The group's investment in associates includes goodwill identified on acquisition.

The group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognized as reduction in the carrying amount of the investment.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

**(c) Business combinations**

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

**(d) Exploration and evaluation expenditure**

Exploration, evaluation expenditure is expensed in respect of each identifiable area of interest held in the name of the consolidated entity. Acquisition costs are capitalised and recognised on the statement of financial position only to the extent that there exists evidence of the capitalised expenditure to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated acquisition costs in relation to an abandoned area are written off in full to the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

When production commences, the accumulated exploration, acquisition and development costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Any costs of site restoration are provided for during the relevant production stages (where the liabilities exist) and included in the costs of that stage. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

**(e) Impairment of assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(f) Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effect interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the consolidated statement of profit or loss and other comprehensive income.

**(g) Property, Plant & Equipment**

Each asset of property, plant and equipment is carried at cost, less where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis less depreciation and impairment losses.

*Property*
Buildings are shown at cost less subsequent depreciation for buildings.

*Depreciation*
Items of plant and equipment are depreciated using the diminishing value method over their estimated useful lives to the consolidated entity. Depreciation on other classes of assets is done using the straight-line method. The depreciation rates used for each class of asset for the current period are as follows:

- Buildings 2.5%
- Property Improvements 2.5%
- Plant and Equipment 10% - 66.67%

Assets are depreciated from the date the asset is ready for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. 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. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets continual use or subsequent disposal. The expected cash flows have been discounted to their present value in determining the recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(h) Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the end of the reporting period.

Deferred income tax is accounted for using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax from the initial recognition of an asset or liability, in a transaction other than a business combination is not accounted for if it arises that at the time of the transaction it affects neither accounting or taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised or liability is settled. Deferred tax is credited in the consolidated statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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 liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group's entitlement to the Research and Development tax rebate is recognised as a tax benefit upon receipt from the Australian Taxation Office.

From 1 July 2013 to 21 April 2014 the Company and its wholly owned Australian resident entity Aluminex Resources Limited were part of a tax consolidated group. As a consequence, all members of the tax consolidated group are taxed as a single entity. The head entity within the tax consolidated group was Iron Mountain Mining Limited. On 21 April 2014 Aluminex Resources was deregistered as a Company and therefore ceased to be part of the tax consolidated group.

*(i) Investment allowances*
The Group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

**(i) Employee Benefits**

*(i) Short-term obligations*
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 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. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

*(ii) Other long-term employee benefit obligations*
The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is 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. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

**(j) Share-based Payments**

The Consolidated entity provides benefits to employees (including directors) of the Consolidated Entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Refer to Note 25 for further information.

**(k) Cash and Cash Equivalents**

For the purpose of the Consolidated Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within three months, net of outstanding bank overdrafts.

**(l) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

*Interest Revenue*
Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

*Option Fee*
Option Fee revenue is recognised at the time the Group receives notification from the contracting party that all conditions required for payment under the agreement have been met and the fee is due and payable.

*Other income*
Sale of assets is calculated with reference to the carrying value of the asset less the consideration received to arrive at the profit on sale.

**(m) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(n) Contributed Equity**

Ordinary issued share capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

Where any group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Iron Mountain Mining Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Iron Mountain Mining Holdings Limited

**(o) Trade and Other Payables**

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

**(p) Joint Ventures**

*Jointly Controlled Assets*
Interest in the joint venture operation is brought to account by including in the respective classifications, the share of individual assets employed and share of liabilities and expenses incurred.

**(q) Provisions**

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**(r) Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

*Operating leases*
The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

**(s) Earnings per Share**

*Basic earnings per share*
Basic earnings per share is determined by dividing profit attributable to owners of the Group, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

*Diluted earnings per share*
Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**(t) Investments and other Financial Assets**

*Classification*
The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

*Recognition*
Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*Available-for-sale financial assets*
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting period.

*Loans and receivables*
Loans and receivables are non-derivative financial assets initially recognised at fair value with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

*Subsequent Measurement*
Available-for-sale financial assets are subsequently measured at fair value. Changes in the fair value of available-for-sale financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income.

Loans and receivables are carried at amortised cost using the effective interest method. Details on how the fair value of financial instruments are determined are disclosed in note 2.

*Impairment*
The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in the statement of profit or loss and other comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive profit or loss and other income.

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, 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. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of profit or loss and other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

**(u) Comparatives**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(v) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

**(w) Non-current assets (or disposal groups) held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

**(x) Intangible assets**

*Goodwill*
Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments.

**(y) New accounting standards and interpretations**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 31 December 2014 are outlined below:

***AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124] (applicable for annual reporting periods commencing on or after 1 January 2014).***

This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.

There will be no impact on the Group's financial position or performance, however there will be changes to disclosures in the financial statements.

***AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).***

AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right to set-off" and that some gross settlement systems may be considered equivalent to net settlement. There will be no material impact on the Group's financial position or performance resulting from this amendment.

***AASB 9 Financial Instruments (applicable for annual reporting periods commencing on or after 1 January 2017).***

AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.

(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.

(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

The change attributable to changes in credit risk are presented in other comprehensive income (OCI)

The remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.

The AASB issued a revised version of AASB 9 (AASB 2013-9) during December 2013. The revised standard incorporates three primary changes:

1. New hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures;

2. Entities may elect to apply only the accounting for gains and losses from own credit risk without applying the other requirements of AASB 9 at the same time; and

3. The mandatory effective date moved to 1 January 2017.

The effect of this amendment on the Group's financial statements has yet to be determined.

***AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).***

AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. There will be no impact on the Group's financial position or performance, however there may be changes to disclosures in the financial statements.

***Annual Improvements to IFRSs 2010-2012 Cycle (applicable for annual reporting periods commencing on or after 1 January 2015).***

This standard sets out amendments to International Financial Reporting Standards (IFRSs) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB. The following items are addressed by this standard:

- IFRS 2 – Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.

- IFRS 3 – Clarifies the classification requirements for contingent consideration in a business combination by removing all references to IAS 37.

- IFRS 8 – Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' assets to the entity's assets.

- IAs 16 & IAS 38 – Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.

- IAS 24 – Defines a management entity providing KMP services as a related party of the reporting entity. The amendment added an exemption from the detailed disclosure requirements in paragraph 17 of IAS 24 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.

The effect of this amendment on the Group's financial statements has yet to be determined.

***Annual Improvements to IFRSs 2011-2013 Cycle (applicable to annual reporting periods commencing on or after 1 January 2015).***

This standard sets out amendments to IFRSs and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB. The following items are addressed by this standard:

- IFRS 13 – Clarifies that the portfolio exception in paragraph 52 of IFRS 13 applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32.

- IAS 40 – Clarifies that judgement is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of IFRS 3 that includes an investment property. That judgement is based on guidance in IFRS 3.

The effect of this amendment on the Group's financial statements has yet to be determined.

***AASB 1031 Materiality (applicable to annual reporting periods commencing on or after 1 January 2014).***

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality.

AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. There will be no impact on the Group's financial position or performance.

***AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.***

The standard contains three main parts and makes amendments to a number of Standards and Interpretations.

- Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards (applicable to annual reporting periods commencing on or after 1 January 2014).

- Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments (applicable to annual reporting periods commencing on or after 1 January 2015).

There will be no impact on the Group's financial position or performance.

## 2. Financial Risk Management

The Consolidated entity's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Consolidated entity's overall risk in these areas is not significant enough to warrant a formalised specific risk management program.

Risk management is carried out by the Board in their day to day function as the overseers of the business. Where necessary the Board provides principles for overall risk areas, as well as defined policies for specific risks such as foreign exchange and credit risk.
The Consolidated Entity holds the following financial instruments:

| Financial Assets | Available for Sale $ | Financial assets at amortised cost $ | Total $ |
|---|---|---|---|
| **2014** | | | |
| Cash and cash equivalents | - | 2,290,299 | 2,290,299 |
| Trade and other receivables | - | 71,328 | 71,328 |
| Available-for-sale financial assets | 227,676 | - | 227,676 |
| | 227,676 | 2,361,627 | 2,589,303 |
| **2013** | | | |
| Cash and cash equivalents | - | 4,902,872 | 4,902,872 |
| Trade and other receivables | - | 173,678 | 173,678 |
| Available-for-sale financial assets | 35,393 | - | 35,393 |
| | 35,393 | 5,076,550 | 5,111,943 |

| Financial Liabilities | Liabilities at amortised cost $ | Total $ |
|---|---|---|
| **2014** | | |
| Trade and other payables | 70,515 | 70,515 |
| | 70,515 | 70,515 |
| **2013** | | |
| Trade and other payables | 164,938 | 164,938 |
| | 164,938 | 164,938 |

**(a) Market Risk**

*(i) Foreign Exchange Risk*

The Consolidated entity's operations are limited to domestic activities within Australia.

*Sensitivity*

The Groups profit would not be materially different due to changes in exchange rates.

*(ii) Price risk*

The Consolidated entity is exposed to equity securities price risk. This arises from investments held by the consolidated entity and classified on the consolidated statement of financial position as available-for-sale.

The majority of the Group's equity investments are publicly traded and listed on the Australian Securities Exchange.

The Group manages equity securities price risk by only investing in companies where the Board has a detailed understanding of its financial and operating position.

The Group is not exposed to commodity price risk.

The table below summarises the impact of the all ordinaries index on the Consolidated and Parent entity's post-tax profit for the year and on equity. The analysis is based on the assumption that the all ordinaries index had increased by 15.47% (2013 – Increased by 15.47%) with all other variables held constant and all the Consolidated Entity's equity instruments moved according to the historical correlation with the index.

| | Impact on Equity | | Impact on Post Tax Profit | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| | $ | $ | $ | $ |
| All ordinaries index | 28,921 | 70,704 | 342,093 | 73,275 |

Equity would increase as a result of gains on equity securities classified as available-for-sale.

Given the nature of the financial assets, the Directors believe the All Ordinaries Index is the most appropriate benchmark to measure the sensitivity of the price risk of the Group's listed financial investments. However it should be noted that the maximum negative impact on the consolidated statement of profit or loss and other comprehensive income is $227,676 (2013: $35,393).

*(iii) Cash flow and fair value interest rate risk*

The Group's main interest rate risk arises from funds on interest bearing deposits. Funds on interest bearing deposits at variable rates expose the Consolidated Entity to cash flow interest rate risk. During 2014 and 2013, the Consolidated Entity's funds on deposit at variable rate were denominated in Australian Dollars only.

As at the reporting date, the Consolidated Entity had the following variable rate funds on deposit:

| | **30 June 2014** | | **30 June 2013** | |
|---|---|---|---|---|
| | **Weighted average interest rate** | **Balance** | **Weighted average interest rate** | **Balance** |
| | **%** | **$** | **%** | **$** |
| Funds on deposit | 3.36 | 2,290,299 | 4.41 | 4,902,872 |

The Consolidated Entity has assessed that the impact of movements in interest rates does not have a material impact on the net profit after tax. Accordingly the Consolidated Entity's funds on deposit are managed according to the cash flow requirements of the Consolidated Entity rather than impact of interest rate risk.

*Consolidated Entity sensitivity*
At 30 June 2013, if interest rates had changed by -100/+ 70 basis points (2013 by -100/+ 70 basis points) from the year-end rates with all other variables held constant, post-tax profit for the year would have been $30,710 lower / $21,497 higher (2013 – change of 100/70 bps: $52,491 / $36,743 lower/higher), mainly as a result of higher/lower interest income from cash and cash equivalents. Equity would have been $30,710 lower / $21,497 higher (2012: $52,491 / $36,743 lower/higher) mainly as a result of an increase/decrease in the interest income from cash and cash equivalents.

**(b) Credit Risk**

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and receivables from Joint Venture and Farm-In operations.

The Consolidated Entity's maximum exposure to credit risk at the reporting date was:

| | **2014** | **2013** |
|---|---|---|
| | **$** | **$** |
| Financial Assets | | |
| Cash and cash equivalents | 2,290,299 | 4,902,872 |
| Trade and other receivables | 71,328 | 173,678 |
| Available for sale financial assets | 227,676 | 35,393 |
| | 2,589,303 | 5,111,943 |

The Directors believe that there is negligible credit risk with the cash and cash equivalents, as funds are held at call with a reputable Australian Banking Institution which has a long term S&P credit rating of AA-.

Other receivables relate to amounts due from the Australian Taxation Office and accordingly the Directors believe there to be negligible credit risk with these receivables.

Trade receivables relate to expenses paid on behalf of related companies the majority of which the directors believe will be repaid in full within 12 months based on the fact that these companies are listed on the ASX and have adequate cash reserves to meet the payment of the debt. For other trade receivables a position for impairment has been raised where there is doubt as to the recovery of receivables (refer note 8).

Based on historic default rates, the Consolidated Entity believed no further impairment allowance is necessary in respect of trade receivables other than those already made.

No security interests are taken to cover the recoverability of financial assets.

**(c) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Consolidated Entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in at call interest bearing deposits or in bank bills that are highly liquid and with maturities of less than six months.

*Financing arrangements*
The Consolidated Entity does not have any financing arrangements.

*Maturities of financial liabilities*
The Consolidated Entity does not have any debt except for trade payables which are due for payment in less than 6 months.

**(d) Fair Value Measurements**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Iron Mountain Mining Limited has adopted the amendment to AASB 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2),and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following tables present the Group's assets measured and recognised at fair value at 30 June 2013. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

| Group – at 30 June 2014 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Available-for-sale financial assets | | | | |
| Equity securities | 227,676 | - | - | 227,676 |
| **Total assets** | 227,676 | - | - | 227,676 |

| Group – at 30 June 2013 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Available-for-sale financial assets | | | | |
| Equity securities | 35,393 | - | - | 35,393 |
| **Total assets** | 35,393 | - | - | 35,393 |

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid prices at the end of the financial year. These instruments are included in Level 1.

The carrying value of trade receivables and trade payables are assumed to approximate their fair value due to their short-term nature.

## 3. Critical Accounting Estimates and Judgements

*Key estimates*

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.

*(i) Impairment*
The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

During the year ended 30 June 2014, the Group made significant judgement about the impairment of a number of its available-for-sale financial assets.

The Group follows the guidance of AASB 139 Financial Instruments: Recognition and Measurement on determining when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

The decline in fair value below cost for some of these assets has been considered to be significant and/or prolonged. The Group has recorded an impairment loss during the year ended 30 June 2014 of $342 092 (2013: $420,644), being the transfer of the accumulated fair value adjustments on the impaired available-for-sale financial assets to the consolidated statement of profit or loss and other comprehensive income.

*(ii) Exploration and evaluation expenditure*

The Group's accounting policy for exploration and evaluation expenditure results in expenditure being expensed with acquisition costs being capitalised for an area of interest where it is considered likely to be recovered by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the acquisition costs under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the statement of profit or loss and other comprehensive income.

*(iii) Fair value of available-for-sale financial assets*

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

*(iv) Share based payments*

The Group's accounting policy for share based payments results in the cost of equity-settled transactions with employees being measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. In undertaking this valuation, the Group makes certain judgments regarding the model inputs. In determining the model inputs consideration is made of publicly available information of transactions of a similar nature.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Refer to Note 25 for further information.

*(v) Recognition of deferred taxes*

The Group's accounting policy for recognising deferred tax assets states that a deferred tax asset may only be recognised where if it is probable that there will be future taxable amounts available to utilise those deferred tax assets.

After reviewing the Group's current contracts and future revenue and expense estimates, the Group's management have made a judgement that whilst there is an expectation that there will be sufficient future taxable amounts available to utilise the Future Tax Assets, there is insufficient evidence available to recognise the Future Tax Assets at 30 June 2014 as required under AASB 112 Income Taxes.

*(vi) Revenue and contingent assets*

The Group has made the judgement to not recognise the revenue or contingent assets relating from the sale of mining projects during the prior years. A judgement was made that the transactions did not meet the revenue or contingent asset recognition criteria. The salient points of these transactions are summarised below.

*Wandoo*

The Group retains a royalty of AUD $0.75 per dry metric tonne on future production of bauxite transported from the Wandoo project tenements payable within 30 days at the end of each quarterly period.

*Blythe*

Payment of A$1,000,000 upon the first shipment of iron ore extracted from the Blythe Project tenements (50% share with Red River Resources Ltd).

Payment of A$2,000,000 upon the first anniversary of the first shipment of iron ore extracted from the Blythe Project tenements (50% share with Red River Resources Ltd).

Payment of A$2,000,000 upon the second anniversary of the first shipment of iron ore extracted from the Blythe Project tenements (50% share with Red River Resources Ltd).

The originally agreed royalty of 1.5% payable on the gross Free on Board revenue from all shipments of iron ore from the Blythe tenements remains intact. (50% share with Red River Resources Ltd).

*Mt Richardson*

The Group retains a royalty of 2% on average/tonne FOB sales value of iron ore product that departs E29/571 as well as a one off payment of AUD 0.50 per dry metric tonne on tonnages in excess of independently evaluated Indicated or Measured resources of 10,000,000 tonnes.

*(vii) Fair value of derecognised subsidiary*

The group has made a judgement of the fair value of the shares retained in the former subsidiary company as part of the derecognition of the investment in the subsidiary.

## 4. Parent Entity Information

The following details information related to the parent entity, Iron Mountain Mining Limited, at 30 June 2014. As of 21 April 2014, upon the deregistration of Aluminex Resources Limited there were no subsidiaries. Therefore the numbers in the 2014 column below represent those of Iron Mountain Mining, as a standalone company. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

| | 2014<br>$ | 2013<br>$ |
|---|---|---|
| Current assets | 2,361,626 | 5,708,789 |
| Non-current assets | 1,007,128 | 2,880,466 |
| **Total assets** | **3,368,754** | **8,589,255** |
| | | |
| Current liabilities | 146,672 | 2,180,532 |
| **Total liabilities** | **146,672** | **2,180,532** |
| | | |
| Contributed equity | 13,186,212 | 14,314,976 |
| Accumulated losses | (11,215,385) | (9,157,508) |
| Reserves | 1,251,255 | 1,251,255 |
| **Total equity** | **3,222,082** | **6,408,723** |
| | | |
| Profit / (Loss) for the year | (2,282,839) | (2,739,074) |
| Other comprehensive loss for the year | - | - |
| **Total comprehensive loss for the year** | **(2,282,839)** | **(2,739,074)** |

## 5. Revenue

| | 2014<br>$ | 2013<br>$ |
|---|---|---|
| **From Continuing Activities** | | |
| Sales revenue | 16,509 | 121,311 |
| | | |
| **Other Revenue** | | |
| Interest received | 109,013 | 226,853 |
| | 125,522 | 348,164 |
| **Other Income** | | |
| Net gain on disposal of property, plant and equipment | - | 70 |
| Fair value gains on financial assets previously held under equity accounting | 274,119 | 113,285 |
| Fair value gains on available for sale financial assets upon consolidation | 16,200 | - |
| Net gain on sale of subsidiary – Red River Resources Limited | 643,688 | 474,942 |
| Sale of tenements | 90,000 | - |
| | 1,024,007 | 588,297 |

## 6. Income Tax

| | | 2014 $ | 2013 $ |
|---|---|---|---|
| a. | **Numerical reconciliation of income tax to prima facie tax payable** | | |
| | Net Profit /(Loss) before tax | (2,557,195) | (2,518,826) |
| | Tax expense / (benefit) at the Australian tax rate of 30% | (767,159) | (755,648) |
| | Tax effect of amounts that are not deductible / taxable in calculating taxable income | | |
| | Sundry non-deductible items | 98,790 | 181,595 |
| | Exploration costs | - | (719) |
| | Impairment | 422,004 | 126,193 |
| | Share of net loss of associate | 18,543 | 6,391 |
| | Sundry non-taxable items | (291,263) | (175,003) |
| | Share Based Payments | - | 26,775 |
| | Research and development tax offset | (274,357) | - |
| | Future tax assets not brought to account | 519,085 | 590,416 |
| | Income tax expense /(benefit) | (274,357) | - |
| | **Tax Losses** | | |
| | Unused tax losses for which no deferred tax asset has been recognised. | 11,055,891 | 10,144,174 |
| | Potential tax benefit @ 30% | 3,316,767 | 3,043,252 |

Included in the Future Tax Assets not brought to account are tax losses for which no deferred tax asset has been recognized, but where a Future Tax Asset had been recognized in a prior year. After reviewing the Group's current contracts and future revenue and expense estimates, the Group's management have made a judgement that whilst there is an expectation that there will be sufficient future taxable amounts available to utilise the deferred tax assets, there is insufficient evidence available to recognise the Future Tax Assets at 30 June 2014 as required under AASB 112 Income Taxes. Accordingly the tax losses available as at 30 June 2014 have not been recognised as Future Tax Assets.

## 7. Cash and Cash Equivalents

| | 2014 $ | 2013 $ |
|---|---|---|
| Cash at bank and in hand | 2,290,299 | 4,902,872 |
| | 2,290,299 | 4,902,872 |

The Group's exposure to interest rate risk is discussed in Note 2. The minimum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

Of the cash at bank and in hand, $81,500 is held as security for bank guarantees to support the groups mining tenements.

## 8. Trade and Other Receivables

| | 2014 Current $ | 2014 Non-current $ | 2014 Total $ | 2013 Current $ | 2013 Non-current $ | 2013 Total $ |
|---|---|---|---|---|---|---|
| Trade receivables | 13,132 | - | **13,132** | 55,073 | - | **55,073** |
| Provision for impairment of receivables | (13,132) | - | **(13,132)** | (13,132) | - | **(13,132)** |
| | - | - | **-** | 41,941 | - | **41,941** |
| Accrued revenue | 40,832 | - | **40,832** | 3,963 | - | **3,963** |
| Prepayments | 12,803 | - | **12,803** | 80,959 | - | **80,959** |
| Goods and Services Tax Receivable | 17,693 | - | **17,693** | 46,815 | - | **46,815** |
| Other Receivables | - | - | **-** | - | - | **-** |
| | 71,328 | - | **71,328** | 173,678 | - | **173,678** |

### a) Impaired trade receivables

As at 30 June 2014 current trade receivables of the group with a nominal value of $13,132 (2013 – $55,073) were impaired. The amount of the provision was $13,132 (2013 – $13,132l).
The ageing of these receivables is as follows:

| | 2014 $ | 2013 $ |
|---|---|---|
| 1 to 30 days | - | 41,941 |
| 31 to 60 Days | - | - |
| Over 61 Days | 13,132 | 13,132 |
| | 13,132 | 55,073 |

Movement in the provision for impairment of receivables are as follow:

| | 2014 $ | 2013 $ |
|---|---|---|
| At 1 July | 13,132 | - |
| Provision for impairment recognised during the year. | - | 13,132 |
| At 30 June | 13,132 | 13,132 |

The creation and release of the provision for impaired receivables has been included in 'Administration expenses' in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

Refer to Note 2 for financial risk management.

## 9. Assets and liabilities classified as held for sale

### a) Assets classified as held for sale

| | 2014 $ | 2013 $ |
|---|---|---|
| Wandoo tenement | - | - |
| Land and Buildings | - | 632,239 |
| Closing Balance | - | 632,239 |

On 15 July 2013 Iron Mountain Mining announced that the sale of its property at 113 Mackie Street, Victoria Park, WA had settled. Net proceeds amounted to $632,239.

## 10. Investments accounted for using the equity method

| | 2014 $ | 2013 $ |
|---|---|---|
| Investment in associates | - | 282,478 |
| | - | 282,478 |

Investments in associates are accounted for in the financial report using the equity method of accounting as set out in note 31.

## 11. Available-for-sale Financial Assets

| | 2014 $ | 2013 $ |
|---|---|---|
| Listed equity securities at fair value | 227,676 | 35,393 |
| | 227,676 | 35,393 |

| | 2014 $ | 2013 $ |
|---|---|---|
| At beginning of year | 35,392 | 91,883 |
| Acquisitions | - | - |
| Disposals | (7,110) | - |
| Fair value adjustments | - | (4,715) |
| Impairment of available for sale financial assets | (342,092) | (73,275) |
| Available for sale financial assets De-recognition upon consolidation with Red River Resources Limited | (19,800) | - |
| Available for sale financial assets acquired as part of the takeover of Red River Resources Limited | 1,500 | - |
| Transferred from investments accounted for using the equity accounting method | 559,786 | - |
| Available for sale financial assets acquired as part of the take-over if Elysium Resources Ltd (formerly United Orogen Ltd) | - | 70,000 |
| Available for sale financial assets disposed of as part of the de-consolidation with Elysium Resources Ltd (formerly United Orogen Ltd) | - | (48,500) |
| At end of year | 227,676 | 35,393 |

Fair value of investments in listed corporations is assessed as bid price on the Australian Securities Exchange prior to close of business on reporting date.

Refer to Note 22 for related party disclosures.

Refer to Note 2 for risk management.

## 12. Property, Plant and Equipment

| BUILDINGS | 2014 $ | 2013 $ |
|---|---|---|
| Buildings: | | |
| At cost | 825,329 | 825,329 |
| Accumulated depreciation and impairment | (145,789) | (125,213) |
| TOTAL BUILDINGS | 679,540 | 700,116 |
| | | |
| PROPERTY IMPROVEMENTS | | |
| At cost | 87,032 | 99,526 |
| Accumulated amortisation | (11,140) | (9,812) |
| TOTAL PROPERTY IMPROVEMENTS | 75,892 | 89,714 |

| | 2014 $ | 2013 $ |
|---|---|---|
| PLANT AND EQUIPMENT | | |
| At cost | 189,026 | 189,140 |
| Accumulated depreciation | (165,006) | (156,267) |
| TOTAL PLANT AND EQUIPMENT | 24,020 | 32,873 |
| | | |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | 779,452 | 822,703 |

| Movements during the year | Buildings | Property Improvements | Plant and Equipment | Total |
|---|---|---|---|---|
| **Balance at 1 July 2013** | 700,116 | 89,714 | 32,873 | 822,703 |
| Acquisitions | - | - | - | - |
| Disposals | - | - | (20,640) | (20,640) |
| Assets written off | - | (11,641) | - | (11,641) |
| Acquisitions – Subsidiary[1] | - | - | 24,811 | 24,811 |
| Disposal – Subsidiary[2] | - | - | (266) | (266) |
| Depreciation expense | (20,576) | (2,181) | (12,758) | (35,515) |
| **Balance at 30 June 2014** | 679,540 | 75,892 | 24,020 | 779,452 |

[1] Assets acquired as part of the take-over of Red River Resources Ltd
[2] Assets disposed of as part of the de-consolidation with Red River Resources Ltd

| Movements during the year | Buildings | Property Improvements | Plant and Equipment | Total |
|---|---|---|---|---|
| **Balance at 1 July 2012** | 1,628,211 | 92,195 | 45,704 | 1,766,110 |
| Acquisitions | - | - | 4,936 | 4,936 |
| Disposals | - | - | (4,029) | (4,029) |
| Acquisitions – Subsidiary[1] | - | - | 3,485 | 3,485 |
| Disposal – Subsidiary[2] | - | - | (3,206) | (3,206) |
| Depreciation expense | (20,577) | (2,481) | (14,017) | (37,075) |
| Impairment Expense | (275,279) | - | - | (275,279) |
| Transfer to assets held for sale | (632,239) | - | - | (632,239) |
| **Balance at 30 June 2013** | 700,116 | 89,714 | 32,873 | 822,703 |

[1] Assets acquired as part of the take-over if Elysium Resources Ltd (formerly United Orogen Ltd)
[2] Assets disposed of as part of the de-consolidation with Elysium Resources Ltd (formerly United Orogen Ltd)

The impairment loss relates to the Mackie St property. The whole amount was recognised in profit or loss, as there was no amount included in the asset revaluation surplus relating to the property. The recoverable amount of the asset is based on the net sale proceeds after costs received on the sale of the property post balance date. The recoverable value has been transferred to assets held for sale. Refer to note 9.

## 13. Exploration Expenditure

| | 2014 $ | 2013 $ |
|---|---|---|
| Mining Lease | - | - |
| | - | - |
| | | |
| **Mining Lease** | | |
| Opening book amount | - | 30,000 |
| Additions | - | - |
| Disposals of as part of the de-consolidation with Macquarie Marble and Lime Pty Ltd | - | (30,000) |
| Closing book amount | - | - |

| | | |
|---|---|---|
| **Exploration and Evaluation Costs** | | |
| Opening book amount | - | - |
| Additions from acquisition of Red River Resources Limited | 1,064,587 | - |
| Impairment expense | (1,064,587) | |
| Additions from acquisition of Elysium Resources Ltd (formerly United Orogen Ltd) | - | 71,860 |
| Impairment expense | - | (71,860) |
| Transfers to assets held for sale | - | - |
| Closing book amount | - | - |

| | 2014 $ | 2013 $ |
|---|---|---|
| **14. Trade and Other Payables** | | |
| Trade payables and accruals | 70,515 | 164,938 |
| | 70,515 | 164,938 |

**Fair Value**

The fair value of trade payables approximates the carrying value as presented above due to their short term nature.

| | 2014 $ | 2013 $ |
|---|---|---|
| **15. Provisions** | | |
| Employee benefits | 76,158 | 60,169 |
| | 76,158 | 60,169 |

All provisions are expected to be settled within 12 months.

**16. Contributed Equity**

| | 30.06.2014 Shares | 30.06.2013 Shares | 30.06.2014 $ | 30.06.2013 $ |
|---|---|---|---|---|
| **(a) Share Capital** | | | | |
| Ordinary Shares | | | | |
| Fully Paid | 135,933,713 | 128,247,799 | 13,186,212 | 14,314,976 |
| | 135,933,713 | 128,247,799 | 13,186,212 | 14,314,976 |

**(b) Movement of fully paid ordinary shares during the period were as follows:**

| Date | Details | Number of shares | Issue Price $ |
|---|---|---|---|
| 1 July 2013 | Opening balance | 128,247,799 | 14,314,976 |
| 13 August 2013 | Shares issued to as a result of takeover of Red River Resources Limited | 7,685,914 | 230,573 |
| 28 January 2014 | Capital Reduction | - | (1,359,337) |
| 30 June 2014 | Balance | 135,933,713 | 13,186,212 |

(a) **Share Options**

As at 30 June 2014 Iron Mountain Mining Ltd has on issue 37,250,000 options (2013: 37,250,000).

No options were issued during this financial year.ion

**(b) Terms and Conditions of Issued Capital**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands. Ordinary shares have no par value.

**(e) Capital Risk Management**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern so that the Group can provide returns to shareholders and benefits for other stakeholders whilst maintaining an optimal capital structure to reduce the cost of capital. The Group considers capital to consist of cash reserves on hand and available-for-sale financial assets.

The Group monitors its working capital position against expenditure requirements to undertake its planned exploration program and maintain its ongoing operations. Where required the Group will sell assets, issue new securities, raise debt or modify its exploration program to ensure the Group's working capital requirements are met.

## 17. Reserves

The Option Reserve is used to recognise fair value of options issued. The available-for-sale investment revaluation reserve recognises the change in value of available-for-sale assets.

| | 2014<br>$ | 2013<br>$ |
|---|---|---|
| **Option Reserve** | | |
| Balance at the beginning of the year | 1,251,255 | 1,162,005 |
| Options expense (refer note 25) | - | 89,250 |
| Balance at the end of the year | 1,251,255 | 1,251,255 |

| | 2014<br>$ | 2013<br>$ |
|---|---|---|
| **Asset Revaluation Reserve** | | |
| Balance at the beginning of the year | (9,429) | (4,714) |
| Change in fair value | - | (4,715) |
| Deregistration of Aluminex Resources Ltd | 9,429 | |
| Balance at the end of the year | - | (9,429) |
| **Total Reserves** | 1,251,255 | 1,241,826 |

**The nature and purpose of reserves**

*(c)* Options *reserve*
The Option reserve is used to recognise the grant date fair value of options issued to employees but not exercised.

*(ii) Asset revaluation reserve*
Changes in the fair value of investments, such as equities, classified as available-for-sale financial assets, are recognised in other comprehensive income, as described in Note 1(t) and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

## 18. Key Management Personnel Disclosures

### (d) Key Management Personnel Compensation:

| | 2014 $ | 2013 $ |
|---|---|---|
| Short-term employee benefits | 717,624 | 658,415 |
| Post employment benefits | 34,640 | 28,620 |
| Share-based payment | - | 68,000 |
| | 752,264 | 755,035 |

The detailed remuneration disclosures are provided in the remuneration report on pages 26 and 27.

### (e) Equity Instruments Disclosure Relating to Key Management Personnel

At reporting date, the relevant interest of each Director in ordinary fully paid shares and options of the Group were:

**2014**

| | Fully Paid Ordinary Shares | | | |
|---|---|---|---|---|
| | Balance at the beginning of the year | Shares Issued as compensation | Net change other | Balance at the end of the year |
| **Directors** | | | | |
| Mark Gwynne | - | - | 1,060,837 | 1,060,837 |
| Brett Smith | - | - | 1,060,837 | 1,060,837 |
| David Alan Zohar | 40,478,238 | - | (40,478,238) | - |
| Robert Sebek | - | - | - | - |
| Dr Zhukov Pervan | 3,000,000 | - | 31,427 | 3,031,427 |
| Simon Christopher England | 1,137,500 | - | 283,334 | 1,420,834 |
| **Company Secretary** | | | | |
| Suraj Sanghani | 142,000 | - | - | 142,000 |
| Shoshanna Zohar | 66,102 | - | (66,102) | - |
| Total | 44,823,840 | - | (38,107,905) | 6,715,935 |

**2013**

| | Fully Paid Ordinary Shares | | | |
|---|---|---|---|---|
| | Balance at the beginning of the year | Shares Issued as compensation | Net change other | Balance at the end of the year |
| **Directors** | | | | |
| David Alan Zohar | 31,139,438 | - | 9,338,800 | 40,478,238 |
| Robert Sebek | - | - | - | - |
| Dr Zhukov Pervan | 2,100,000 | - | 900,000 | 3,000,000 |
| Simon Christopher England | - | - | 1,137,500 | 1,137,500 |
| **Company Secretary** | | | | |
| Suraj Sanghani | 142,000 | - | - | 142,000 |
| Shoshanna Zohar | - | - | 66,102 | 66,102 |
| Total | 33,381,438 | - | 11,442,402 | 44,823,840 |

**2014**

| | Share Options | | | |
|---|---|---|---|---|
| | **Balance at the beginning of the year** | **Options Issued as Compensation** | **Net change other** | **Balance at the end of the year** |
| **Directors** | | | | |
| Mark Gwynne | - | - | - | - |
| Brett Smith | - | - | - | - |
| David Alan Zohar | 30,000,000 | - | - | 30,000,000 |
| Robert Sebek | 6,000,000 | - | - | 6,000,000 |
| Dr Zhukov Pervan | - | - | - | - |
| Simon Christopher England | - | - | - | - |
| **Company Secretary** | | | | |
| Suraj Sanghani | 250,000 | - | - | 250,000 |
| Shoshanna Zohar | - | - | - | - |
| Total | 36,250,000 | - | - | 36,250,000 |

**2013**

| | Share Options | | | |
|---|---|---|---|---|
| | **Balance at the beginning of the year** | **Options Issued as Compensation** | **Net change other[1]** | **Balance at the end of the year** |
| **Directors** | | | | |
| David Alan Zohar | - | - | 30,000,000 [2] | 30,000,000 |
| Robert Sebek | 2,000,000 | 4,000,000 [1] | - | 6,000,000 |
| Dr Zhukov Pervan | - | - | - | - |
| Simon Christopher England | - | - | - | - |
| **Company Secretary** | | | | |
| Shoshanna Zohar | - | - | - | - |
| Total | 2,000,000 | 4,000,000 | 30,000,000 | 36,000,000 |

[1] Options issued to Robert Sebek as an incentive and are exercisable at 9 cents each on or before 28 Nov 2017

[2.] Options acquired by Swancove Enterprises Ltd for 0.1cents each and are exercisable at 19 cents each on or before 1 May 2016 as part of the divestment of the Iron Mountain Mining Limited securities held by United Orogen Limited.

No options were exercised during the year. All options are vested and exercisable at the end of the year.

No Options were issued during the year.

Refer to the Directors Report for further details of the options.

Other transactions and balances with key management personnel are disclosed in note 22.

## 19. Remuneration of Auditor

| | 2014 | 2013 |
|---|---|---|
| | $ | $ |
| Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for: | | |
| - an audit or review of the financial statements of the entity | 7,346 | 40,547 |
| Amounts received or due and receivable by Rothsays Chartered Accountants Pty Ltd for: | | |
| - an audit or review of the financial statements of the entity | 23,001 | - |
| | 30,347 | 40,547 |

## 20. Events occurring after the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## 21. Segment Information

The Group operates in the mineral exploration industry in Australia only.

Given the nature of the Group, its size and current operations, management does not treat any part of the group as a separate operating segment. Internal financial information used by the group's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

The Group's management operate the business as a whole without any special responsibilities for any separately identifiable segments of the business.

Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

## 22. Related Party Transactions

### a) Acquisition of Subsidiary Companies

As per note 32, the company acquired 69.11% of Red River Resources Limited. Refer to note 32 for further information.

### b) Disposal of Subsidiary Companies

On 28 March 2014, Iron Mountain Mining Limited sold its entire interest in Red River Resources Limited to investor clients of Beer & Co for A$320,000

On the 21 April 2014, wholly owned company Aluminex Resources Limited was deregistered and therefore ceased to be a part of the consolidated group on that date

### c) Administrative and other related transactions

Legal fees of $33,338(GST excl) (2013: $59,496) were paid to Lawton Gillon of which Mr England is a Partner. This was in addition to his $65,000 Directors fee as disclosed in the remuneration report.
Iron Mountain Mining Limited provides rental and employment services to related parties, as well as paying for numerous expenses on their behalf, which are recharged to that company

throughout the year. The following table details the company, total services provided and expenses recharged for the year and balance outstanding at 30 June 2013:

| Related Company | Value of services for the year ended 30 June 2014 (GST Inclusive) | Value of services for the year ended 30 June 2013 (GST Inclusive) | Balance outstanding at 30 June 2014 (GST Inclusive) | Balance outstanding at 30 June 2013 (GST Inclusive) |
|---|---|---|---|---|
| Actinogen Ltd | - | $26,232 | - | $9,401 |
| Red River Resources Ltd | $29,532 | $159,503 | - | $32,532 |
| Elysium Resources Ltd (Formerly United Orogen ltd) | - | $9,599 | - | - |
| Swancove Enterprises Pty Ltd | - | $13,282 | - | - |

Director related entities paid for expenses on behalf of Iron Mountain Mining Limited throughout the year. The following table details the company, total services provided and expenses paid for the year and balance owing at 30 June 2013:

| Related Company | Value of services for the year ended 30 June 2013 (GST Inclusive) | Value of services for the year ended 30 June 2012 (GST Inclusive) | Balance outstanding at 30 June 2013 (GST Inclusive) | Balance outstanding at 30 June 2012 (GST Inclusive) |
|---|---|---|---|---|
| Actinogen Ltd | - | - | - | - |
| Red River Resources Ltd | 12,507 | $8,132 | - | $2,808 |
| Elysium Resources Ltd (Formerly United Orogen ltd) | - | $27,377 | - | - |

Shoshanna Zohar, daughter of David Zohar is employed as an in-house legal advisor. Remuneration of $100,510 plus superannuation, (2013: $138,000 was paid plus superannuation.)

**d) Joint venture transactions**

The company was a participant in the joint venture arrangement with Red River Resources Ltd of which Mr Zohar was during the year a Director. Refer to note 28 for further information on joint ventures.

Red River Resources Limited has on charged Iron Mountain Mining Limited for expenses relating to the same joint venture tenements, under the terms of the joint venture agreements. These amounts are included in the tables at item (c) above.

**e) Investment in/by related entities**

As at 30 June 2014, the Company holds the following shares in related entities of David Zohar in which during the financial year he was a Director: nil ordinary shares in Red River Resources Limited (2013: 1,800,000 ordinary shares at a fair value of $19,800); 3,577,000 ordinary shares in Eagle Nickel Limited at fair values of $9,531 (2013: 3,577,000 ordinary shares at a fair value of $10,878); and Nil ordinary shares in Actinogen Limited (2013: 471,500 ordinary shares at a fair value of $4,715)

### f) Director related transactions

During the year ended 30 June 2014 the company paid legal fees totaling $282,698 under an agreement with David Zohar has with the company relating to ASIC investigations into Aluminex Resources Limited. The total amount paid under this agreement to date was $588,888 inc GST. The Company has commenced proceedings to recover this amount from Mr Zohar.

## 23. Commitments

### Tenement Commitments

The Group has certain obligations to perform minimum exploration work on exploration tenements held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. As at reporting date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the financial statements, however the expenditure required to maintain the exploration tenements over which the group has an interest in is listed in the table below:

| TENEMENT | HOLDER | AREA | DATE TENEMENT GRANTED | DATE TENEMENT EXPIRES | RENT ($) | MINIMUM EXPENDITURE ($) |
|---|---|---|---|---|---|---|
| EL25346 | Iron Mountain Mining Limited | 101 $km^2$ | 5/02/2007 | 4/02/2015 | $6,251 | $123,050 |
| MIN5548 | Iron Mountain Mining Limited | 24.52 ha | 9/02/2012 | 8/02/2015 | $520 | $100,000 |
| EL5449 | Iron Mountain Mining Limited | 47 Graticules | 10/05/2013 | 9/05/2018 | N/A | $22,050 |
| MIN5570 | Iron Mountain Mining Limited | 6.3 ha | 26/09/2013 | 8/02/2015 | $134 | $20,000 |
| EL5490 | Iron Mountain Mining Limited | 173 Graticules | 6/12/2013 | 5/12/2018 | N/A | $40,950 |
| E70/3948 | Iron Mountain Mining Limited | 20 Blocks | 27/09/2011 | 26/09/2016 | $3,798 | $20,000 |
| E08/1350-I | Red River Resources Limited | 10 Blocks | 23/06/2006 | 22/06/2015 | $4,789 | $70,000 |
| E47/1309-I | Red River Resources Limited | 32 Blocks | 4/05/2007 | 3/05/2014 | $15,612 | $96,000 |
| E47/1707-I | Red River Resources Limited | 13 Blocks | 1/08/2008 | 31/07/2018 | $3,350 | $50,000 |

Service Agreements and remuneration commitments

From 1 January 2014, Robert Sebek's service agreement was amended such that he has fixed term contract expiring 1 January 2016.

The value of the service agreement is as follows:

| 30 June 2014 | Mr Sebek |
|---|---|
| Due within 1 year | 231,238 |
| Due later than 1 year | 105,974 |
| Total | 337,212 |

Apart from the above agreement described there are no outstanding commitments payable to any of the key management personnel as at 30 June 2014.

## 24. Reconciliation of the operating loss after tax to the net cash flows from operating activities

| Cash Flow Information | 2014 $ | 2013 $ |
|---|---|---|
| **(Loss)/Profit after income tax** | (2,282,839) | (2,518,826) |
| **Non cash items** | | |
| Depreciation | 35,515 | 37,075 |
| Impairment of available-for-sale financial assets | 342,092 | 73,275 |
| Impairment of investments in associates | - | - |
| Impairment of receivables | - | 13,132 |
| Impairment of Property | - | 275,279 |
| Impairment of related party loan | - | 230 |
| (Gain)/loss on sale of available for sale financial asset | (829,072) | (148,881) |
| (Gain)/loss on remeasuring investments | (290,319) | - |
| Impairment of exploration and evaluation expenditure | 1,064,587 | 71,860 |
| Fair value gains on financial assets previously held under equity accounting. | - | (113,285) |
| Non-cash exploration costs | - | 16,700 |
| Non-cash employee benefits expense | - | 89,250 |
| Loss on sale of property, plant and equipment | 612 | 70 |
| Property Plant and Equipment written off | 11,662 | - |
| Share of net loss of associate accounted for using the equity method | 61,810 | 21,304 |
| Transaction costs relating to acquisition and disposal of subsidiary entities | 26,846 | 66,393 |
| **Changes in assets and liabilities** | | |
| Increase/(decrease) in trade and other payables | (94,423) | (16,345) |
| Decrease/(increase) in trade and other receivables | 139,219 | (134,056) |
| (Increase)/decrease in accrued revenue | (36,869) | 4,911 |
| Increase / (decrease) in provisions | 15,989 | 29,182 |
| (Increase)/decrease in non-current receivables | - | 46,700 |
| **Net cash (outflow) from operating activities** | (1,835,190) | (2,186,032) |

| Reconciliation of Cash | 2014 $ | 2013 $ |
|---|---|---|
| Cash balance comprises; | | |
| Cash at bank | 2,290,299 | 4,902,872 |
| | 2,290,299 | 4,902,872 |

**Financing facilities available**

As at 30 June 2014 the Group had no financing facilities available.

**Non Cash Financing and Investing Activities**

As at 30 June 2014 the Group had no non cash financing and investing activities.

## 25. Share – Based Payments

The following share based payments existed at 30 June 2013 and 30 June 2012:

| | 2014 | | 2013 | |
|---|---|---|---|---|
| | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price |
| Outstanding at the beginning of the year | 37,250,000 | 17.6 Cents | 32,000,000 | 20 Cents |
| Granted | - | - | 5,250,000 | 10 Cents |
| Forfeited | - | - | - | - |
| Exercised | - | - | - | - |
| Expired | - | - | - | - |
| Outstanding at year end | 37,250,000 | 17.6 Cents | 37,250,000 | 19 Cents |
| Exercisable at year end | 37,250,000 | 17.6 Cents | 37,250,000 | 19 Cents |

As a result of the $0.01 per share capital reduction paid to shareholders on 31 January 2014 the exercise prices of all options were reduced by $0.01 each.

During the year ended 30 June 2013, 4,000,000 options were issued to Robert Sebek, the managing director of the Company and 1,250,000 options were issued to employees as an incentive with an exercise price of 10 cents and a term of 5 years. Using the Black Scholes Model, the fair value of an options is approximately 1.70 cents based on the following criteria:

| | |
|---|---|
| Weighted average exercise price | 10 cents |
| Weighted average life of options | 5 years |
| Underlying share prices | 3.5 cents |
| Expected volatility | 85% |
| Risk free interest rate | 2.97% |

**Expenses arising from ordinary share payment transactions**

Total expenses arising from share based payment transactions during the year ended 30 June 2014 were as follows:

| | 2014 $ | 2013 $ |
|---|---|---|
| Options issued as employee compensation | - | 89,250 |
| | - | 89,250 |

## 26. Earnings Per Share

| | 2014 | 2013 |
|---|---|---|
| **(a) Basic loss per share (cents)** | (1.70) | (1.82) |

**(b) Weighted average number of ordinary shares used as the Denominator**

| | | |
|---|---|---|
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share | 135,002,192 | 138,620,994 |
| Adjustments for calculation of diluted earnings per share: | | |
| - Options | - | - |
| Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share | 135,002,192 | 138,620,994 |

**(c) Earnings used in calculating earnings per share**

| | | |
|---|---|---|
| Basic earnings per share | (2,282,838) | (2,518,826) |

## 27. Contingent Liabilities and Assets

The Directors are not aware of any contingent liabilities or assets as at 30 June 2014. Refer to Note 3 (vi) for further information.

## 28. Joint Ventures

***Blythe***

Forward Mining Ltd continue to progress project assessment requirements for the proposed development of the Blythe Iron Ore Project in Tasmania.

Under the amended Blythe sale agreement, the following consideration is payable to the previous 50:50 Project Joint Venture partners Iron Mountain Mining Ltd and Red River Resources Ltd (RVR) under the following restructured milestones:

1. Payment of $1,000,000 to be split equally between IRM and RVR upon first shipment of iron ore extracted from the Blythe project tenements.

2. Payment of $2,000,000 to be split equally between IRM and RVR upon anniversary of first shipment of iron ore extracted from the Blythe project tenements.

3. Payment of $2,000,000 to be split equally between IRM and RVR upon second anniversary of first shipment of iron ore extracted from the Blythe project tenements.

4. A royalty of 1.5% payable on the gross Free on Board revenue from all shipments of iron ore from the Blythe tenements.

***Miaree and Wongan Hills***

After surpassing Stage 2 expenditure milestones in the December 2011 quarter and lifting its equity stake in the Miaree Project from 25% to 49%, the company elected not to progress to 70% by committing to sole fund a further $2,000,000. Instead, the company opted to continue under the non-contributory dilution provisions in the joint venture agreement. As at 30 June 2013, Iron Mountain's equity in the Miaree Project was 60.25% (RVR:39.75%)

***Mt Richardson***

Pursuant to the agreement reached on the sale of Mt Richardson, a royalty of 2% on average/tonne FOB sales value of iron ore product that departs E29/571 will be payable to Iron

Mountain as well as a one off payment of AUD 0.50 per dry metric tonne on tonnages in excess of independently evaluated Indicated or Measured resources of 10,000,000 tonnes.

The company continues to communicate with Cliff Asia Pacific Iron Ore Pty Ltd, and is hopeful in the success of the project.

***Northern Territory – Treasure***

On 17 September 2013 the Company announced that it had signed a joint venture agreement with MMG. Under the Terms of the agreement MMG can acquire up to a 90% of the project by sole funding $3.000.000 of expenditure,

## 29. Subsidiaries

The consolidated financial statements incorporate assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

| Name of Entity | Country of incorporation | Class of shares | Equity Holding 2014 % | Equity Holding 2013 % |
|---|---|---|---|---|
| Macquarie Marble & Lime Pty Ltd | Australia | Ordinary | - | - |
| Aluminex Resources Limited | Australia | Ordinary | - | 100 |
| Red River Resources Limited | Australia | Ordinary | - | - |

During the financial year the company acquired 69.11% of Red River Resources Limited. Red River Resources was consolidated into the group at the point and was deconsolidated on 28 March 2014 when the whole interest was sold.

On the 21 April 2014, wholly owned company Aluminex Resources Limited was de-registered and therefore ceased to be a part of the consolidated group on that date.

## 30. Deed of cross guarantee

Iron Mountain Mining Limited and Aluminex Resources Limited (de-registered 21 April 2014) were parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

### a) Consolidated statement of profit or loss and other comprehensive income.

The above companies represented a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Iron Mountain Mining Limited, they also represent the 'extended closed group' up until 21 April 2014 when Aluminex was deregistered.

Set out below is a consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2014 of the closed group consisting of Iron Mountain Mining Limited and Aluminex Resources Limited.

| | 2014 $ | 2013 $ |
|---|---|---|
| Revenue from continuing operations | 106,409 | 350,412 |
| Other Income | 105,114 | 241,568 |
| Administration | (787,467) | (849,290) |
| Exploration costs | (176.761) | (549,851) |

| | | |
|---|---|---|
| Depreciation | (31,583) | (36,796) |
| Employment costs | (1,001,786) | (1,236,800) |
| Impairment of available for sale financial assets | (342,092) | (51,775) |
| Impairment of investments in associates | - | - |
| Impairment of related party loans | - | (230) |
| Impairment of Property | - | (275,279) |
| Impairment of exploration and evaluation expenditure | (1,064,587) | - |
| Impairment of Goodwill | - | - |
| Losses on disposal of property | (9,774) | |
| Loss on sale of available for sale financial asset | - | - |
| Profit on sale of investments | 634,214 | |
| Gain on remeasure of investments | 290,319 | |
| Share of net loss of associates accounted for using the equity method | (61,809) | (326,324) |
| **(Loss) / Profit before Income Tax** | (2,163,219) | (2,734,365) |
| Income tax (expense) / benefit | 274,357 | - |
| **(Loss) for the Year** | **(1,888,862)** | **(2,734,365)** |
| **Other Comprehensive Income** | | |
| *Items that may be reclassified to profit and loss* | | |
| Changes in the fair value of available for sale financial assets | - | (4,715) |
| **Total comprehensive (loss) for the period** | **(1,888,862)** | **(2,739,080)** |

**b) Consolidated statement of financial position.**

Set out below is a consolidated statement of financial position as at 30 June 2013 of the closed group consisting of Iron Mountain Mining Limited and Aluminex Resources Limited. As Aluminex was deregistered on 21 April 2014 there are no numbers to present as at 30 June 2014.

| | **2013 $** |
|---|---|
| **CURRENT ASSETS** | |
| Cash and Cash Equivalents | 4,902,872 |
| Trade and Other Receivables | 173,678 |
| Assets Held for Sale | 632,239 |
| **TOTAL CURRENT ASSETS** | 5,708,789 |
| **NON-CURRENT ASSETS** | |
| Receivables | - |
| Investments accounted for using the equity accounting method | 66,941 |
| Available For Sale Financial Assets | 35,393 |
| Property, Plant and Equipment | 822,703 |
| **TOTAL NON-CURRENT ASSETS** | 925,037 |
| **TOTAL ASSETS** | 6,633,825 |
| **CURRENT LIABILITIES** | |
| Trade and Other Payables | 164,938 |

| | |
|---|---|
| Provisions | 60,169 |
| **TOTAL CURRENT LIABILITIES** | 225,107 |
| **TOTAL LIABILITIES** | 225,107 |
| **NET ASSETS** | 6,408,718 |
| **EQUITY** | |
| Contributed Equity | 14,314,977 |
| Reserves | 1,241,826 |
| Accumulated Losses | (9,148,085) |
| **TOTAL EQUITY** | 6,408,718 |

## 31. Investments in Associates

### (a) Movements in carrying amounts

| | 2014 $ | 2013 $ |
|---|---|---|
| Carrying amount at the beginning of the year | 282,478 | 59,962 |
| Acquisitions | 65,000 | |
| Share of loss | (61,810) | (21,304) |
| Recognise retained interest at fair value of associate on the date of loss of significant influence | 274,118 | - |
| De-recognition of carrying amount of associate on the date of loss of significant influence | (559,786) | (40,662) |
| Recognition of associate upon de-consolidation as subsidiary | - | 284,482 |
| Carrying amount at the end of the year | - | 282,478 |

### (b) Summarised financial information of associates

The group's share of the results of its principal associates and its aggregated assets (including goodwill) and liabilities are as follows:

| | | Company's share of: | | | |
|---|---|---|---|---|---|
| | Ownership Interest % | Assets $ | Liabilities $ | Revenues $ | Loss $ |
| **2013** | | | | | |
| Elysium Resources Ltd (formerly United Orogen Ltd)* | 22.93% | 1,448,611 | 13,112 | 5,624 | (108,406) |
| | | 1,448,611 | 13,112 | 5,624 | (108,406) |

* listed entity

Elysium Resources Ltd (formerly United Orogen Ltd) became an associate of Iron Mountain Mining Limited on 30th August 2011.

Elysium Resources Ltd (formerly United Orogen Ltd) became a subsidiary of Iron Mountain Mining Limited on 8 October 2012 (refer to Note 31 for details). The Group ceased recognising the investment in Elysium Resources Ltd (formerly United Orogen Ltd) as an associate on 8 October 2012. There was a deemed gain on disposal of $113,285.

On 18 February 2013, the company sold 60,000,000 shares that it owned in Elysium Resources Ltd (formerly United Orogen Ltd) to investor clients of Carling Capital Partners for $400,000. As at 30

June 2013 the company retained a total of 26,099,288 shares in Elysium Resources Ltd (formerly United Orogen Ltd), which represented 22.93% of the issued capital of Elysium Resources Ltd (formerly United Orogen Ltd) at that date.

The Group re-recognised the investment in Elysium Resources Ltd as an associate on 18 February 2013.

On the 29 November 2013 Elysium Resources Ltd issued an additional 564,574,089 shares for the takeover of "Burraga" this increased Elysium Resources Ltd total shareholding to 724,705,730 effectively reducing Iron Mountain Mining Ltd's shareholder percentage to 4.29%

The Group de-recognised the investment in Elysium Resources Ltd as an associate on 29 November 2013 after the loss of significant influence. The Group retains a total of 31,099,288 shares in Elysium Resources Ltd.

Elysium Resources Ltd (formerly United Orogen Ltd) is incorporated in Australia.

**(c) Fair Value of investments in associates**

| | 2014 $ | 2013 $ |
|---|---|---|
| Elysium Resources Ltd (formerly United Orogen Ltd) | - | 59,962 |
| | - | 59,962 |

## 32. Business Combination

### (a) Summary of acquisition

On 13 August 2013 the parent entity increased its holdings of the issued shares of Red River Resources Limited to 69.11%. Previously the parent entity held 2.59% of Red River Resources Limited. Previously this shareholding was accounted for as an available for sale financial asset (refer to Note 4). The business combination has been accounted for on a provisional basis.

Details of the purchase consideration, the net assets acquired and discount on acquisition are as follows:

**Purchase consideration**:

| | $ |
|---|---|
| Shares issued in Iron Mountain Mining Limited | 230,572 |
| Amount settled in cash | 691,718 |
| Fair Value of shares owned prior to acquisition | 36,000 |
| Total purchase consideration | **958,290** |

| The assets and liabilities recognised as a result of the acquisition are as follows: | **Fair Value $** |
|---|---|
| Cash | 383,681 |
| Trade and other receivables | 20,916 |
| Available for sale financial assets | 1,500 |
| Property, plant & equipment | 24,811 |
| Exploration assets | 1,064,587 |
| Trade and other payables | (87,495) |
| Provisions | (21,400) |
| Net identifiable assets acquired | **1,386,600** |
| | |
| Less: non-controlling interests | (428,310) |
| Net assets acquired | **958,290** |

I. *Non-controlling interests*

The fair value of the non-controlling interest in Red River Resources Limited, was estimated using Iron Mountain Mining Limited's share price of 2 cents per share as at 13 August 2013.

II. *Revenue and profit contribution*

The acquired business contributed revenues of $Nil and net loss of $217,390 to the consolidated group (prior to allowance for non-controlling interests) for the period 13 August 2013 to 28 March 2014 when the entire interest in Red River Resources was sold. If the acquisition had occurred on 1 July 2013, consolidated revenue and consolidated loss for the year ended 30 June 2013 would have been nil and $342,428 respectively.

**(b) Purchase consideration – cash flow**

| | |
|---|---|
| Outflow of cash to acquire business, net of cash acquired | 691,718 |
| Cash and Cash equivalents acquired | (383,681) |
| **Net Cash outflow on acquisition** | 308,037 |
| Acquisition related costs | 56,863 |
| **Net Cash paid relating to the acquisition** | **364,900** |

*Acquisition-related costs*

Acquisition-related costs of $56,863 are included in administration costs in the consolidated statement of profit or loss and other comprehensive income and in investing cash flows in the consolidated statement of cash flows.

**(c) Summary of Disposal**

On 28 March 2014, Iron Mountain Mining Limited sold its entire stake in Red River Resources Limited to investor clients of Beer & Co for A$320,000. The sale resulted in Iron Mountain Mining Limited reducing its equity in Red River Resources Ltd from a majority stake of 47,914,512 shares (69.11%) to nil shares (0.00%).

In the Directors' opinion:

1. The financial statements and notes set out on pages 31 to 73 are in accordance with the *Corporations Act 2001*, including:

   a. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   c. complying with IFRS and interpretations adopted by the International Accounting Standards Board.

2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The directors have been given the declaration by the Managing Director, Robert Sebek, as required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and signed for and on behalf of the Board by:

**Robert Sebek**
**Director**

16 September 2014

Perth, Western Australia

ROTHSAY

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**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF IRON MOUNTAIN LIMITED**

**Report on the financial report**

We have audited the accompanying financial report of Iron Mountain Limited (the Company") which comprises the statement of financial position as at 30 June 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

**Directors Responsibility for the Financial Report**

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

**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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of 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 our 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, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in 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**

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.

Chartered Accountants

**Audit opinion**

In our opinion the financial report of Iron Mountain Limited is in accordance with the *Corporations Act 2001*, including:

a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of their 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 consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

**Report on the remuneration report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. 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.

**Audit opinion**

In our opinion the remuneration report of Iron Mountain Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Rothsay

Graham Swan
Partner

Dated 16 September 2014

Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

## ASX Information

**The substantial shareholder as at 12 September 2014 was:**

| Substantial Shareholder | Number Held | Percentage |
|---|---|---|
| BRIGHT BELL PTY LTD <ACACIA OPPORTUNITIES FUND A/C> | 7,956,293 | 5.85% |
| BOONJARDING RESOURCES LIMITED | 7,956,280 | 5.85% |

**Distribution of shareholders as at 12 September 2014**

| Range of Holding | Holders | Shares |
|---|---|---|
| 1 - 1,000 | 89 | 44,418 |
| 1,001 - 5,000 | 944 | 2,783,873 |
| 5,001 - 10,000 | 889 | 8,049,173 |
| 10,001 - 100,000 | 920 | 28,235,983 |
| Greater than 100,000 | 138 | 96,820,266 |
| | **2,980** | **135,933,713** |

| | | |
|---|---|---|
| *Shareholders with less than a marketable parcel* | *2,589* | |

**Voting Rights**

Each fully paid ordinary share carries voting rights of one vote per share.

### TWENTY LARGEST HOLDERS OF QUOTED ORDINARY SHARES AS AT 12 SEPTEMBER 2014

| | Ordinary Shares Number Held | Percentage of issued shares |
|---|---|---|
| BRIGHT BELL PTY LTD <ACACIA OPPORTUNITIES FUND A/C> | 7,956,293 | 5.85 |
| BOONJARDING RESOURCES LIMITED | 7,956,280 | 5.85 |
| CEDARDALE HOLDINGS PTY LTD < G & S DAVIS SUPERFUND A/C> | 5,304,186 | 3.90 |
| DAEM NOMINEES PTY LTD <DAEM SUPER FUND A/C> | 5,304,186 | 3.90 |
| MR LEON FREDERICK HODGES | 5,304,174 | 3.90 |
| MR PAUL WINSTON ASKINS | 4,265,633 | 3.14 |
| Z P PTY LTD <Z PERVAN SUPER FUND A/C> | 3,031,427 | 2.23 |
| MR CALLUM BAXTER | 3,000,000 | 2.21 |
| BARCLAY WELLS LTD < NOMINEE A/C> | 2,652,093 | 1.95 |
| DRD HOLDINGS PTY LTD <GRAY FAMILY SUPER FUND A/C> | 2,652,093 | 1.95 |
| MR ERYK MATUSIK + MRS DZANET MATUSIK <MATUSIK SUPERFUND A/C> | 2,423,000 | 1.78 |
| J & F JAMES BROTHERS HOLDINGS PTY LTD | 1,556,785 | 1.15 |
| FCS PREMIER PTY LTD <FCS SUPERFUND A/C> | 1,382,451 | 1.02 |
| MR MATTHEW BANKS | 1,326,047 | 0.98 |
| MR DENNIS JAMES HAWTIN + MRS ROSEMARY ANNE HAWTIN <KRYPTONITE SUPER FUND A/C> | 1,300,000 | 0.96 |
| WALINJA PTY LTD <DUFFIELD SUPER FUND A/C> | 1,250,000 | 0.92 |
| MRS JANICE ROLL | 1,200,000 | 0.88 |
| COMO INVESTMENTS PTY LTD | 1,180,000 | 0.87 |
| B & M JACKSON PTY LTD <THE JACKSON SUPER FUND A/C> | 1,159,787 | 0.85 |
| PAUL GLENDON HUNTER | 1,100,000 | 0.81 |
| | **61,304,435** | **45.10** |

There is currently no on-market buyback being conducted by the company

**Unquoted Securities**

There are 32,000,000 unquoted options at $0.19, expiring on the 01/05/2016 as at 12 September 2014.

There are 5,250,000 unquoted options at $0.09, expiring on the 28/11/2017 as at 12 September 2014.

**Shares and Options escrowed**

No shares or options are under escrow as at 12 September 2014.

## INTEREST IN MINING TENEMENTS

| Tenement | Holder | Area | Date tenement granted | Date tenement expires | Company's beneficial interest (%) |
|---|---|---|---|---|---|
| **NORTHERN TERRITORY** | | | | | |
| **Treasure** | | | | | |
| EL25346 | Iron Mountain Mining Limited | 101 km2 | 5/02/2007 | 4/02/2015 | 100% |
| **VICTORIA** | | | | | |
| **Gold, Silver, Platinum** | | | | | |
| MIN5548 | Iron Mountain Mining Limited | 24.52 ha | 9/02/2012 | 8/02/2015 | 100% |
| EL5449 | Iron Mountain Mining Limited | 47 Graticules | 10/05/2013 | 9/05/2018 | 100% |
| MIN5570 | Iron Mountain Mining Limited | 6.3 ha | 26/09/2013 | 8/02/2015 | 100% |
| EL5490 | Iron Mountain Mining Limited | 173 Graticules | 6/12/2013 | 5/12/2018 | 100% |
| **WESTERN AUSTRALIA** | | | | | |
| **Damboring** | | | | | |
| E70/3948 | Iron Mountain Mining Limited | 20 Blocks | 27/09/2011 | 26/09/2016 | 100% |
| **Miaree** | | | | | |
| E08/1350-I | Red River Resources Limited | 10 Blocks | 23/06/2006 | 22/06/2015 | 60.25% |
| E47/1309-I | Red River Resources Limited | 32 Blocks | 4/05/2007 | 3/05/2014* | 60.25% |
| E47/1707-I | Red River Resources Limited | 13 Blocks | 1/08/2008 | 31/07/2018 | 60.25% |

*Extension of term lodged and pending.