IRON MOUNTAIN
mining limited

ANNUAL REPORT 2011

IRON MOUNTAIN MINING LIMITED ABN 62 112 914 459

CORPORATE DIRECTORY

DIRECTORS

Simon Christopher England
Zhukov Pervan
David Alan Zohar
Robert Sebek

COMPANY SECRETARY

Suraj Sanghani (appointed 13 May 2011)
Mark Killmier (resigned 13 May 2011)

REGISTERED OFFICE

Level 7, 231 Adelaide Terrace, Perth WA 6000
Phone: (08) 9225 6475
Fax: (08) 9225 6474

HEAD OFFICE

Level 7, 231 Adelaide Terrace, Perth WA 6000

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,IRMO)

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street, Subiaco, WA 6008

LEGAL ADVISORS

Lawton Gillon
Level 11, 16 St Georges Terrace, Perth WA 6000

SHARE REGISTRY

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

EMAIL AND WEBSITE ADDRESS

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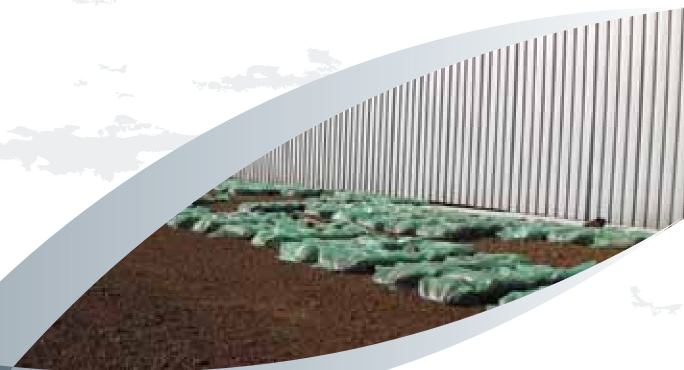

The photographs contained in this Annual Report are for illustration purposes only and are not necessarily assets of the Company.


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CORPORATE GOVERNANCE

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.ironmounainmining.com.au) includes further information about the Company's corporate governance practices at www.ironmountainmining.com.au/corporate/ governance/. In accordance with the recommendation of the ASX, information published on the Company's website includes charters, codes of conduct, securities trading policy and other policies and procedures relating to the board and its responsibilities.

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 2.1 of the Recommendations and the *Guide to Reporting on Principle 2*. 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 England, the Chairman 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, 1.2,1.3

Notification of Departure:

The Company has not: (1) formally disclosed the functions reserved to the Board and those delegated to management; (2) the process for evaluating the performance of senior executives, and; (3) whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process which is to be disclosed.

Explanation for Departure:

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.

Principle 2 Recommendation 2.1

The majority of the Directors should be independent.

Explanation for Departure

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.

The Board considers that its structure is, and will continue to be, appropriate to the stage of development and size of the Company. The Company considers that the non-independent Directors possess the skills and experience suitable for building the Company. Furthermore, the Board considers that in the current phase of the Company's growth, the Company's shareholders are better served by Directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operations evolve, and may appoint independent directors as it deems appropriate.

Principle 2 Recommendation 2.4

Establishment of a Nomination Committee.

Explanation for Departure

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.

Principle 2 Recommendation 2.5

Notification of Departure:

The Company has not disclosed the process for evaluating the performance of the board, and individual directors.

Explanation for Departure:

The Board considers that at this time no efficiencies or other benefits would be gained by introducing formal evaluations. 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 evaluation processes.

Principle 2 Recommendation 2.6

Notification of Departure:

The Company has not disclosed whether a performance evaluation for the Board, and Directors has taken place in the reporting period and whether it was in accordance with a disclosed process.

Explanation for Departure:

The Board considers that at this time no efficiencies or other benefits would be gained by introducing formal evaluations. 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 evaluation processes.

Principle 3 Recommendation 3.2, 3.3, 3.5

Notification of Departure:

The Company has not established a policy concerning diversity

Explanation for Departure:

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.

Principle 4 Recommendations 4.1, 4.2, 4.3, 4.4

Establishment of an Audit Committee.

Explanation for Departure

The Company's financial statements are prepared by external consultants 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 6.1,6.2

Notification of Departure:

The Company does not have a formal documented Shareholder communication policy.

Explanation for Departure:

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, 7.4

Notification of Departure:

The Company has not established policies for the oversight and management of business risks, or disclosed its risk management policies and assessment framework.

Explanation for Departure:

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.

Principle 8 Recommendation 8.1, 8.2, 8.4

Notification for departure:

The Company has not established a remuneration committee.

Explanation for Departure:

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.

2 DIRECTORS' REPORT

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 2011.

COMPANY DIRECTORS

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

SIMON CHRISTOPHER ENGLAND (Appointed 14 March 2007)
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 Limited.

Mr England holds no shares or options in Iron Mountain Mining Ltd.

ROBERT SEBEK (Appointed 16 December 2008)
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 is also a 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 2,000,000 options in Iron Mountain Mining Ltd.

Dr ZHUKOV PERVAN (Appointed 1 January 2009)
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, United Orogen Ltd and Eagle Nickel Ltd.

Dr Pervan holds 2,100,000 ordinary shares and 2,500,000 options over ordinary shares in Iron Mountain Mining Limited.

DAVID ALAN ZOHAR (Appointed 14 February 2005)
BSc DipEd
Non- 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, United Orogen Limited, Eagle Nickel Ltd, Actinogen Ltd, Terrain Minerals Ltd and Aluminex Resources Ltd.

Mr Zohar holds 31,096,530 ordinary shares and 12,428,355 options over ordinary shares in Iron Mountain Mining Limited.

COMPANY SECRETARIES

MARK KILLMIER (Appointed 20 July 2009) (Resigned 13 May 2011)
MBA (UWA), GAICD, FCPA, GDCorpGovASXLE, GradDipAppFin, B.Ec. (Adel)

Mr Killmier has over 27 years experience in Business and Finance, working in the mining, manufacturing and engineering sectors, in Australia and the United Kingdom. He was previously the Company Secretary of Millennium Minerals Ltd and until 13 May 2011 was the Company Secretary of Actinogen Ltd, United Orogen Ltd, Eagle Nickel Ltd and Red River Resources Ltd. Mr Killmier has a MBA from the University of Western Australia, is a Fellow member of CPA (Certified Practising Accountants) Australia, and holds a Graduate Diploma in the Corporate Governance of ASX Listed Entities.

Directorships – Nil

Mr Killmier holds no shares or options in Iron Mountain Mining Ltd.

SURAJ SANGHANI (Appointed 13 May 2011)
BCom CA GradDip ACG

Mr Sanghani is a chartered accountant with over 5 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. He has also completed a Graduate Diploma in Applied Corporate Governance with Chartered Secretaries Australia.

Mr Sanghani is also the company secretary of Actinogen Limited and Eagle Nickel Ltd.

Mr Sanghani has no interest in 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.

Operating Results

The Group made a profit after tax of $1,388,100 (2010: $419) for the year ended 30 June 2011. No dividends were paid and the directors have not recommended the payment of a dividend.

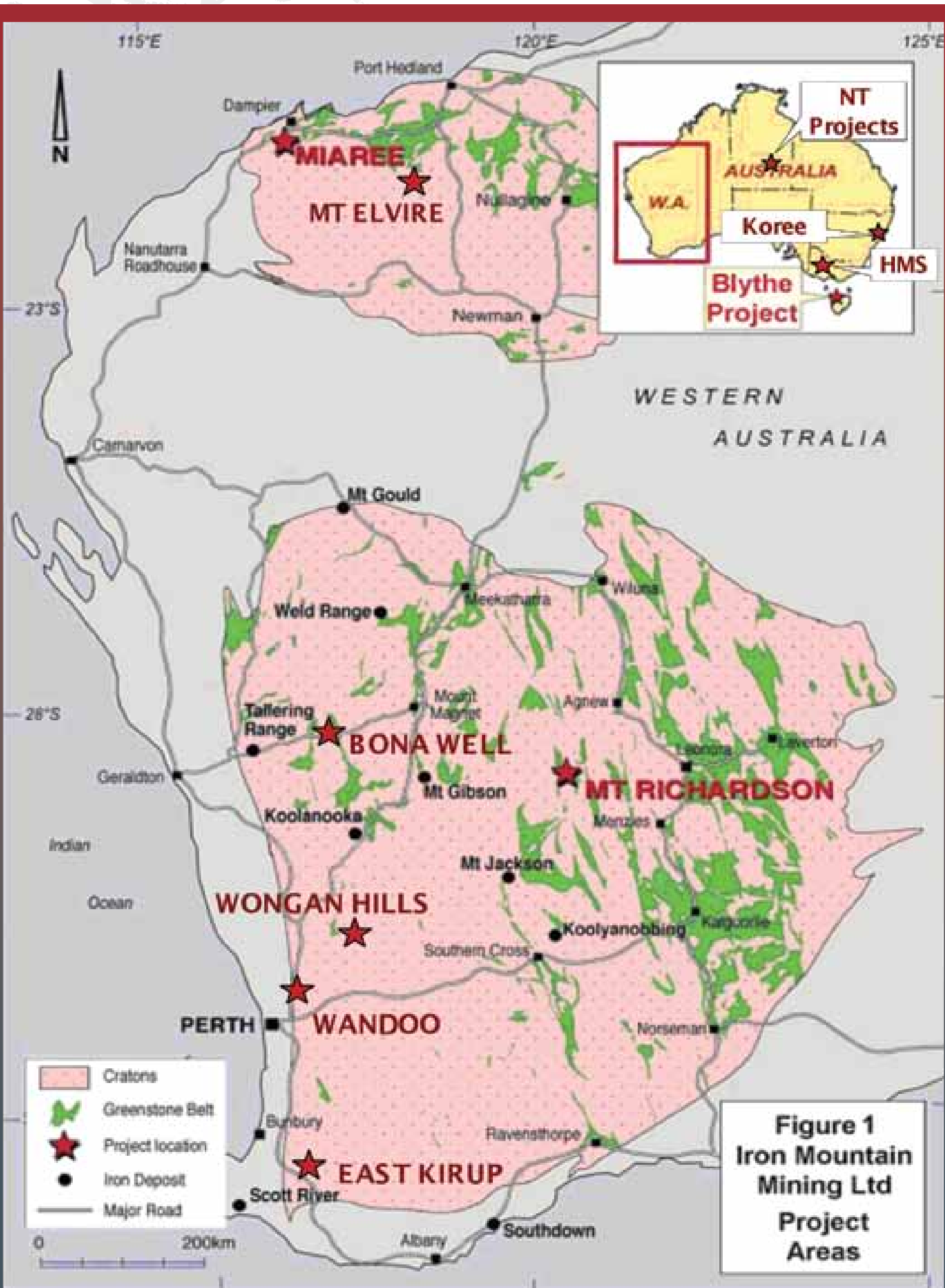
Dividends

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

Review of Operations

During the year the company undertook exploration within its tenements as well as advancing the Wandoo bauxite project where an earlier maiden drilling program was followed up with preliminary metallurgical test work in addition to three resource upgrades which lifted the total reported Inferred bauxite resource to in excess of 89Mt. At Miaree, exploration continued to target extensive surface gold-arsenic anomalism and eventually led to the discovery of high grade gold in quartz. Costeaning and structural mapping confirmed the high grade potential and was followed by a reverse circulation drilling program to test a variety of high grade, geochemical and structural targets. The sale of Mt Richardson to Cliffs Asia Pacific Iron Ore Pty Ltd was finalised with the receipt of AUD 6,000,000 in July 2010. The exploration camp has been completed and is operational and drilling is expected to commence in the third quarter of 2011. An Option to Acquire the Blythe Project was signed by Forward Mining Ltd for inclusion as the cornerstone project in planned IPO while exploration continued under the management of Kingsgate Consolidated Ltd at Wongan Hills where the company has a free carried 5% interest. The company moved to 100% equity in EL25346 currently managed by Mithril Resources Ltd under the Treasure JV after acquiring the outstanding interest from United Orogen Ltd. Mithril Resources Ltd can earn up to 80% by spending up to AUD 2,000,000 over 5 years. The company was also granted six exploration licences over 5 previously identified heavy mineral sand deposits in Western Victoria in close proximity to Iluka's Murray Basin operations. The company's granted and pending exploration projects are shown in Figure 1.

Figure 1 – Australian Project locations



WANDOO PROJECT
Location : 100km north of Perth, Western Australia

The Wandoo Bauxite Project is comprised of 13 granted tenements covering over 950km^2 in the Darling Ranges, 100km north of Perth, Western Australia. The project tenements cover predominantly freehold agricultural areas within the extensive Darling Plateau bauxite province Western Australia (see Fig.2). The project was acquired as a result of an off-market 1:1 script takeover of unlisted Aluminex Resources Ltd ("Aluminex") that was successfully completed in December 2009. The Wandoo Project area and surrounds were previously explored for bauxite by Pacminex Pty Ltd (predecessor to Rio Tinto Ltd) from 1968-1971 during which in excess of 10,000 holes were drilled, the details of which now form part of a substantial open file data package that explorers are using to revaluate the field.

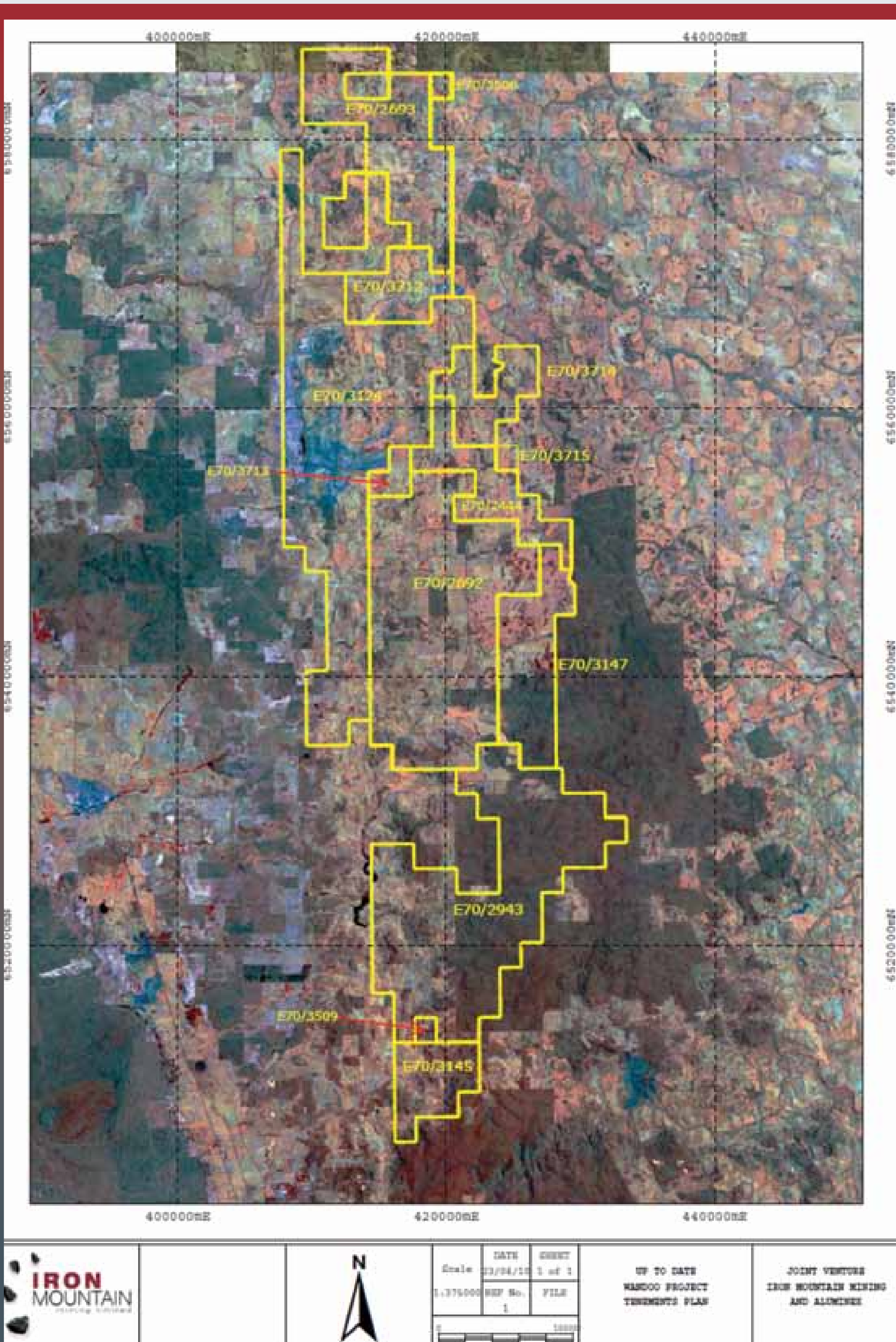


Figure 2 – Wandoo Bauxite Project tenements and land use coverage

During the year, the independent consultancy Hackman & Associates Pty Ltd continued estimating bauxite resources from validated historical data as well as from results received from its maiden drilling program completed within tenement E70/2693. Subsequent results from a 287 hole air core blade drilling program (1937m) that was completed in June 2010 were very encouraging. Individual assay grades of up to 53.9% Al_2O_3 and intersection widths of up to 7m at 47.71% Al_2O_3 were received. The drilling was undertaken on a 200m x 200m grid across five freehold properties with approximately 250 holes unable to be completed due to early seasonal rains which necessitated the immediate sowing of crops. In addition to standard and QA/QC assaying, a total of 512 additional samples were also selected and submitted for reactive silica analysis with results to be merged into the maiden drilling database for use in resource estimation and data calibration studies.

While the drilling results from the maiden drilling program were being reviewed, a second resource based on historical exploration results was announced on 16 November 2011. The Central Wandoo Inferred bauxite resource of 44.2Mt at 42.9% Total Al_2O_3, 30.4% Available Al_2O_3 and 3.1% Soluble SiO_2 was delineated from remaining zones of historically drilling from Area 8 (8.1, 8.2, 8.4 & 8.5) predominantly within tenement E70/2692 by Hackman & Associates. The Central Wandoo resource was in addition to the previously announced Maiden Inferred Resource of 17.5Mt at 38.2% Total Al_2O_3, 31.6% Available Al_2O_3 and 3.1% Soluble SiO_2 within E70/2692 announced on 16 March 2010 and increased the Global Inferred resources of bauxite at Wandoo to in excess of 61Mt.

At the same time that Hackman & Associates were working estimating resources using results from the company's maiden drilling program within tenement E70/2693 and available validated historical exploration results from Pacminex, Independent Metallurgical Operations Pty Ltd (IMO) were appointed to undertake preliminary metallurgical test work on the Wandoo bauxite ores. In early November 2010, a total of 19 samples of approximately 50kg in size were collected from 17 trenches excavated from both the north and south delineated New Norcia Inferred Resource areas within E70/2693 for metallurgical analysis. The area selected for the collection of the metallurgical samples coincided with the maiden drilling program and pending resource estimate. The sampling was undertaken under the supervision of IMO and a total of 3 composites were created from the bulk samples and sent to Amdel for screening size analysis and upgrade testing under the guidance of IMO. The brief for the metallurgical test work was to determine:

- the amount and type of bauxite present in the samples
- whether simple beneficiation techniques can upgrade the samples
- the possible upgrade for each ore type

On 16 December 2010, the company announced the New Norcia Inferred Bauxite Resource of 19.0Mt at 41.7% Total Al_2O_3, 29.8% Available Al_2O_3 and 5.7% Reactive SiO_2 has been estimated by Hackman & Associates using the maiden drilling results as well as a portion of historical Area 19 exploration data from within tenement E70/2693. The announcement of the New Norcia resource was the third resource announced by the company and increased the Global Inferred resources of bauxite at Wandoo to in excess of 80Mt.

In January 2011, the company received the preliminary test results for the Wandoo bauxite metallurgical study. Initial indications from IMO were that results so far were encouraging with the ability to achieve a good upgrade and the company reported that XRF analysis of the three composite samples produced significantly better results than those reported for the New Norcia Inferred resource (16 Dec 2010). The results from the final Wandoo Bauxite Metallurgical Study Report were announced on 9 March 2011. Of the 19 collected samples, 10 were derived from the northern area of the deposit and 9 from the south, all within E70/2693. Seven representative samples were selected by Iron Mountain of which 3 composites were created and subjected to the following test work:

- Head assay characterisation
- Wet and Dry screening and assay
- Jig separation and assay

Test work on the New Norcia Resource bauxites confirmed that the dominant aluminium mineralisation present in the sample composites is Gibbsite. Of the principal aluminium hydroxide minerals that include Boehmite and Diaspore, Gibbsite (alumina trihydrate) has the most favourable economics for Bayer process digestion by alumina refineries due to lower required temperatures (135-1500 C) compared to that needed for Boehmite and Diaspore (+2000 C). Composite head assay characterisation results for the 3 composite bauxite samples were also very encouraging (see Table 1). The composite head XRF results from bulk samples from within the New Norcia Resource also significantly exceeded those originally estimated for the 19Mt New Norcia Inferred Bauxite Resource within E70/2693 (see Table 2).

Table 1 – Composite head assay characterisation (IMO)

Composite	Alumina (%)	Available Alumina (%)	Silica (%)	Reactive Silica (%)	Alumina to Silica Ratio	Available Alumina to Reactive Silica Ratio
1	44.50	37.00	9.46	4.20	4.70	8.81
2	52.90	40.20	4.98	3.00	7.58	13.40
3	48.20	31.50	13.40	3.80	3.60	8.29
Average	**48.53**	**36.23**	**9.95**	**3.67**	**4.88**	**9.88**

*Composite head characterisation based purely on direct XRF analysis for head grade determination

Table 2 – Comparison between composite head XRF analysis and New Norcia Inferred Resource estimate.

ANALYSIS COMPARISON	Total Al_2O_3	Available Al_2O_3	Reactive SiO_2
COMPOSITE HEAD XRF ANALYSIS	48.53%	36.23%	3.67%
NEW NORCIA INFERRED RESOURCE	41.73%	29.75%	5.70%
RESULT	**+16.3%**	**+21.8%**	**-55.3%**

Wet screening was identified as achieving the best upgrade potential. Particle size analysis identified high silica levels below 1mm with removal of this fraction being best achieved by wet screening (see Table 3). The benefits were consistent across all composites and included:

- Available Alumina recovery of over 88%
- Upgrade to between 49-50% Al_2O_3
- Available Alumina in excess of 38%
- A modest reduction in Reactive Silica to approximately 3.5%
- Available Alumina to Reactive Silica ratio (AvAl/RSx) of almost 11

Table 3 – Results from wet screening upgrade +1mm fraction (IMO).

Composite	Mass Recovery (%)	Alumina (%)	Available Alumina (%)	Silica (%)	Reactive Silica (%)	Alumina to Silica Ratio	Available Alumina to Reactive Silica Ratio
1	74.5	45.58	37.58	7.19	4.20	6.34	8.94
2	87.8	53.68	41.97	5.19	2.80	10.35	14.98
3	86.4	50.08	36.34	8.65	3.58	5.79	10.15
Average	**82.9**	**49.78**	**38.63**	**7.01**	**3.53**	**7.10**	**10.94**

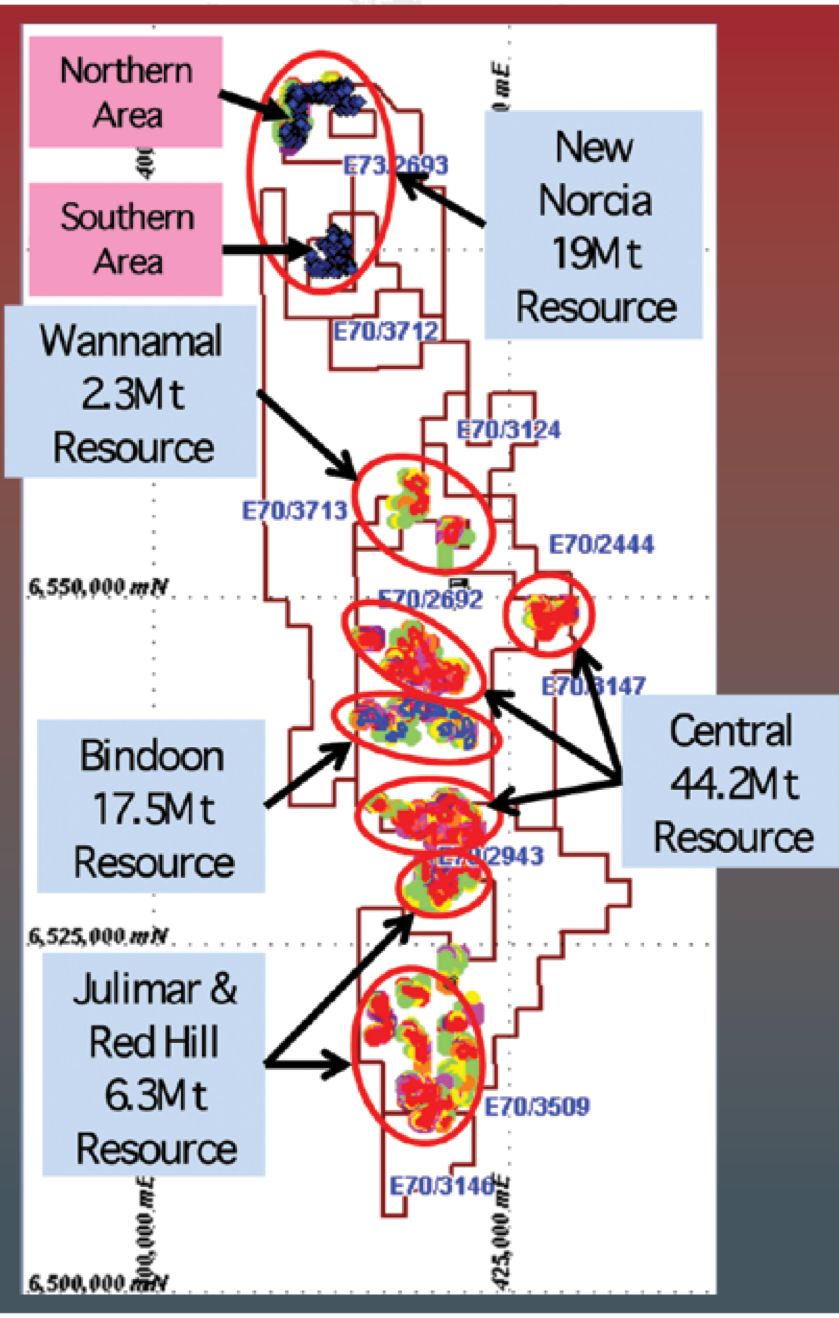
Of significance is the improvement in both the Alumina to Silica ratio and the available Alumina to Reactive Silica ratio as both are considered critical determinants for alumina refineries and are used as a guide to assess the economic potential of bauxite deposits. Gravity separation upgrades exceeded those achieved by wet screening however IMO advised that further variability testing would be required before any definitive conclusions could be made.

The final resource estimate by Hackman & Associates using validated historical Pacminex data was announced on 5 May 2011 (see Table 4). The Area 459 Inferred Bauxite Resource of 8.7Mt at 42.66% Total Al_2O_3, 29.09% Available Al_2O_3 and 3.88% Soluble SiO_2 contained within central and southern tenements of the Wandoo Bauxite Project was delineated from historical Areas 4, 5 & 9 which represented the final remaining zones of validated historical drilling contained within Wandoo Project tenements E70/2692, E70/2943, E70/3146 & E70/3509 E70/2692. The Area 459 Inferred Resource estimation was based on 3 zones of historical drilling undertaken by Pacminex Pty Ltd in the late 60's – early 70's and completes the program of resource estimation using suitable validated historical data contained within the Wandoo Project tenements. As previously reported, a total of 4,260 holes and corresponding 6,552 assay results were retrieved and validated from five historical project areas that were contained within the Wandoo Project tenement boundaries. The Area 459 resource upgrade increased the Global Inferred bauxite resources at Wandoo to in excess of 89Mt (see Fig.3).

Table 4 – Iron Mountain Mining Ltd history of resource development at Wandoo.

RESOURCE	ASX RELEASE	AREAS	TONNES	DRILLING DATA
Bindoon	16 March 2010	8	17.5Mt	Historical
Central Wandoo	16 November 2010	8	44.2Mt	Historical
New Norcia	16 December 2010	19	19.0Mt	New & Historical
Area 459 (Wannamal, Julimar & Red Hill)	5 May 2011	4, 5 & 9	8.7Mt	Historical

Figure 3 – Location of reported Inferred bauxite resources and bulk metallurgical samples at Wandoo.



Following the completion of the resource estimation exercise for Wandoo, Hackman & Associates were requested to prepare a single Wandoo bauxite report by consolidating all four previously reported resources into a single Wandoo Bauxite Project Inferred Resource Estimate. The resultant total combined Inferred resource estimate for Wandoo was 89.31Mt at 41.75% Total Al_2O_3, 28.51% Available Al_2O_3 and 4.43% Soluble SiO_2 (see Table 5). Preparation of the report was in part due to increasing inquiries in the project from potential investors interested in new sources of bauxite in response to increasing Chinese bauxite imports and an anticipated rapid depletion of supply from Indonesia.

Table 5 – Total Inferred resource estimate by area at Wandoo Bauxite Project at 30% Total Al_2O_3 cut-off.

Area	Sub Area	Reporting Lower Cut (Total Al2O3%)	Tonnes (Mt)	Total Al_2O_3 (%)	Sol.SiO_2	LOI (%)	Available Alumina (%)
Area 4	Total	30	5.81	42.53	4.01	19.42	29.03
Area 5	Total	30	0.54	42.74	4.62	18.97	28.18
Area 8	Total	30	61.62	41.63	4.11	19.10	28.04
Area 9	Total	30	2.34	42.97	3.40	19.26	29.46
Area 19/New Norcia	Total	30	19.00	41.73	5.70	19.49	29.75
Total Inferred Resources			**89.31**	**41.75**	**4.43**	**19.21**	**28.51**

One of the key benefits of Darling Range bauxites are their composition. Of the three types of known bauxite, Darling Range bauxites are comprised of Gibbsite that has a very low reactive silica content (<5%). Low reactive silica translates to lower refinery operating temperatures and pressures which in turn results in lower energy consumption and thus lower processing costs. Global markets are currently experiencing increasing demand for seaborne trade in bauxite. Reports suggests that Chinese refiners are currently treating low quality domestic bauxites containing only 13%-15% Al_2O_3 which makes the +40% Al_2O_3 Darling Range bauxites an attractive alternative. Within close proximity to Perth, ports all necessary infrastructure, the Wandoo Bauxite Project is attractively positioned to exploit the increasing demand for seaborne direct shipping bauxite.

MIAREE PROJECT
Location : Karratha, WA

The Miaree Project tenements cover approximately 150km2 and are held under a joint venture between Iron Mountain and Red River Resources Ltd ("Red River") whereby Iron Mountain can earn up to 70% of the project. The Miaree Project covers approximately 25km strike length of the Cleverville Formation, a geological unit of banded iron formation rich in magnetite (1.6Bt Cape Lambert magnetite deposit) within which the Miaree Magnetite Trend has been identified as well as recent significant surface gold anomalism. Since September 2009, over 2,000 lag soil and rock chip samples have been collected from Miaree during which time gold exploration has been the primary focus. The shift to gold followed reports of a substantial electronic gold rush southwest of Karratha within a geological sequence that was able to be traced westward into E47/1309 and host significant Au-As surface anomalism (see Fig.4).

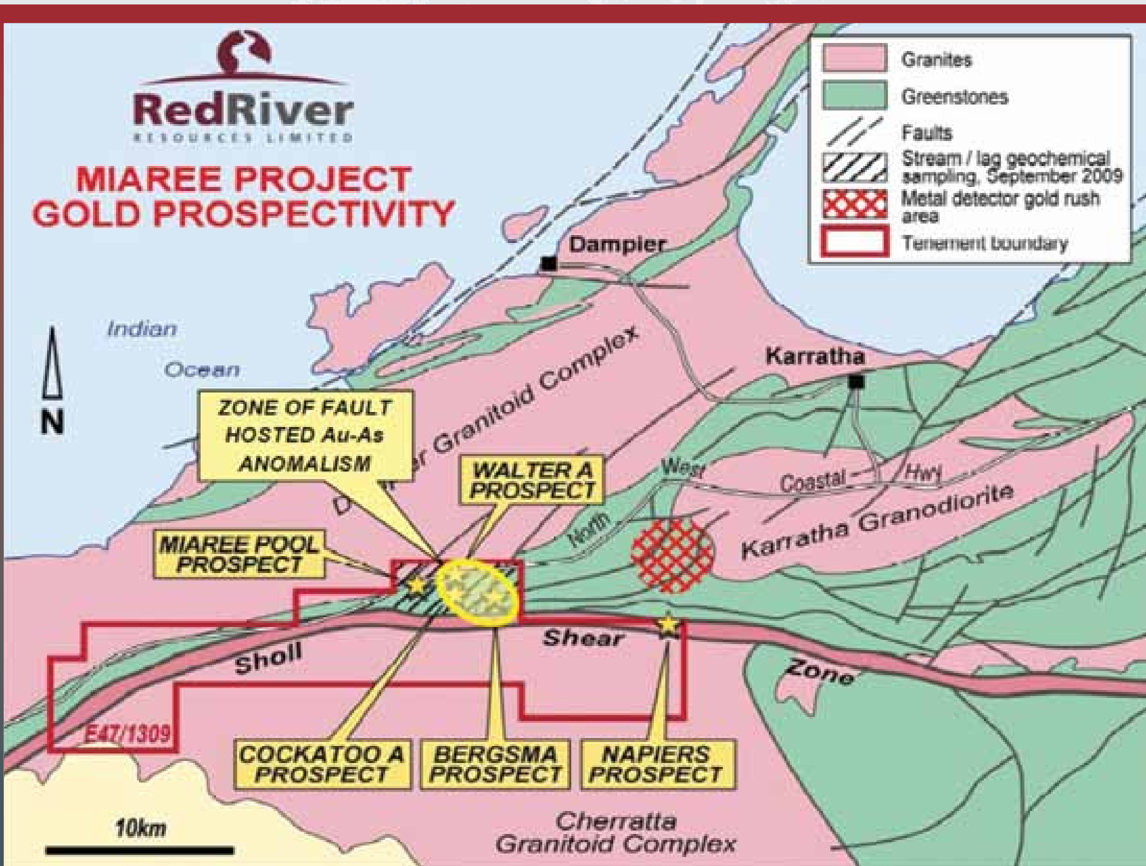


Figure 4 – Miaree Gold Project showing location Au-As anomalism

During the year, follow up geochemical survey work identified significant Au-As anomalism in the east of E47/1309. A total of 423 surface samples were collected in July 2010 on a 500m x 50m grid of which 123 tested a possible major northeast splay oblique to the regional Sholl Shear zone, a major crustal lineament displaying significant strike-slip movement further to the south. Results from this sampling delineated a clearly defined an Au-As anomaly approximately 2km long called the Bergsma Prospect and an infill program of sampling was immediately planned. Stage 2 infill geochemical sampling at Bergsma was undertaken Aug-Sep 2010 and comprised of 497 samples collected on a 100m x 50m grid. The results from the Stage 2 infill sampling enhanced both the width and intensity of the previously defined Bergsma Au-As anomaly as well identifying additional surface gold anomalism along a series of NE-SW en-echelon trends approximately 2km northwest and parallel of the Bergsma trend. These three new trends were labeled the Walter, Crystal and Cockatoo trends and each contained multiple anomalous prospects (see Fig.5).

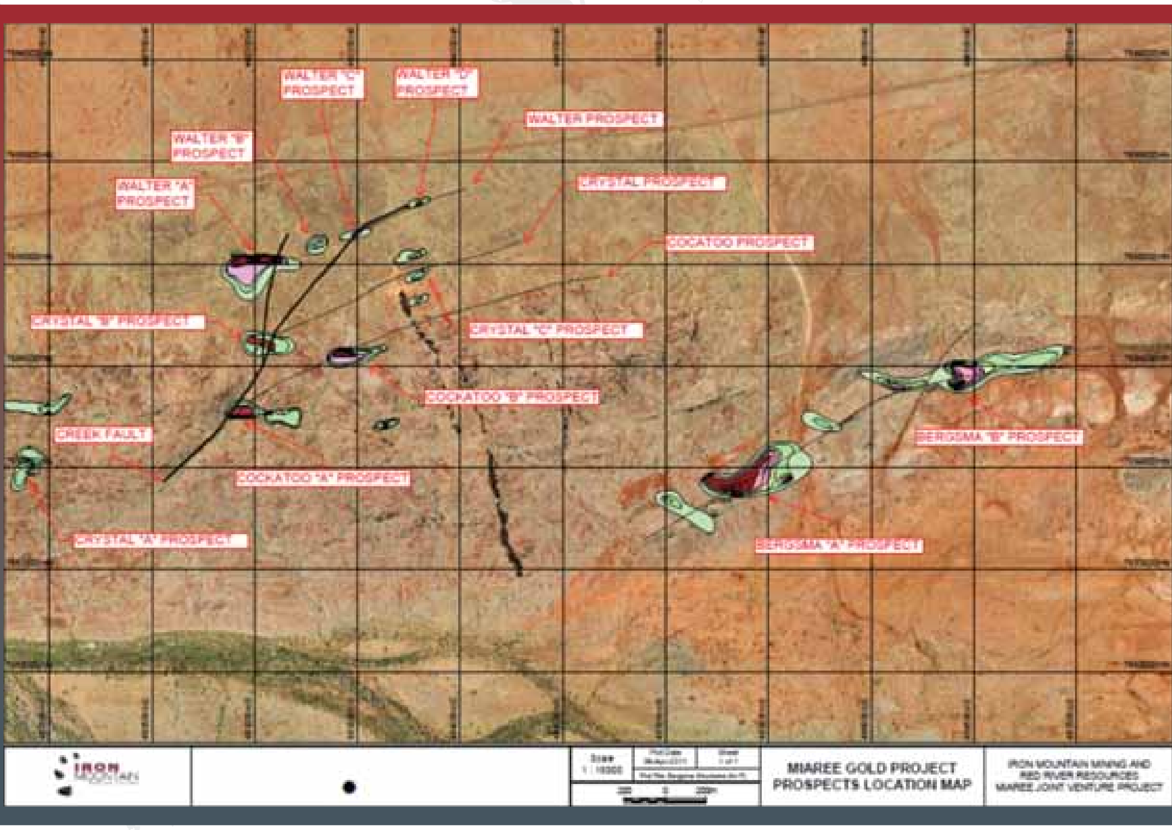


***Figure 5** – Miaree Gold Project showing locations of Creek Fault and associated geochemical anomalism*

Stage 3 geochemical sampling followed and was comprised of infill sampling at 50m x 25m as well as localised rock chip sampling in the vicinity of previous high grade surface geochemical results. Rock chip sampling identified high grade gold bearing quartz veins at surface with reported grades of 47.4g/t Au and 38.0g/t Au coincident with a previous soil sample result of 18.5g/t Au at the Cockatoo A prospect. Cockatoo A is one of eleven gold geochemical anomalies within four sub-parallel mineralised fault trends indentified by 2000+ soil and rock chips samples within the 5km x 2km Miaree gold Project. A subsequent sampling program comprised of 25 rock chip and 42 lag samples followed returned rock chip assay results of 214g/t Au and 188g/t Au from two different outcropping quartz veins at Cockatoo A. Not all of the sampled outcropping quartz veins carried high grade mineralisation however the majority of the Cockatoo A area still remained to be sampled.

A program of structural mapping and costean was planned and undertaken in January 2011. Structural evaluation on the controls of gold mineralisation was completed by Steven King of Solid Geology Pty Ltd. A total of 11 costeans were excavated on the Cockatoo, Crystal and Walter trends and 77 channel samples collected and submitted for analysis. Costeaning at Walter and Crystal failed to reproduce significant mineralisation below surface however three of the seven costeans excavated at Cockatoo produced high grade results over expanded widths including sampling results of up to 247g/t Au and mineralised widths of up to 7m @ 37.8g/t (incl. 1m @ 247.6g/t Au).

The assay results from costeans CTC 1-2 & 4 at the Cockatoo A prospect appear below:

CTC 1: **5m @ 9.40g/t Au** including;
1m @ 42.5g/t Au (quartz vein)

CTC 2: **7m @ 37.8g/t Au** including;
1m @ 247.6g/t Au (quartz vein)
1m @ 6.89g/t Au (wall rock)
1m @ 4.96g/t Au (quartz vein)
1m @ 2.24g/t Au (wall rock)

CTC 4: **4m @ 6.43g/t Au** including;
1m @ 21.7g/t Au (quartz vein)
1m @ 2.60g/t Au (wall rock

The Cockatoo A prospect is hosted entirely within the Regal Basalt Formation. Mapping and structural evaluation by Solid Geology Pty Ltd has interpreted the prospect as being an east-west trending feature lying within a splay wedge between structures originating from a larger north-east trending fault marked by a creek (Creek Fault) which ties into Sholl Shear Zone. The east-west Cockatoo trend may relate to splay linkage structures between splay bounding structures and exploration should be focused on tracing these trends west and south west back towards their splay point from the Creek Fault. There is also a possible north-east linking splay shoot that is likely to have a controlling influence on the development of larger quartz pods in the area.

Based on the results of the costeaning and structural evaluation, a preliminary drilling program of approximately 15-20 reverse circulation (RC) holes for a total of up to 2000m was planned with the aim of testing several mineralised and structural features including:

- High grade Cockatoo A Prospect
- Possible linking NE splay shoot up to 700m northeast of Cockatoo A Prospect
- Shear interaction of high grade Cockatoo A zone at splay point with Creek Fault
- Bergsma A & B anomalies

The initial attempt to carry out the proposed drilling program was been temporarily delayed as a result of higher than average rainfall and machinery breakdown. Despite being in Karratha between 11-19 May 2011 preparing for the commencement of drilling, an oil pump failure on the dozer clearing the drill pads (15 May) as well as an unseasonal deluge (104.2mm over 15-16 May) forced the exploration and drilling crews to temporarily abandon plans to drill and return to base. The drilling program was eventually completed in June 2011. In all, 14 RC holes were drilled for a total 1406m. The program was originally planned to comprise 22 holes for 2215m however not all holes could be drilled as a result of restricted access and time limitations (see Fig.6).

***Figure 6** – MRC drilling underway at Miaree Gold Project*

Although the high grades previously encountered at surface were unable to be replicated at depth from a limited number of accessible holes, results achieved at interpreted splay zones, fault interaction domains and Au-As anomalies provided encouraging results given the lack of previous exploration in the area and justify ongoing evaluation and exploration. Of significant interest was 101m @ 0.30g/t (0-101m) intersected in CKTARC009. Holes to the west of CKTARC009 within the interpreted splay zone (CKTARC001 & 004) returned limited sporadic results (see Table 6) and 6 planned holes to the east of CKTARC009 were unable to be drilled. The untested area to the east of CKTARC009 represents a zone of structural compression and quartz pod development within the northeast extension of the interpreted linking splay zone and warrants further work (see Fig.7).

Table 6 – Best intersections from Miaree Gold Project RC drilling program.

Prospect	Target	Hole	From	To	Intersection
Cockatoo A	Splay Zone	CKTARC001	62m	69m	7m @ 0.43g/t Au
Cockatoo A	Splay Zone	CKTARC001	49m	51m	2m @ 1.72g/t Au
Cockatoo A	Splay Zone	CKTARC004	0m	2m	2m @ 2.45g/t Au
Cockatoo A	High Grade	CKTARC005	9m	14m	5m @ 8.78g/t Au (incl. 1m @ 42.1g/t Au)
Cockatoo A	High Grade	CKTARC007	28m	32m	4m @ 1.31g/t Au
Cockatoo A	Splay Zone	CKTARC009	0m	101m	101m @ 0.30g/t Au
Bergsma A	Au-As Anomaly	BRGRC002	50m	61m	10m @ 0.76g/t Au (incl. 4m @ 1.73g/t Au)

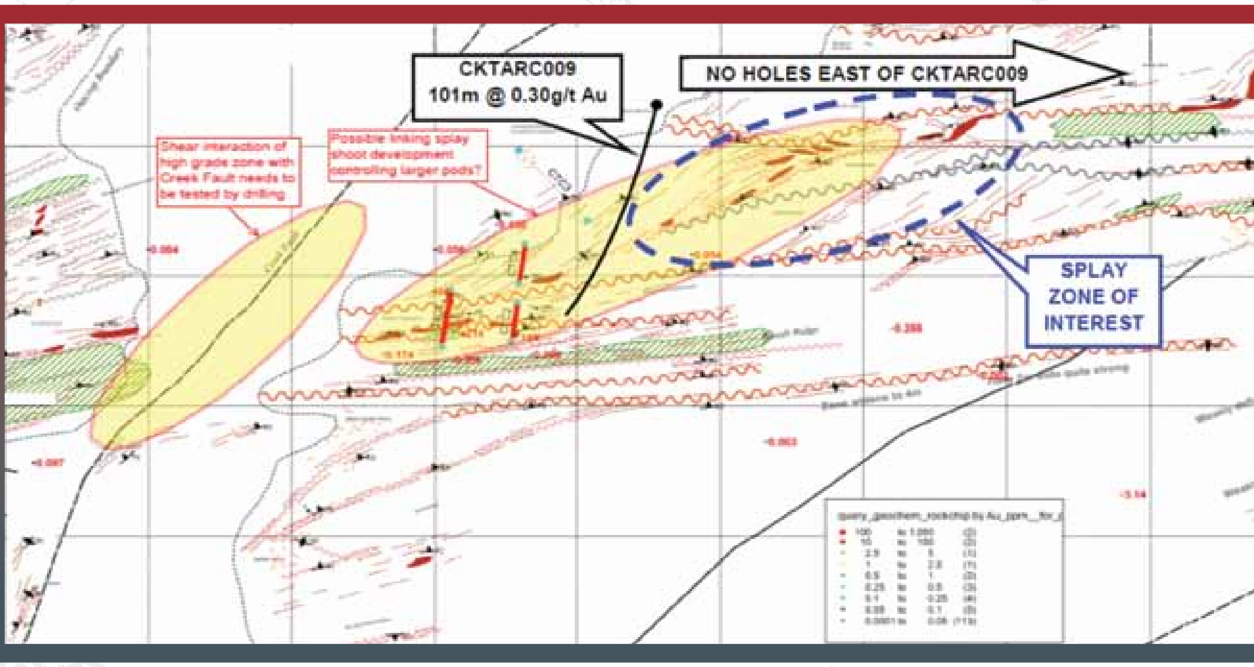


***Figure 7** – Approximate position of CKTARC009 and undrilled splay zone of interest*

Results from test holes at the Bergsma prospect were also encouraging. Hole BRGRC002 was drilled to test the Bergsma A anomaly and returned 10m @ 0.76g/t from 50m including 4m @1.73g/t Au. Bergsma A is the westerly of two distinct anomalies within the larger 2km long Bergsma Au-As geochemical signature approximately 2-3km east of the Cockatoo A Prospect. The accumulated exploration database has been forwarded to Solid Geology Pty Ltd for a post-drilling structural evaluation of the project. The outcome of this assessment will assist in identifying and prioritising structural and mineralised targets for the likely second phase of drilling at the Miaree Gold Project.

Earlier drilling undertaken at Miaree in 2008 targeted magnetite and consisted of 62 RC holes for 5820m on 13 drilling lines at approximately 1km spacing in the central and western sections of the Miaree Magnetite Trend. Following discussions with consultants experienced in magnetite evaluation, this database is currently being revisited with the aim of determining whether further work is warranted. The Miaree Project is currently a joint venture between Red River and Iron Mountain whereby Iron Mountain as manager has the option to earn up to 70%. Iron Mountain currently holds 25% after meeting the initial farm-in expenditure of $1.25m and can earn an additional 45% by spending a further $3.5m.

MT RICHARDSON PROJECT
Location : Eastern Goldfields, WA

This 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 (see Fig. 8). The development of this project has been managed by Cliffs Asia Pacific Iron Ore Pty Ltd ("Cliffs") within the terms of an Option to Purchase agreement finalised in August 2008 that resulted from early exploration success by Iron Mountain in late 2007. Cliffs are the owner operators of E29/571 following finalisation of the sale of the Mt Richardson Project on 13 July 2010. Iron Mountain 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.

During the year, the Minister for Indigenous Affairs granted Cliffs consent to undertake drilling activities at Mt Richardson. Clearing and construction of access tracks and drilling pads followed the approval of a proposed drilling program. An exploration camp has been established and is operational and drilling is expected to commence in the third quarter of 2011. Additional botanical and archaeological surveys were also completed with all approved site disruption and clearance works undertaken under the supervision and in the presence of aboriginal monitors.

Portman Iron Ore Ltd ("Portman") became a 100% subsidiary of Cliffs Asia-Pacific Pty Ltd as a result of compulsory acquisition following its takeover offer on 3 November 2008. Portman was subsequently delisted from the ASX on 10 December 2008 but continued as the operator of the Mt Richardson Project under the original terms of the Option to Purchase agreement with Iron Mountain. On 27 January 2009 Cliffs Asia-Pacific Pty Ltd changed its name to Cliff Natural Resources Pty Ltd with Portman subsequently changing its name to Cliffs Asia Pacific Iron Ore Pty Ltd on 10 March 2009.

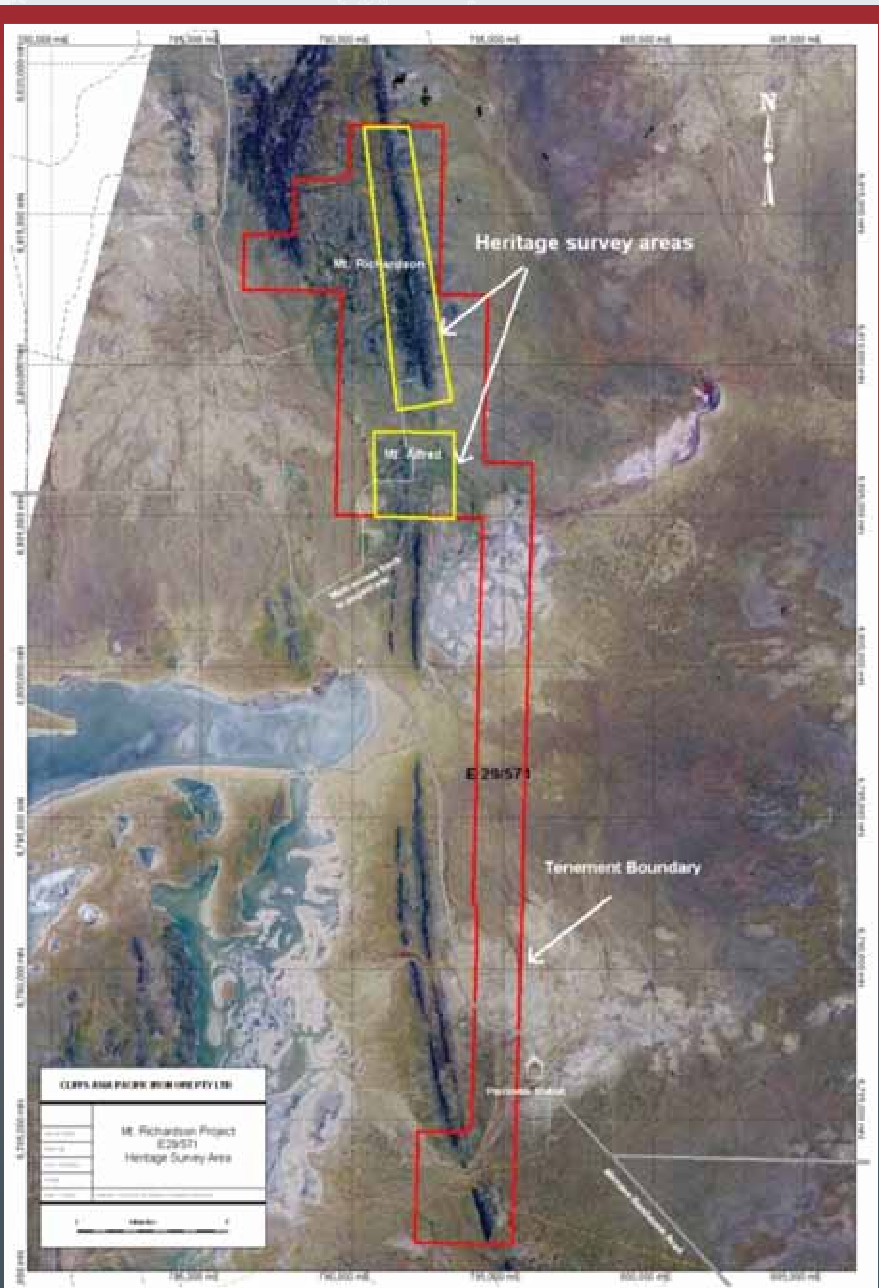


Figure 8 – Mt Richardson Project tenement E29/571

BLYTHE RIVER PROJECT
Location : Burnie area, Tasmania

The Blythe Project area is comprised of 6 granted exploration licences covering 324km2. The project is held under a joint venture between Iron Mountain and Red River with both parties contributing equally to all exploration costs. Drilling and exploration has been ongoing at Blythe since 2008 and a significant amount of drilling and assay data has been accumulated.

On 25 March 2011 the announced that Forward Mining Ltd had signed an Option to Acquire the Blythe Project for inclusion as the cornerstone project in their forthcoming Initial Public Offering targeted for the second half of 2011. Under the general terms and conditions of the Option to Acquire, Forward Mining take over as managers of the project with the following consideration payable and to be split equally between Iron Mountain/Red River subject to the satisfactory completion of negotiated milestones:

- Payment of A$50,000 which grants Forward Mining Ltd the sole and exclusive right to exercise the Option by 31 July 2011
- The right to extend the exercise date of the Option to 31 December 2011 with the payment of an additional A$50,000
- Payment of A$1,500,000 in cash and the issue of 5 million ordinary shares in Forward Mining Ltd following admission to the Official List of the ASX
- Payment of A$2,000,000 upon a Decision to Mine from within the Blythe tenements
- Payment of A$2,000,000 upon the first shipment of iron ore extracted from the Blythe tenements
- A royalty of 1.5% payable on the gross Free on Board revenue from all shipments of iron ore from the Blythe tenements

The Blythe tenement package surrounds the Kara scheelite/magnetite mine operated by Tasmania Mines Ltd (ASX: TMM). The project area is located 27 kilometres south of the port of Burnie and only 7 kilometres from railway access connecting western Tasmania with the coast. The existing infrastructure in the immediate region is conducive to the rapid development of mining, beneficiation and shipping facilities required for the production and export of magnetite ore to foreign markets. Increasing demands on time and resources from priority projects such as Wandoo and Miaree relegated Blythe to non-core status and it was resolved to seek expressions of interest for the sale of the project. The proposal from Forward Mining Ltd was deemed to have the best potential for rapid progress and the ultimate development of a mine.

WONGAN HILLS PROJECT
Location : Central Wheat Belt, WA

The Wongan Hills Project is currently comprised of E70/2728 that covers approximately 19km2 and was originally a joint venture with Red River whereby Iron Mountain could earn up to 70% equity in the project. On 28 August 2010, it was announced that Iron Mountain and Red River had signed a joint venture agreement with Quadrio Resources Pty Ltd ("Quadrio"), a subsidiary of Dominion Mining Limited ("Dominion"), whereby Quadrio could earn 80% equity in exploration licences E70/2437, E70/2443 and E70/2728 by sole funding expenditure of $400,000. In the event of Quadrio moving to 80% of the project, the equity interests of Red River and iron Mountain would be reduced to 15% and 5% respectively. At this point, Red River may then elect to further dilute to a 5% free carried Interest until Quadrio makes a decision to mine but Iron Mountain will remain with a 5% interest during this period. Upon a decision to mine, Red River and Iron Mountain may elect not to contribute and as a result would forgo their equity interest in return for a Net Smelter Return Royalty of 1.875% and 0.625% respectively. As of the March 2010 quarter, Quadrio had satisfied its expenditure requirements to earn an 80% interest in the Wongan Hills JV. On 20 October 2011, Dominion announced that a Scheme Implementation Agreement had been signed with Kingsgate Consolidated Ltd ("Kingsgate") whereby Kingsgate would acquire all of the issued and outstanding shares in Dominion.

Kingsgate resumed exploration on E70/2728 in mid-2011 following the completion of harvesting on affected tenements in the WA wheat belt. A program of 14 air core holes for a total of 448m were drilled to test of previously identified copper and gold surface geochemical anomalies within E70/2728 (see Fig.9). The results confirmed elevated primary oxide copper grades of 500-1000ppm in the regolith with a peak copper value of 0.14% Cu. Several elevated gold zones above 100ppb Au were also intersected. The drilling encountered granitoids with shallow depths of weathering towards the east. Granitoids and intermediate biotite-rich schists were also encountered further west. Transported cover is minimal with the depth of weathering vectoring towards hole 11WWAC011 which has a depth of 80m. No identifiable copper mineralogy was identified. There is a low grade (500-1000ppm) oxide copper anomaly extending between holes 11WWAC008 and 010, located within a zone of contrasting granitoids and intermediate schists. The mineralisation does not appear to be restricted to either lithology. While these low grade results may prove to be significant, they are typical of many other surrounding low grade intersections within the region and therefore at present, the anomaly does not warrant immediate follow-up.

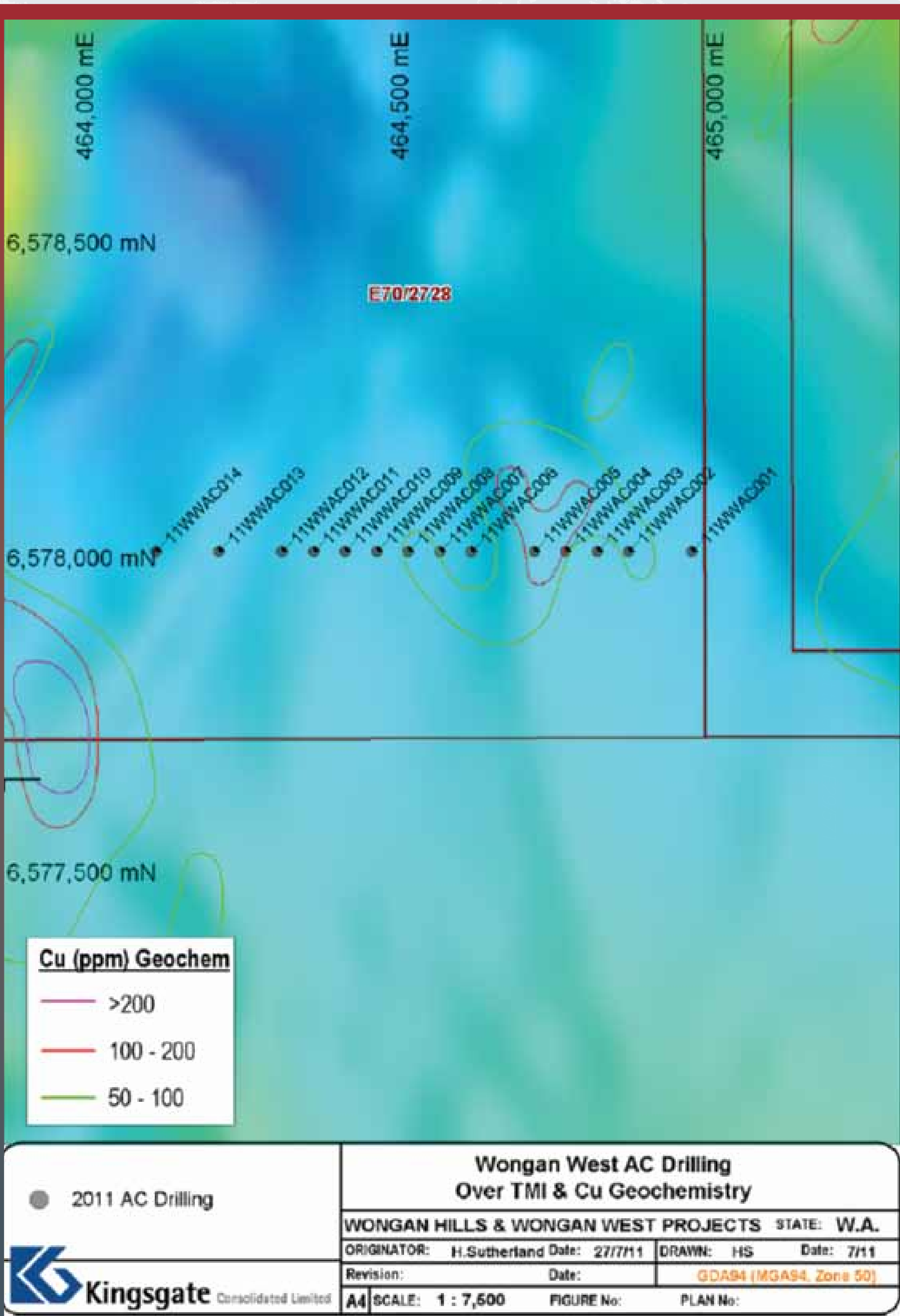


Figure 9 – Wongan West JV 2011 AC drilling over TMI and Cu geochemistry

BONA WELL PROJECT
Location : Mid West, WA

The Bona Well Project is comprised of two granted exploration licences covering 36km2 and is strategically located along the Mid West Infrastructure corridor approximately midway between Mt Gibson's Wolla Wolla project and Ferrowest Ltd's Yogi Project, approximately 500km north of Perth. Ongoing demands on time and resources continued to defer the evaluation of this isolated project. Exploration and assessment undertaken in the past is insufficient to determine whether drilling to test interpreted subsurface banded iron formations as well as possible uranium enrichment within paleochannels identified using radiometric imaged data is justified. The project will be part of an overall project and tenement review with a view to relinquishing the ground should results determine that additional work is not warranted.

ELVIRE PROJECT
Location : Pilbara, WA

The Mt Elvire Project is comprised of exploration licence 47/1823 covering 12km2 south of Port Hedland that was recently granted on 15 March 2011. Preliminary assessment of the project area is soon to commence with the aim of identifying the most appropriate exploration methods to evaluate the potential of the tenement. The area is considered prospective for channel iron ore accumulations similar in nature to the Yandi deposit (Rio Tinto) as well as for detrital iron ore deposits and was part of a competing application over the same ground highlighting the level of competitor interest in the area.

EAST KIRUP PROJECT
Location : Kirup, WA

The East Kirup Project is comprised of a single exploration licence application covering 12km2 approximately 8km east of Kirup and 15km northwest of the world class Greenbushes mine with total resources of 25.2Mt @ 3.6% Li_2O. Red River has reported the existence of a lithium-tantalum-tin geochemical anomaly in adjacent E70/2435 which is approximately 20km northwest and on the same interpreted offset structural trend as the Greenbushes lithium-tantalite-tin mine. Geochemical sampling undertaken by Red River on adjacent E70/2435 has delineated an extensive zone of anomalous lithium-tantalite-tin which may represent a dispersed mineralised halo over a primary pegmatitic mineralisation at depth.

Given the growing demand on time and resources from other priority projects, the conceptual model for proposed structural and mineral continuity will be part of an overall project and tenements review with a view to withdrawing the application should results determine that further work is not warranted. No field work has been undertaken at East Kirup as the application is still pending.

NORTHERN TERRITORY PROJECTS

On 27 May 2011, General Meetings held by Iron Mountain and United Orogen Ltd (United Orogen) approved the purchase of the outstanding available interests in EL25894 (Florence Creek), EL25329 (Lucky U) and EL25346 (Treasure) held by United Orogen. Iron Mountain now holds 100% equity interest in these three Northern territory exploration licences (see Fig.10).

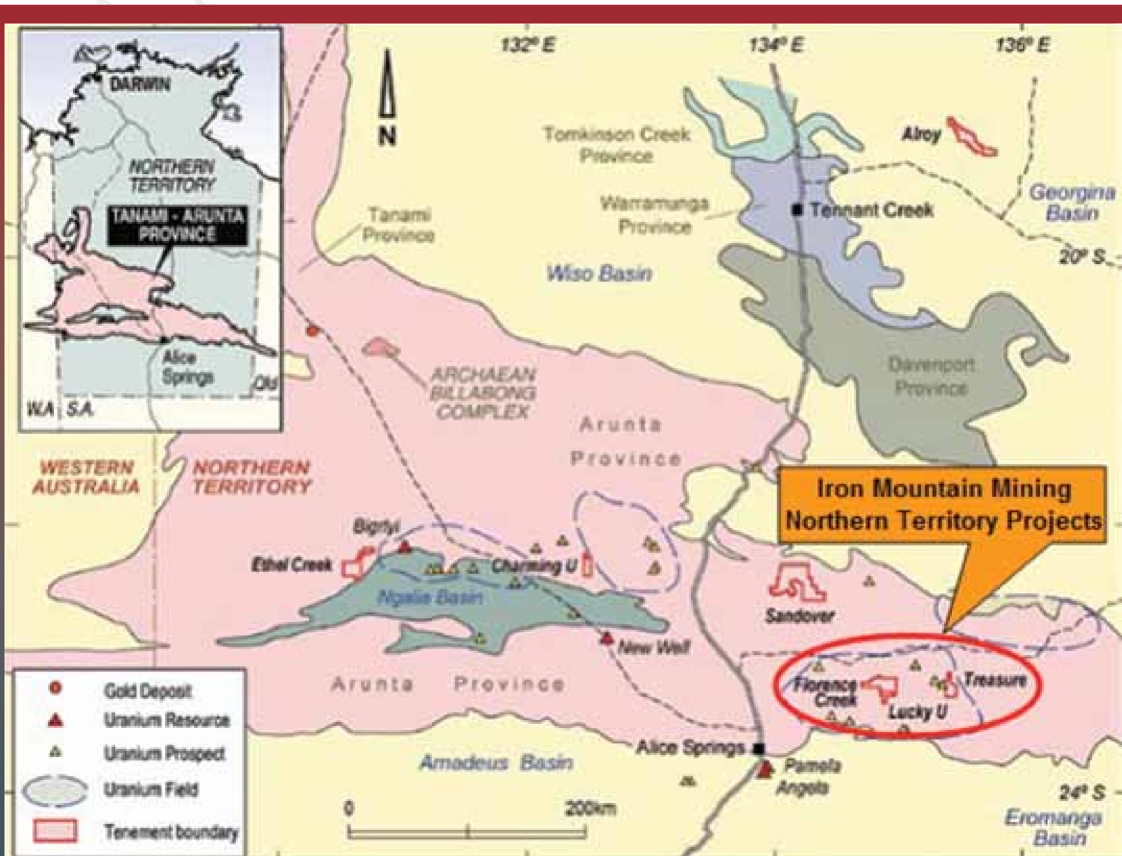


Figure 10 – Projesct locations in the Northern Territory (from Aluminex Resources Ltd)

FLORENCE CREEK & LUCKY U
Location : Alice Springs, NT

The Florence Creek and Lucky U tenements are located adjacent to each and cover a reduced 281km2 northeast of Alice Springs. The company also has 3 recently granted explorations licences covering 41km2 at Lucky U that were pegged on the basis of a conceptual structural model. The original tenements were acquired as part of the Aluminex acquisition in December 2009. Although the northwest area of the Florence Creek tenement remains to be explored, the project will be part of an overall project and tenement review with a view to surrendering these tenements should results determine that further work is not justified.

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 and was originally acquired as part of the Aluminex acquisition in December 2009. The project is currently subject to a Joint Venture Agreement with Mithril Resources Ltd ("Mithril") announced on 30 September 2008 whereby Mithril as the JV operator can earn 60% in EL25346 be spending $1m over the first three years (Stage 1) and a further 20% by spending an additional $1m over the following 2 years (Stage 2).

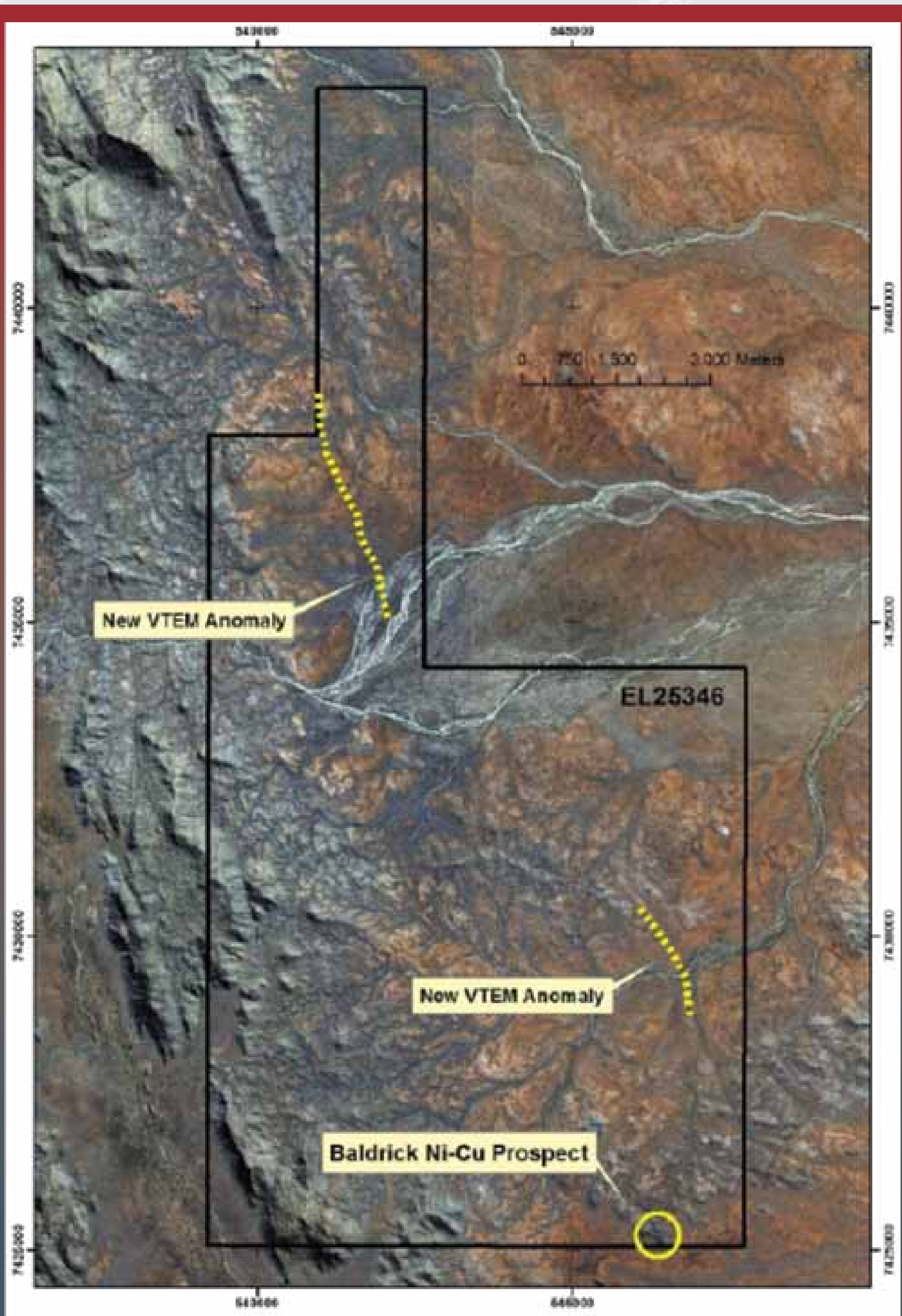


Figure 11 – Treasure JV EL25346 on ALOS Image showing location of VTEM anomalies

During the year, Mithril undertook a gravity survey at the Baldrick Prospect identified a discrete gravity anomaly approximately 400m to the northwest of the mineralised intrusion where previous drilling intersected up to 12m @ 0.4% Ni and 0.3% Cu. The gravity anomaly is along trend from the outcropping Ni-Cu mineralised gabbro and therefore could be indicative of a blind mineralised gabbroic body at depth. A ground EM survey targeting the discrete gravity anomaly failed to identify conductors and subsequently downgraded the potential of the target to represent massive Ni-Cu sulphides however a 78km2 VTEM survey identified a number of anomalies that are yet to be followed up on the ground (see Fig.11). Further work including field verification of the new VTEM anomalies with a view to upgrading them to a drill test decision has been planned by Mithril.

HMS PROJECT

Location : Horsham, Vic

The HMS Project is comprised of 6 granted exploration licences covering 701km2 over 5 known heavy mineral sand (HMS) deposits within the Murray Basin in Western Victoria. The Murray Basin covers North Western Victoria, South Western New South Wales and South Eastern South Australia and is a prolific producer of heavy mineral sands. Iluka Resources Ltd, currently the largest producer of zircon in the world, operates the Douglas and Echo HMS mines southwest of Horsham and a Mineral Separation Plant in Hamilton, Western Victoria (see Fig.12).

The company continued to acquire and evaluate all available historical exploration data pertaining to all previously identified HMS deposits currently contained within the granted Victorian Exploration Licences. Once a concise database has been compiled, validation of the information package will be undertaken in conjunction with the evaluation of open file drilling data that is currently being digitised by the Department of Primary Industries. The validated database will then be used to assess the exploration and development potential of the HMS Project tenements by hopefully allowing the identification of strandline and sheeted HMS targets.

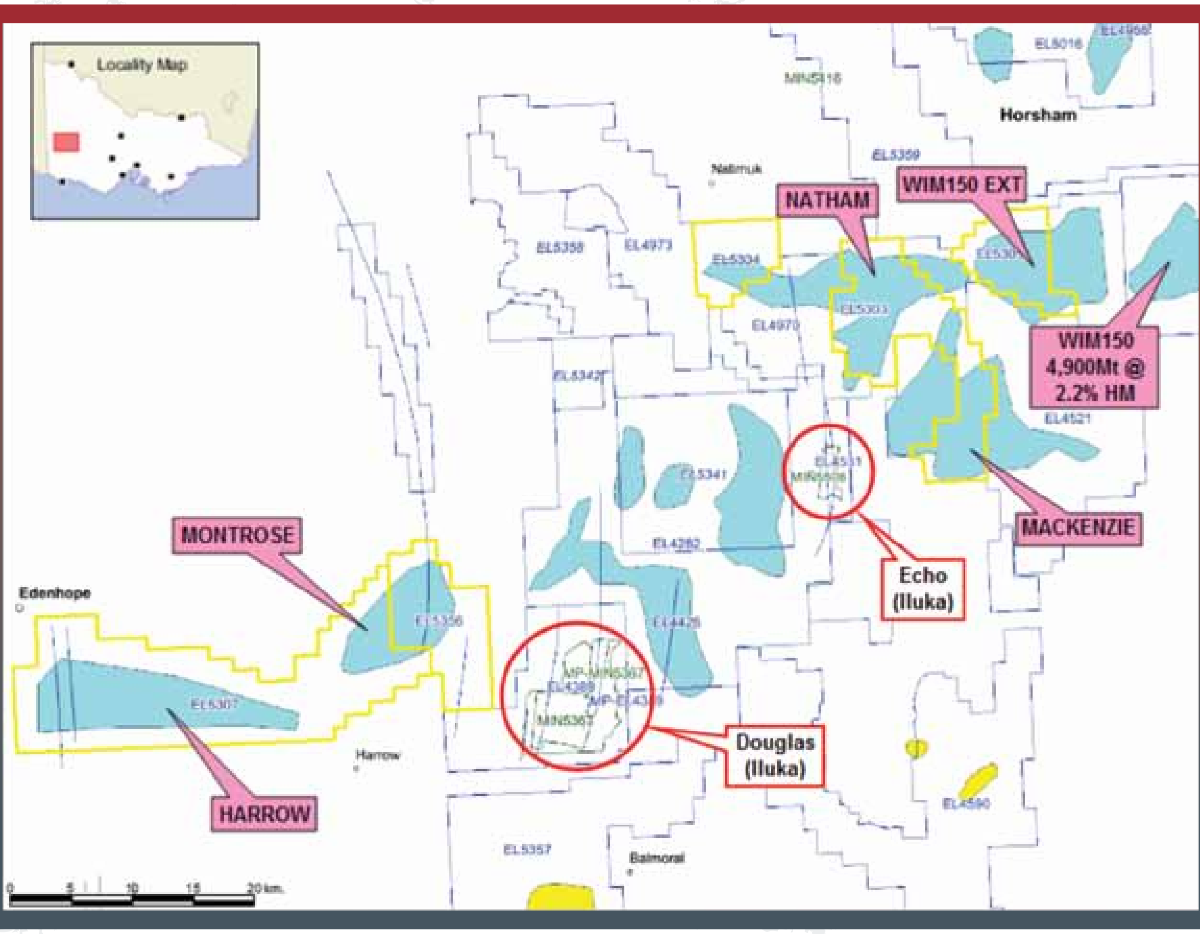


Figure 12 – Location of HMS Project tenements (yellow) as well as HMS deposits (blue), Iluka's operations and the WIM150 deposit

MACQUARIE MARBLE AND LIME PTY LTD
Location : Port Macquarie, NSW

Iron Mountain has a 60% interest in Macquarie Marble and Lime Pty (MML) which exercised an option to acquire ML 1446 and surrounding EL 7084 at Wauchope, near Port Macquarie in New South Wales in 2008. The tenements cover the Koree Limestone quarry which contains a deposit of lightly metamorphosed limestone determined to be suitable for the production of a marble dimension stone product with waste to be crushed for agricultural lime.

The company is in advanced negotiations with an experienced extractive licence operator and expects to finalise the sale of this non-core asset by the end of the year.

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 projects were relinquished:

- Kunanalling
- Nerramyne
- Mt Madden
- Greenstone

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.

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 13th July 2010 Cliffs Asia Pacific Iron Ore Pty Ltd (Cliffs) exercised its option to purchase Iron Mountain Mining's Mt Richardson tenements E29/571-I and E77/1267. Settlement of the purchase of the tenements was completed on 13 July and Cliffs made a payment of $6,000,000 to Iron Mountain Mining, which represents the balance of the consideration payable under the option agreement.

On 3rd June 2011 Iron Mountain acquired the property located at 113 Mackie Street, Victoria Park and mineral tenements "Lucky U", "Florence Creek" and "Treasure" from United Orogen Limited for the consideration of 13,500,000 ordinary shares (of which 3,500,000 are restricted for a period of 12 months from the date of issue) and 30,000,000 options (of which 15,000,000 are restricted for a period of 12 months from the issue date).

Matters Subsequent to the End of the Financial Year

Other than the matters referred to above, no other 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

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would likely to result in unreasonable prejudice to the Group.

Environmental Regulation

So far as the Directors' are aware there have been no significant breaches of environmental conditions of the Group's mining or exploration licenses, under laws of the Commonwealth or State.

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 2011 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:

Director	Board Meetings	
	Number of meetings held	Number of meetings attended
David Alan Zohar	9	9
Simon Christopher England	9	9
Dr Zhukov Pervan	9	8
Robert Sebek	9	9

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 (2010: $150,000). All directors are entitled to have any indemnity insurance paid by the Group (currently nil).

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 longterm 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 19(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 is currently 9%, 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 BlackScholes or binomial methodologies.

The Board policy is to remunerate NonExecutive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the NonExecutive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to nonexecutive directors is subject to approval by shareholders at the Annual General Meeting. Fees for NonExecutive 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.

Details of Remuneration

Details of the remuneration of the directors and key management personnel of Iron Mountain Mining Ltd are set out below.

The Key Management Personnel of the Group are the directors, company secretaries and chief financial officer:

Directors:

David Alan Zohar (Non-Executive Director)

Simon Christopher England (Non-Executive Chairperson)

Robert Sebek (Managing Director)

Dr Zhukov Pervan (Non-Executive Director)

Company Secretaries:

Mark Killmier (Resigned 13 May 2011)
Suraj Sanghani (Appointed 13 May 2011)

Chief Financial Officer:

Mark Killmier (Resigned 13 May 2011)

Key Management Personnel Remuneration:

2011

Name	Short Term		Post-employment	Share based payments			Value of Share Based payments as a % of total remuneration
	Cash salary and fees $	Cash bonus $	Superannuation $	Options $	Shares $	Total $	
Directors							
Robert Sebek	160,000	-	14,400	151,800	-	326,200	46.54%
Dr Zhukov Pervan	60,000	-	-	-	-	60,000	0.00%
David Zohar	36,100	-	29,300	-	-	65,400	0.00%
Simon England	65,000	-	-	-	-	65,000	0.00%
Chief Financial Officer/ Company Secretaries							
Mark Killmier[1]	206,494	-	15,473	-	-	221,967	0.00%
Suraj Sanghani[2]	33,504	-	3,015	-	-	36,519	0.00%
Total	**561,098**	**-**	**62,188**	**151,800**	**-**	**775,086**	**19.58%**

[1] Mr Killmier resigned from the position of chief financial officer and company secretary on 13 May 2011.

[2] Mr Sanghani was appointed company secretary on 13 May 2011. The reported remuneration includes remuneration paid to Mr Sanghani whilst he was an employee, but prior to his appointment as Company Secretary.

Key Management Personnel Remuneration (continued):

2010

	Short Term		Post-employment	Share based payments			Value of Share Based payments as a % of total remuneration
Name	Cash salary and fees $	Cash bonus $	Superannuation $	Options $	Shares $	Total $	
Directors							
Robert Sebek	150,000	-	13,500	-	-	163,500	0.00%
Dr Zhukov Pervan	45,000	-	-	-	-	45,000	0.00%
David Zohar[2]	22,452	-	26,598	-	-	49,050	0.00%
Simon England	50,000	-	-	-	-	50,000	0.00%
Chief Financial Officer/ Company Secretary							
Mark Killmier[1]	145,000	-	13,050	-	-	158,050	0.00%
Total	**412,452**	**-**	**53,148**	**-**	**-**	**465,600**	**0.00%**

[1] Mr Killmier was appointed chief financial officer and company secretary on 20 July 2009.
[2] David Zohar resigned as company secretary on 20 July 2009, but remains a Non-Executive Director.

Share Based Compensation

The terms and conditions of the grant of options affecting remuneration in the current reporting period 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

There was no other share based compensation for the year.

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 other options have been issued during the year.

Additional Information

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

	2011	2010	2009	2008	2007
Quoted price of ordinary shares at period end (cents)	8.7	5	8	28	22
Quoted price of options at period end (cents)	0.7	2.3	2	15	11
Earnings / (loss) per share	1.13	0.00	(1.11)	(1.92)	(5.0)
Dividends paid	-	-	-	-	-

Note: Information is not disclosed for 2006 and prior years as the company was not listed and its securities were not widely available for sale.

Service Agreements and Remuneration Commitments

From 1 January 2009, Robert Sebek's service agreement was amended such that he has no fixed termination date. However, Mr Sebek must give 4 weeks notice of his resignation. Termination by the Company would result in a termination benefit of 4 weeks salary payable to Mr Sebek by the Company.
The value of the service agreement is as follows:

30 June 2011	Mr Sebek
Due within 1 year	12,577
Due later than 1 year	-
Total	**12,577**

Apart from the above agreement described there are no outstanding commitments payable to any of the key management personnel as at 30 June 2011.

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.

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 February 2007	1 February 2012	20 cents	16,750,000
17 May 2007	1 February 2012	20 cents	23,436,250
1 June 2011	1 May 2016	20 cents	2,000,000
3 June 2011	1 May 2016	20 cents	15,000,000
3 June 2011	1 May 2016	20 cents	15,000,000

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 2011 on the exercise of options granted.

Indemnifying Officers or Auditor

During the financial year, Iron Mountain Mining Ltd paid a premium of $12,490 (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 2011. 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 2011 has been received and is set out on page 29.

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

Perth Western Australia

29 September 2011

BDO

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

29 September 2011

Iron Mountain Mining Limited
The Board of Directors
Level 6, 231 Adelaide Terrace
PERTH WA 6000

Dear Sirs,

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF IRON MOUNTAIN MINING LIMITED

As lead auditor of Iron Mountain Mining Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

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

C Burton

Chris Burton
Director

BDO

BDO Audit (WA) Pty Ltd
Perth, WA

STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2011

	Note	CONSOLIDATED 2011 $	2010 $
Revenue from continuing operations	5	620,548	276,403
Other Income	5	6,025,000	1,000,000
Administration		(494,155)	(385,743)
Exploration costs		(1,374,505)	(417,956)
Consulting fees		-	(5,700)
Depreciation		(51,492)	(56,100)
Employment costs		(1,339,450)	(865,878)
Impairment of available for sale financial assets	13	(323,971)	(489,721)
Writeback / (allowance) for impairment of receivables		(335,656)	13,008
Takeover expenses		(233,390)	(172,723)
Profit / (loss) before Income Tax		2,492,929	(1,104,410)
Income tax (expense) / benefit	6	(1,104,829)	1,104,829
Profit for the Year		**1,388,100**	**419**
Other Comprehensive Loss			
Changes in the fair value of available for sale financial assets	13	(7,906)	(5,337)
Other comprehensive loss for the year net of tax		(7,906)	(5,337)
Total comprehensive income for the year attributable to the owners of Iron Mountain Mining Limited		**1,380,194**	**(4,918)**
Total comprehensive income for the year		**1,380,194**	**(4,918)**
Basic earnings per share (cents)	27	1.13	0.00
Diluted earnings per share (cents)	27	0.71	0.00

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
CURRENT ASSETS			
Cash and Cash Equivalents	7	4,851,819	1,413,570
Trade and Other Receivables	8	326,647	178,134
Non Current Assets Held for Sale	12	-	480,995
TOTAL CURRENT ASSETS		5,178,466	2,072,699
NON-CURRENT ASSETS			
Receivables	9	46,700	46,500
Property, Plant and Equipment	10	1,751,897	913,172
Deferred Tax Asset	11	-	1,104,829
Exploration and Evaluation Expenditure	12	5,703,762	5,317,904
Goodwill	31	113,872	113,872
Available For Sale Financial Assets	13	482,566	698,035
TOTAL NON-CURRENT ASSETS		8,098,797	8,194,312
TOTAL ASSETS		13,277,263	10,267,011
CURRENT LIABILITIES			
Trade and Other Payables	14	340,629	192,356
Provisions	15	30,842	18,357
TOTAL CURRENT LIABILITIES		371,471	210,713
TOTAL LIABILITIES		371,471	210,713
NET ASSETS		12,905,792	10,056,298
EQUITY			
Contributed Equity	17	14,297,825	12,980,325
Reserves	18	1,220,762	1,076,868
Accumulated Losses		(2,612,799)	(4,000,899)
Capital and Reserves attributable to the owners of Iron Mountain Mining Limited		12,905,788	10,056,294
Non Controlling Interest		4	4
TOTAL EQUITY		12,905,792	10,056,298

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

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2010	Contributed Equity $	Accumulated Losses $	Asset Revaluation Reserve $	Option Reserve $	Total $	Non Controlling Interest $	Total $
Balance as at 1 July 2009	8,994,532	(4,001,318)	72,000	1,010,205	6,075,419	4	6,075,423
Total comprehensive income for the year							
Profit for the year	-	419	-	-	419	-	419
Other comprehensive loss							
Change in fair value of available for sale financial assets	-	-	(5,337)	-	(5,337)	-	(5,337)
Total other comprehensive loss for the year	-	-	(5,337)	-	(5,337)	-	(5,337)
Total comprehensive loss for the year	-	419	(5,337)	-	(4,918)	-	(4,918)
Transactions with equity holders in their capacity as equity holders							
Shares issued during the year	3,985,793	-	-		3,985,793	-	3,985,793
Balance as at 30 June 2010	12,980,325	(4,000,899)	66,663	1,010,205	10,056,294	4	10,056,298

2011	Contributed Equity $	Accumulated Losses $	Asset Revaluation Reserve $	Option Reserve $	Total $	Non Controlling Interest $	Total $
Balance as at 1 July 2010	12,980,325	(4,000,899)	66,663	1,010,205	10,056,294	4	10,056,298
Total comprehensive income for the year							
Profit for the year	-	1,388,100	-	-	1,388,100	-	1,388,100
Other comprehensive loss							
Change in fair value of available for sale financial assets	-	-	(7,906)	-	(7,906)	-	(7,906)
Total other comprehensive loss for the year	-	-	(7,906)	-	(7,906)	-	(7,906)
Total comprehensive loss for the year	-	1,388,100	(7,906)	-	1,380,194	-	1,380,194
Transactions with equity holders in their capacity as equity holders							
Shares issued during the year	1,317,500	-	-	-	-	-	1,317,500
Options issued during the year	-	-	-	151,800	-	-	151,800
Balance as at 30 June 2011	14,297,825	(2,612,799)	58,757	1,162,005	12,905,788	4	12,905,792

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		280,710	76,257
Receipts from customers		947,507	237,074
Other income		-	502
Option Income		6,025,000	1,000,000
Expensed payments for exploration and evaluation		(426,010)	(417,284)
Expensed payments to suppliers and employees		(2,510,501)	(1,464,111)
NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES	25	4,316,706	(567,562)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capitalised payments for acquisition of financial assets		(116,408)	(6,355)
Proceeds from sale of property, plant and equipment		3,727	-
Capitalised payments for property, plant and equipment		(44,261)	(56,348)
Capitalised payment for mining lease and other capitalised exploration expenditure		(385,858)	(496,343)
Refund of mining bonds and deposits		-	1,500
NET CASH(OUTFLOWS) FROM INVESTING ACTIVITIES		(542,800)	(557,546)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans to related entities		(335,657)	-
Repayment of loan from related entities		-	(1,010,452)
NET CASH (OUTFLOWS) FROM FINANCING ACTIVITIES		(335,657)	(1,010,452)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		3,438,249	(2,135,560)
Cash and cash equivalents at the beginning of the financial year		1,413,570	3,549,130
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	4,851,819	1,413,570

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

8 NOTES TO THE FINANCIAL STATEMENTS

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).

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.

Financial statement presentation

The Group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Iron Mountain Mining Limited (company) as at 30 June 2011 and the results of all subsidiaries for the year then ended. Iron Mountain Mining Limited 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. (refer to note 1(c)).

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 statement of 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 comprehensive income, 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(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 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 statement of 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 statement of 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 statement of 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 statement of 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 statement of 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.

(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 recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(i) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(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 26 for further information.

(k) Cash and Cash Equivalents

For the purpose of the 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.

(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 Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the 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.

(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 statement of 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 comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive 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 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 Chief Financial Officer and 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 balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

(x) Intangible assets

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

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010- 7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2013).

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess its full impact. However, initial indications are that it will not affect the Group's accounting for its available-for-sale financial assets, as AASB 9 appears to continue the current treatment of the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

NOTES TO THE FINANCIAL STATEMENTS

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The Group has not yet decided when to adopt AASB 9.

(ii) Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011)

In December 2009, the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. The Group will apply the amended standard from 1 July 2011. When the amendments are applied, the Group will need to disclose any transactions between its subsidiaries and its associates. However, it has yet to put systems into place to capture the necessary information. It is therefore not possible to disclose the financial impact, if any, of the amendment on the related party disclosures.

(iii) AASB 2009-14 *Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement* (effective from 1 January 2011)

In December 2009, the AASB made an amendment to Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. The Group does not make any such prepayments. The amendment is therefore not expected to have any impact on the Group's financial statements. The Group intends to apply the amendment from 1 July 2011.

(iv) AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective from 1 July 2013)

On 30 June 2010, the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Iron Mountain Mining Limited is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the Group.

(v) AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)

Amendments made to AASB 7 *Financial Instruments: Disclosures* in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. They are not expected to have any significant impact on the Group's disclosures. The Group intends to apply the amendment from 1 July 2011.

(vi) AASB 2010-8 *Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets* (effective from 1 January 2012)

In December 2010, the AASB amended AASB 112 *Income Taxes* to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities, that is through use or through sale. The amendment introduces a rebuttable presumption that investment property which is measured at fair value is recovered entirely by sale. The Group will apply the amendment from 1 July 2012. It is currently evaluating the impact of the amendment.

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:

	2011 $	2010 $
Financial Assets		
Cash and cash equivalents	4,851,819	1,413,570
Trade and other receivables	326,647	118,034
Performance bonds	46,700	46,500
Available-for-sale financial assets	482,566	698,035
	5,707,732	2,276,139
Financial Liabilities		
Trade and other payables	(340,629)	(192,356)
	(340,629)	(192,356)

(a) Market Risk

(i) Foreign Exchange Risk
The Consolidated entity's operations are limited to domestic activities within Australia.

(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 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 7.84% (2010 – Increased by 9.55%) 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	
	2011 $	2010 $	2011 $	2010 $
All ordinaries index	395,729	608,999	323,971	480,349

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 statement of comprehensive income is $482,566 (2010: $698,035).

(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 2011 and 2010, 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 2011		30 June 2010	
	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Funds on deposit	4.71	4,851,819	3.59	1,413,570

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 2011, if interest rates had changed by -100/+ 70 basis points (2010 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 $58,013 lower / $40,609 higher (2010 – change of 100/70 bps: -$21,143 / $14,800 lower/higher), mainly as a result of higher/ lower interest income from cash and cash equivalents. Equity would have been $58,013 lower / $40,609 higher (2010 - $21,143 / $14,800 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:

	2011 $	2010 $
Financial Assets		
Cash and cash equivalents	4,851,819	1,413,570
Trade and other receivables	326,647	118,034
Total	5,178,466	1,531,604

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 listed companies which the directors believe will be repaid in full within 12 months based on the fact that all companies are listed on the ASX and have adequate cash reserves to meet the payment of the debt.

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

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.

As of 1 July 2009, 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 2011. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

Group – at 30 June 2011	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Available-for-sale financial assets				
Equity securities	482,566	-	-	482,566
Total assets	482,566	-	-	482,566

Group – at 30 June 2010	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Available-for-sale financial assets				
Equity securities	698,035	-	-	698,035
Total assets	698,035	-	-	698,035

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

(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 2011, 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 2011 of $659,627 (2010: $489,721), being the transfer of the accumulated fair value adjustments recognised in equity on the impaired available-for-sale financial assets, the impairment of related party loan and acquired property, plant and equipment to the statement of comprehensive income.

(ii) Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in expenditure 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 expenditure 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 comprehensive income.

(iii) 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 26 for further information.

(iv) 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 probably 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 2011 as required under AASB 112 Income Taxes.

4. Parent Entity Information

The following details information related to the parent entity, Iron Mountain Mining Limited, at 30 June 2011. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2011 $	2010 $
Current assets	7,066,953	3,037,089
Non-current assets	6,215,768	7,176,147
Total assets	**13,282,721**	**10,213,236**
Current liabilities	364,971	197,212
Total liabilities	**364,971**	**197,212**
Contributed equity	14,297,825	12,980,328
Accumulated losses	(2,605,081)	(4,048,509)
Reserves	1,225,005	1,084,205
Total equity	**12,917,749**	**10,016,024**
Profit / (Loss) for the year	1,443,428	67,643
Other comprehensive income for the year	(11,000)	2,000
Total comprehensive income for the year	**1,432,428**	**69,643**

The parent company, Iron Mountain Mining Limited has lent an amount of $1,895,518 to 100% owned subsidiary Aluminex Resources Limited and an amount of $487,502 to 60% owned subsidiary Macquarie, Marble and Lime Pty Limited. Details of the loans can be found in Note 23.

5. Revenue/ Expenses

	2011 $	2010 $
From Continuing Activities		
Sales revenue - Services	313,326	200,080
Other Revenue		
Interest received	307,222	76,323
	620,548	276,403
Other Income		
Option fee	6,025,000	1,000,000
Loss on sale of fixed assets	317	-

6. Income Tax

	2011 $	2010 $
a. Income Tax Expense / (Benefit)		
Deferred tax	1,104,829	(1,104,829)
	1,104,829	(1,104,829)
Deferred income tax (revenue) expense included in income tax expense comprises:		
(Increase)/ decrease in deferred tax assets (note 11)	1,104,829	(1,104,829)
Increase / (decrease) in deferred tax liabilities (note 16)	-	-
	1,104,829	(1,104,829)
b. Numerical reconciliation of income tax to prima facie tax payable		
Net Profit /(Loss) before tax	2,492,929	(1,104,410)
Tax expense / (benefit) at the Australian tax rate of 30%	747,879	(331,323)
Tax effect of amounts that are not deductible / taxable in calculating taxable income		
Sundry non-deductible items	3,864	4,358
Exploration costs	(1,220,595)	(146,371)
Impairment	197,888	14,509
Sundry non-taxable items	(7,954))	(17,538)
Tax benefit of losses and temporary differences not previously brought to account	-	(778,194)
Future tax assets not brought to account	1,383,747	149,730
Income tax expense /(benefit)	1,104,829	(1,104,829)
Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised.	6,156,473	2,618,346
Potential tax benefit @ 30%	1,846,942	785,504

Included in the Future Tax Assets not brought to account are tax losses for which no deferred tax asset has been recognised, but where a Future Tax Asset had been recognised 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 2011 as required under AASB 112 Income Taxes. Accordingly the tax losses available as at 30 June 2011 have not been recognised as Future Tax Assets

7. Cash and Cash Equivalents

	2011 $	2010 $
Cash at bank and in hand	4,851,819	1,413,570
	4,851,819	1,413,570

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.

8. Trade and Other Receivables

	2011 $	2010 $
Trade receivables	139,464	95,592
Goods and services tax refund	149,370	38,014
Trust account monies receivable	-	22,443
Withholding tax	-	6,906
Accrued revenue	26,670	158
Prepayments	11,143	15,021
	326,647	178,134

There are no past due receivables. $335,656 in related party receivables were impaired during the year. Refer to Note 23.

Refer to Note 2 for financial risk management.

9. Receivables

Performance bonds	46,700	46,500
	46,700	46,500

There are no past due or impaired receivables.

10. Plant, Property and Equipment

BUILDINGS		
Buildings:		
At cost	1,675,329	825,329
Accumulated depreciation	(84,002)	(63,369)
TOTAL BUILDINGS	1,591,327	761,960
PROPERTY IMPROVEMENTS		
At cost	99,080	85,977
Accumulated amortisation	(4,845)	(2,673)
TOTAL PROPERTY IMPROVEMENTS	94,235	83,304

NOTES TO THE FINANCIAL STATEMENTS

	2011 $	2010 $
PLANT AND EQUIPMENT		
At cost	195,131	174,974
Accumulated depreciation	(128,796)	(107,066)
TOTAL PLANT AND EQUIPMENT	66,335	67,908
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,751,897	913,172

Movements during the year	**Buildings**	**Property Improvements**	**Plant and Equipment**	**Total**
Balance at 1 July 2010	761,960	83,304	67,908	913,172
Acquisitions	850,000	13,103	31,160	894,263
Disposals	-	-	(4,046)	(4,046)
Depreciation expense	(20,633)	(2,172)	(28,687)	(51,492)
Balance at 30 June 2011	1,591,327	94,235	66,335	1,751,897

Movements during the year	**Buildings**	**Property Improvements**	**Plant and Equipment**	**Total**
Balance at 1 July 2009	782,593	37,481	92,850	912,924
Acquisitions	-	46,800	9,548	56,348
Depreciation expense	(20,633)	(977)	(34,490)	(56,100)
Balance at 30 June 2010	761,960	83,304	67,908	913,172

11. Deferred Tax Assets

	2011 $	2010 $
The balance comprises temporary differences attributable to:		
Tax losses	-	817,532
Depreciating assets	-	19,011
Available-for-sale financial assets	-	285,891
Takeover costs	-	50,846
Prepayments	-	953
Accrued expenses	-	15,615
Provisions	-	5,507
Capital raising costs	-	53,820
Total deferred tax assets	-	1,249,175
Set-off of deferred tax liabilities pursuant to set-off provisions (note 16)	-	(144,346)
Net deferred assets	-	1,104,829
Deferred tax assets expected to be recovered within 12 months	-	904,046
Deferred tax assets expected to be recovered after more than 12 months	-	345,129
	-	1,249,175

11. Deferred Tax Assets (continued)

Movements	Tax losses $	Impairment $	Other $	Total $
At 1 July 2009	-	-	-	-
(Charged)/credited				
- to profit or loss	817,532	285,891	145,752	1,249,175
- offset of deferred tax liability	-	-	(144,346)	(144,346)
At 30 June 2010	**817,532**	**285,891**	**1,406**	**1,104,829**
(Charged)/credited				
- to profit or loss	(817,532)	(285,891)	(1,406)	(1,104,829)
- offset of deferred tax liability	-	-	-	-
At 30 June 2011	-	-	-	-

12. Exploration Expenditure

	2011 $	2010 $
Mining Lease	30,000	30,000
Exploration and Evaluation	5,673,762	5,287,904
	5,703,762	5,317,904
Mining Lease		
Opening book amount	30,000	30,000
Additions	-	-
Impairment expense	-	-
Closing book amount	30,000	30,000
Exploration and Evaluation Costs		
Opening book amount	5,287,904	472,552
Additions upon consolidation of subsidiary (note 31)	-	4,800,000
Additions	385,858	496,347
Reclassified as assets held for sale	-	(480,995)
Closing book amount	5,673,762	5,287,904

(a) Impairment Tests for Tangible Assets

It is considered that there is no impairment of the intangible asset as the Group believes that the realisable value of the assets, should they be sold, is considered to be equal to or greater than their recorded book value.

13. Available-for-sale Financial Assets

	2011 $	2010 $
Listed equity securities at fair value	432,566	698,035
Unlisted investments at fair value	50,000	-
	482,566	698,035

	2011 $	2010 $
At beginning of year	698,035	1,151,502
Acquisitions	116,408	6,355
Available for sale financial assets acquired upon consolidation of subsidiary company	-	35,236
Disposals	-	-
Fair value adjustments	(7,906)	(5,337)
Impairment of available for sale financial assets	(323,971)	(498,721)
At end of year	482,566	698,035

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 23 for related party disclosures.

Refer to Note 2 for risk management.

14. Trade and Other Payables

	2011 $	2010 $
Trade payables and accruals	340,629	192,356
	340,629	192,356

Fair Value

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

15. Provisions

Employee benefits	30,843	18,357
	30,843	18,357

16. Deferred Tax Liabilities

The balance comprises temporary differences attributable to:

Accrued interest	-	47
Exploration costs	-	144,299
Total deferred tax liabilities	-	144,346
Set-off of deferred tax liabilities pursuant to set-off provisions (note 11)	-	(144,346)
Net deferred liabilities	-	-
Deferred tax liabilities expected to be recovered within 12 months	-	47
Deferred tax liabilities expected to be recovered after more than 12 months	-	144,299
	-	144,346

17. Contributed Equity

(a) Share Capital

	Parent Entity	
	2011 $	2010 $
135,581,881 (2010: 122,081,881) fully paid ordinary shares	15,178,408	13,860,908
Capital raising costs	(880,583)	(880,583)
	14,297,825	12,980,325

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

Date	Details	Number of Shares	Issue Price	$
1 July 2009	Balance	76,788,775		8,994,532
17 December 2009	Share Issue	43,491,606	$0.20	3,827,261
7 January 2010	Share Issue	1,801,500	$0.20	158,532
30 June 2010		122,081,881		12,980,325
3 June 2011	Share Issue	10,000,000	$0.08	850,000
3 June 2011	Share Issue	3,500,000	$0.13	467,500
		135,581,881		14,311,575

The 43,491,606 and 1,801,500 share issues in December 2009 and January 2010 respectively were to shareholders of Aluminex Resources Limited in compensation for the shares acquired by Iron Mountain Mining Limited as part of its takeover offer.

The 10,000,000 and 3,500,000 share issues on 3 June 2011 were to United Orogen Limited as part consideration for 113 Mackie Street, Victoria Park and mineral tenements "Lucky U", "Florence Creek" and "Treasure".

(c) Share Options

Iron Mountain Mining Ltd has on issue 72,191,250 options (2010: 40,186,250) with an exercise price of 20 cents. 40,186,250 have an expiry date of 1 February 2012 and 32,000,000 of the options have an expiry date of 1 May 2016.

(d) 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.

18. 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.

	2011 $	2010 $
Option Reserve		
Balance at the beginning of the year	1,010,205	1,010,205
Options expense (refer note 26)	151,800	-
Balance at the end of the year	1,162,005	1,010,205
Asset Revaluation Reserve		
Balance at the beginning of the year	66,663	72,000
Change in fair value	(7,906)	(5,337)
Balance at the end of the year	58,757	66,663
Total Reserves	1,220,762	1,078,868

19. Key Management Personnel Disclosures

(a) Key Management Personnel Compensation:

	2011 $	2010 $
Short-term employee benefits	561,098	412,452
Post employment benefits	62,188	53,148
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	151,800	-
	775,086	465,600

The detailed remuneration disclosures are provided in the remuneration report on pages 24 to 27.

(b) 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:

2011	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	31,096,530	-	-	31,096,530
Robert Sebek	-	-	-	-
Dr Zhukov Pervan	1,600,000	-	500,000	2,100,000
Simon Christopher England	-	-	-	-
Chief Financial Officer / Company Secretaries				
Mark Killmier	-	-	-	-
Suraj Sanghani	-	-	-	-
Total	32,696,530	-	500,000	33,196,530

2010	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	10,896,528	-	20,200,002 [1]	31,096,530
Robert Sebek	-	-	-	-
Dr Zhukov Pervan	365,000	-	1,235,000 [2]	1,600,000
Simon Christopher England	-	-	-	-
Chief Financial Officer / Company Secretary				
Mark Killmier	-	-	-	-
Total	11,261,528	-	21,435,002	32,696,530

[1] Includes 20,200,002 shares acquired as part of the takeover of Aluminex Resources Limited

[2] Includes 1,100,000 shares acquired as part of the takeover of Aluminex Resources Limited

No shares are held nominally.

2011	Share Options			
	Balance at the beginning of the year	Options Issued as Compensation	Net change other	Balance at the end of the year
Directors				
David Alan Zohar	11,550,000	-	878,355	12,428,355
Robert Sebek	-	2,000,000	-	2,000,000
Dr Zhukov Pervan	2,500,000	-	-	2,500,000
Simon Christopher England	-	-	-	-
Chief Financial Officer / Company Secretaries				
Mark Killmier	-	-	-	-
Suraj Sanghani	-	-	-	-
Total	14,050,000	2,000,000	878,355	16,928,355

Refer to note 26 for details of options issued.

2010	Share Options			
	Balance at the beginning of the year	Options Issued as Compensation	Net change other	Balance at the end of the year
Directors				
David Alan Zohar	11,550,000	-	-	11,550,000
Robert Sebek	-	-	-	-
Dr Zhukov Pervan	1,900,000	-	600,000	2,500,000
Simon Christopher England	-	-	-	-
Chief Financial Officer / Company Secretary				
Mark Killmier	-	-	-	-
Total	13,450,000	-	600,000	14,050,000

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

There were 2,000,000 options issued to Robert Sebek as compensation during the year ended 30 June 2011 (2010: nil).

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

Other transactions and balances with key management personnel disclosed in note 23.

20. Remuneration of Auditor

	2011 $	2010 $
Amounts received or due and receivable by the auditors of Iron Mountain Mining Limited for:an audit or review of the financial statements of the entity	34,295	33,565
	34,295	33,565

21. Events occurring after the reporting period

On 30 August 2011 the company subscribed for 19,755,982 ordinary shares in United Orogen Ltd at an issue price of 3 cents per share as part of that company's rights issue shortfall offer. This transaction was approved by shareholders of the company at the general meeting held 26 August 2011.

Other than the matter detailed above, 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.

22. 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.

23. Related Party Transactions

(a) The following related party transactions occurred during the financial year with director-related entities:-

(i) Subsidiary Companies

During the year Iron Mountain Mining Limited advanced 100% owned subsidiary Aluminex Resources Limited $410,779 (2010: $1,484,739) to pay various expenses (mainly exploration expenses) incurred by Aluminex Resources. The total loan balance as at 30 June 2011 is $1,895,518 (2010: $1,484,739), interest free, repayable on demand.

As at 30 June 2011, there is an outstanding loan balance of $487,502 (interest free and repayable on demand) owed to Iron Mountain Mining Limited from 60% owned subsidiary Macquarie, Marble and Lime. There have been no movements in this balance since 30 June 2010.

(ii) Administrative and other related transactions

Legal fees of $94,299 (GST excl) (2010: $157,538) were paid to Lawton Gillon of which Mr England is a Partner.

During the year Iron Mountain Mining advanced $335,656 to related party, Orange Hills Resources Limited. This money was used to fund the cost of the Company's initial public offer and admission to the official list of the ASX. Iron Mountain had previously entered in to a underwriting agreement with Orange Hills Resources and agreed to underwrite the costs of the initial public offer to a maximum of $1,500,000, as resolved by the shareholders of Iron Mountain Mining at a general meeting held on 21 January 2011. As at 27 September 2011, this agreement has been terminated and the $335,656 loaned from Iron Mountain to Orange Hills had been impaired.

As resolved by the shareholders of both companies, Iron Mountain Mining acquired 113 Mackie Street, Victoria Park and mineral tenements "Lucky U", "Florence Creek" and "Treasure" from United Orogen Limited on 3rd June 2011. Consideration of 13,500,000 ordinary shares (of which 3,500,000 are restricted for a period of 12 months from the date of issue) and 30,000,000 options (of which 15,000,000 are restricted for a period of 12 months from the issue date) was provided to United Orogen Limited. Refer to note 26 for further details.

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 2011:

Related Company	Value of services for the year ended 30 June 2011 GST Inclusive	Value of services for the year ended 30 June 2010 GST Inclusive	Balance outstanding at 30 June 2011 GST Inclusive	Balance outstanding at 30 June 2010 GST Inclusive
Actinogen Limited	$72,257	$46,630	$25,916	$15,913
Eagle Nickel Limited	$90,533	$51,685	$33,558	$16,836
Red River Resources Limited	$168,750	$132,423	$44,648	$44,028
United Orogen Limited	$94,184	$54,970	$34,234	$17,958
Swancove Enterprises Pty Ltd	$249	$3,522	$1,106	$857

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 2011:

Related Company	Value of services for the year ended 30 June 2011	Value of services for the year ended 30 June 2010	Balance owing at 30 June 2011	Balance owing at 30 June 2010
Actinogen Limited	$30,791	$31,405	$7,062	$7,471
Eagle Nickel Limited	$1,535	$25,298	-	$2,366
Red River Resources Limited	$159,887	$200,640	$25,735	$47,328
United Orogen Limited	$165,783	$8,365	$1,594	$2,878

During the year Kira Zohar and Shoshanna Zohar, daughters of David Zohar were employed as administrative assistant and in-house legal advisor respectively. Remuneration of $19,031 and $59,396 were paid respectively, inclusive of superannuation.

(iii) Joint venture transactions

The company was a participant in the joint venture arrangement with Red River Resources Ltd of which Mr Zohar is a Director and/or Significant Shareholder. Refer to note 29 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 (ii) above.

(iv) Investment in/by related entities

As at 30 June 2011 the Company holds the following shares in Director related entities of David Zohar, 1,800,000 ordinary shares in Red River Resources Limited at a fair value of $108,000 (2010: 1,800,000 ordinary shares at a fair value of $100,800); 3,327,000 ordinary shares and 300,000 options in Eagle Nickel Limited at fair values of $713,194 and NIL respectively (2010: 2,600,000 ordinary shares and 300,000 options at a fair values of $119,600 and NIL respectively); 500,000 ordinary shares in Golden Century Mining at a fair value of $50,000 (2010:NIL); 770,379 ordinary shares and 256,793 options in United Orogen Limited at a fair value of $13,096.44 and NIL respectively (2010: 200,000 shares at a fair value of $2,200 and NIL options).

24. Commitments

Tenement Commitments

The following expenditure is required to maintain the exploration tenements over which the Group has an interest in:

TENEMENT	HOLDER	AREA	DATE TENEMENT GRANTED	DATE TENEMENT EXPIRES	RENT ($)	MINIMUM EXPENDITURE ($)
EL6/2005	Iron Mountain Mining Limited	22 km^2	08/09/2005	07/09/2011	$1,016	$150,000
EL15/2006	Iron Mountain Mining Limited	30 km^2	26/06/2006	25/06/2011	$1,386	$30,000
EL35/2006	Red River Resources Limited	89 km^2	26/02/2007	25/02/2012	$4,112	$44,500
EL18/2007	Red River Resources Limited	103 km^2	10/07/2007	09/07/2012	$4,759	$51,500
EL53/2007	Iron Mountain Mining Limited	47 km^2	19/12/2007	18/12/2012	$2,171	$52,467
EL25/2009	Red River Resources Limited and Iron Mountain Mining Limited	33 km^2	25/05/2010	24/05/2015	$762	$20,000
ML1446	Macquarie Marble Lime Pty Ltd	13.12 ha	19/03/1999	18/03/2019	N/A	$35,000
EL7084	Macquarie Marble Lime Pty Ltd	4 units	19/02/2008	19/02/2011	N/A	$7,000
EL25329	Iron Mountain Mining Ltd and United Orogen Ltd	28.4 km^2	05/02/2007	04/02/2013	$792	$30,000
EL28217	Iron Mountain Mining Limited	18.93 km^2	04/04/2011	03/04/2017	$66	$10,000
EL28227	Iron Mountain Mining Limited	6.31 km^2	04/04/2011	03/04/2014	$22	$2,000
EL28228	Iron Mountain Mining Limited	15.77 km^2	04/04/2011	03/04/2017	$55	$6,000
EL25894	Iron Mountain Mining Ltd and United Orogen Ltd	126.26 km^2	19/10/2007	18/10/2013	$3,520	$30,000
EL25346	Iron Mountain Mining Ltd and United Orogen Ltd	101 km^2	05/02/2007	04/02/2013	$2,816	$40,000
E59/1194-I	Iron Mountain Mining Limited	8 Blocks	12/12/2007	11/12/2012	$2,412	$30,000
E59/1457-I	Iron Mountain Mining Limited	5 Blocks	13/07/2009	12/07/2014	$568	$15,000
E70/3886	Iron Mountain Mining Limited	4 Blocks	N/A	N/A	N/A	N/A
EL5303	Iron Mountain Mining Limited	142 Graticules	14/10/2010	13/10/2015	N/A	$25,650
EL5304	Iron Mountain Mining Limited	40 Graticules	14/10/2010	13/10/2015	N/A	$18,000
EL5305	Iron Mountain Mining Limited	52 Graticules	14/10/2010	13/10/2015	N/A	$18,900
EL5306	Iron Mountain Mining Limited	151 Graticules	14/10/2010	13/10/2015	N/A	$26,325

NOTES TO THE FINANCIAL STATEMENTS

TENEMENT	HOLDER	AREA	DATE TENEMENT GRANTED	DATE TENEMENT EXPIRES	RENT ($)	MINIMUM EXPENDITURE ($)
EL5307	Iron Mountain Mining Limited	239 Graticules	14/10/2010	13/10/2015	N/A	$32,925
EL5308	Iron Mountain Mining Limited	77 Graticules	28/06/2011	27/06/2016	N/A	$20,775
E08/1350-I	Red River Resources Limited	10 Blocks	23/06/2006	22/06/2011	$2,395	$30,000
E47/1309-I	Red River Resources Limited	32 Blocks	04/05/2007	03/05/2012	$7,664	$48,000
E47/1707-I	Red River Resources Limited	13 Blocks	01/08/2008	31/07/2013	$2,295	$20,000
E47/1823-I	Swancove Enterprises Pty Ltd	4 Blocks	15/03/2011	14/03/2016	$454	$15,000
E70/2444	Swancove Enterprises Pty Ltd	16 Blocks	04/07/2003	03/07/2009	$7,256	$70,000
R70/48	Swancove Enterprises Pty Ltd	4406.356 ha	N/A	N/A	N/A	N/A
E70/2692	Swancove Enterprises Pty Ltd	70 Blocks	27/10/2005	26/10/2010	$16,765	$140,000
E70/2693	Swancove Enterprises Pty Ltd	35 Blocks	24/01/2006	23/01/2011	$8,383	$70,000
E70/3124	Swancove Enterprises Pty Ltd	87 Blocks	18/02/2010	17/02/2015	$9,875	$87,000
E70/3146	Swancove Enterprises Pty Ltd	12 Blocks	09/04/2010	08/04/2015	$1,362	$20,000
E70/3147	Swancove Enterprises Pty Ltd	26 Blocks	18/02/2010	17/02/2015	$2,951	$26,000
E70/2943	Swancove Enterprises Pty Ltd	70 Blocks	26/11/2010	25/11/2015	$7,945	$70,000
E70/3508	Iron Mountain Mining Limited	1 Block	09/12/2008	08/12/2013	$273	$10,000
E70/3509	Iron Mountain Mining Limited	1 Block	09/12/2008	08/12/2013	$283	$10,000
E70/3712	Iron Mountain Mining Limited	11 Blocks	10/03/2010	09/03/2015	$1,249	$20,000
E70/3713	Iron Mountain Mining Limited	3 Blocks	10/03/2010	09/03/2015	$341	$15,000
E70/3714	Iron Mountain Mining Limited	12 Blocks	10/03/2010	09/03/2015	$1,362	$20,000
E70/3715	Iron Mountain Mining Limited	1 Block	10/03/2010	09/03/2015	$273	$10,000
E70/2728	Red River Resources Limited	6 Blocks	14/06/2005	13/06/2012	$2,721	$50,000

Service Agreements and remuneration commitments

From 1 January 2009, Robert Sebek's service agreement was amended such that he has no fixed termination date. However, Mr Sebek must give 4 weeks notice of his resignation. Termination by the Company would result in a termination benefit of 4 weeks salary payable to Mr Sebek by the Company.

The value of the service agreement is as follows:

30 June 2011	Mr Sebek
Due within 1 year	12,577
Due later than 1 year	-
Total	12,577

Apart from the above agreement described there are no outstanding commitments payable to any of the key management personnel as at 30 June 2011.

25. Reconciliation of the operating profit after tax to the net cash flows from operating activities

	2011 $	2010 $
Cash Flow Information		
Profit after income tax	1,388,100	419
Non cash items		
Depreciation	51,492	56,100
Impairment of available-for-sale financial assets	323,971	489,721
Impairment receivables	335,656	(13,008)
Non-cash exploration costs	948,314	-
Non-cash employee benefits expense	151,800	-
Loss on sale of property, plant and equipment	317	-
Changes in assets and liabilities		
Increase in receivables upon consolidation of subsidiary	-	70,833
(Increase) in payables upon consolidation of subsidiary	-	(23,700)
Increase/(decrease) in trade and other payables	148,276	64,741
Decrease/(increase) in trade and other receivables	(121,822)	(109,763)
(Increase)/decrease in accrued revenue	(26,512)	(66)
(Increase) / decrease in deferred tax asset	1,104,829	(1,104,829)
Increase / (decrease) in provisions	12,485	1,990
(Increase)/ decrease in non –current receivables	(200)	-
Net cash (outflow)/inflow from operating activities	4,316,706	(567,562)
Reconciliation of Cash		
Cash balance comprises;		
Cash at bank	4,851,819	1,413,570
	4,851,819	1,413,570

Financing facilities available

As at 30 June 2011 the Group had no financing facilities available.

Non Cash Financing and Investing Activities

Iron Mountain Mining Limited acquired 113 Mackie Street, Victoria Park and mineral tenements “Lucky U”, “Florence Creek” and “Treasure” in exchange for 13,500,000 ordinary shares and 30,000,000 options in Iron Mountain Mining Limited.

26. Share – Based Payments

The following share based payments existed at 30 June 2011:

	2011		2010	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the financial year	-	-	-	-
Granted	32,000,000	20 cents	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year end	32,000,000	20 cents	-	-
Exercisable at year end	32,000,000	20 cents	-	-

2,000,000 options were issued to company Director, Robert Sebek, with an exercise price of 20 cents and a term of 5 years. Using the Black Scholes Model, the fair value of an options is approximately 7.59 cents based on the following criteria:

Weighted average exercise price	20 cents
Weighted average life of options	5 years
Underlying share prices	11 cents
Expected volatility	101.15%
Risk free interest rate	5.03%

Limited as part consideration for the acquisition of 113 Mackie Street, Victoria Park. The fair value of the property as per the Independent Expert’s Report written by MGI and commissioned by Iron Mountain Mining was $850,000. This fair value was allocated against the 10,000,000 shares issued to United Orogen and left the fair value of the options at nil.

Another 15,000,000 options with an exercise price of 20 cents and a term of 5 years were issued to United Orogen Limited as part consideration for the acquisition of tenements “Lucky U”, “Treasure” and “Florence Creek”. The fair value of the tenements as per the Independent Expert’s Report written by MGI and commissioned by Iron Mountain Mining was $467,500. This fair value was allocated against the 3,500,000 shares issued to United Orogen and left the fair value of the options at nil.

Expenses arising from ordinary share payment transactions

Total expenses arising from share based payment transactions during the year ended 30 June 2011 were as follows:

	2011 $	2010 $
Options issued as employee compensation	151,800	-
	151,800	-

27. Earnings Per Share

	2011	2010
(a) Basic earnings per share (cents)	1.13	0.00
(b) Diluted earnings per share (cents)	0.71	0.00
(c) 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	123,080,511	100,882,814
Adjustments for calculation of diluted earnings per share: - Options	72,191,250	40,186,250
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share.	95,271,761	141,069,064
(d) Earnings used in calculating earnings per share		
Basic earnings per share	1,388,100	419
Diluted earnings per share	1,388,100	419

28. Contingent Liabilities and Assets

The Directors are not aware of any contingent liabilities as at 30 June 2011.

29. Joint Ventures

Blythe

Iron Mountain has entered into a Joint Venture Agreement (JV) with Red River Resources Limited to explore and, if a decision to commence mining is made, to mine, EL 6/2005 and EL 15/2006 and any land within 10 kms of the external boundary of those tenements. Red River has subsequently acquired further rights in the area and the Joint Venture has now grown to encompass EL 6/2005, EL 15/2006 EL 35/2006, EL18/2007, EL53/2007 and EL25/2009.

Under the terms of the JV, Red River is the operator of the tenements and is required to use its best endeavors to maintain the tenements in good standing and comply with all applicable legislative requirements. As Mr Zohar is a director and major shareholder of both Red River and Iron Mountain, shareholder approval was sought and granted to the formation of the JV.

As at 30 June 2009 Red River Resources Limited had contributed sufficient exploration expenditure to earn a 50% interest in the Blythe project.

During the financial year ended 30 June 2011, the project continued to be funded 50/50 by the joint venture parties, until the entering into an Option to Acquire with Forward Mining Limited in late March 2011. Forward Mining Limited is currently the manager of the project and aside from in-house costs, they are contributing all of the funding.

Miaree and Wongan Hills

Agreement for Iron Mountain Mining Limited to earn up to 70% of mineral rights at two Red River project areas in Western Australia.

Under the terms of the joint venture agreement, Iron Mountain can earn up to 70% of the mineral rights over these tenements for a total expenditure of $4.75 million. The joint venture agreement between Iron Mountain and Red River applies to the following tenements:

- Miaree Magnetite Trend: E47/1309, EL08/1350, E47/1707
- Hills: E70/2437, E70/2343, E70/2728.

As Mr David Zohar is a substantial shareholder and Director of both companies, this is a "related party transaction" and therefore requires ratification by shareholder approval at Extraordinary General Meetings of both companies, subject to receipt of an independent experts report stating that the proposed transaction is "fair and reasonable". The shareholders of both companies approved the joint venture at their respective annual general meetings held in November 2007.

Under the terms of the joint venture agreement, Iron Mountain has earned an initial 25% interest in the Exploration Licenses by paying $50,000 to Red River and spending $1.25 million on exploration.

Iron Mountain can earn a further 24% by spending a further total of $1.5 million and then an additional 21% by spending a further total of $2 million). In total, Iron Mountain has the option to earn up to 70% by spending a further $3.5 million.

On 29 July 2009, Iron Mountain Mining Limited and Red River Resources Limited entered into a Deed of Variation of Joint Venture whereby Iron Mountain Mining Limited waived its right to earn further Joint Venture interests in respect of the Wongan Hills tenements.

On 18 August 2009, Iron Mountain Mining Limited and Red River Resources Limited entered into a Joint Venture agreement with Quadrio Resources Limited, a subsidiary of Dominion Mining Limited whereby:-

- Quadrio was to spend $90,000 on exploration within the Wongan Hills tenements within 12 months
- By spending a cumulative $400,000 within 48 months, Quadrio could earn an 80% interest with Iron Mountain Mining Limited's interest reducing to 5% and Red River Resources Limited's interest reducing to 15%.
- Red River Resources may elect to further dilute to 5% whereby Quadrio must carry the Joint Venture costs of Red River and Iron Mountain until Quadrio makes a decision to mine.

Given the expiry of two of the tenements in the project, E70/2443 and E70/2437, the agreement terms were reduced to Quadrio spending a cumulative $160,000 within 48 months. Quadrio had earned its 80% interest in E70/2728 as at the end of April 2010.

The Wongan Hills project continues to be managed and funded by Quadrio.

The Miaree project continues to be managed and funded by Iron Mountain Mining Limited.

Mt Richardson

Iron Mountain Mining Limited entered into an Option to Purchase agreement with Cliffs Asia-Pacific Iron Ore Pty Ltd (formerly Portman Iron Ore Ltd) after the terms of the option were finalised in August 2008.

Under the terms of the agreement, Cliffs Asia Pacific Iron Ore Pty Ltd ("Cliffs") had the right to explore and the option to acquire total ownership of E29/571 and E77/1267 subject to agreed milestones and payments.

Cliffs exercised its option and settlement occurred on 13 July 2010 with Iron Mountain Mining Limited receiving the balance of the $10,000,000.00 consideration on the hand over of relevant transfer documentation.

Pursuant to the agreement, 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

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Northern Territory – Lucky U, Treasure and Florence Creek

Iron Mountain Mining Limited obtained its initial interest in Lucky U (EL25329), Treasure (EL25346) and Florence Creek (EL25894) on the takeover of Aluminex Resources Limited in December 2009.

Iron Mountain Mining Limited initially obtained a 30% interest in Lucky U and Treasure and a 50% interest in Florence Creek.

On 3 June 2010, Iron Mountain announced that it had entered into a Heads of Agreement with United Orogen Limited, the company with the remaining interests in the tenements, whereby Iron Mountain proposes to purchase the outstanding available interests in Exploration Licences 25329, 25346 and 25894 to take its interest to 100%. The proposed transaction (as amended and set out in the Notice of Meeting dated 14 April 2011) was approved at the respective companies General Meetings held on 27 May 2011.

Iron Mountain Mining Limited currently has a 100% interest in each of EL25329, EL25346 and EL25894.

EL25346 is subject to a Heads of Agreement arrangement with Mithril Resources Limited hereby, Mithril has the option to earn a 60% interest in EL25346 (Treasure) by spending a total of $1 million on exploration on the tenement by 4 September 2011, and a further 20% interest by spending a further $1 million on exploration on the tenement within a further two years, by 4 September 2013. There are provisions for these periods to be extended.

On Mithril reaching its milestones, Iron Mountain's interest in EL25346 would be reduced to 40%, then 20%.

30. 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 2011 %	Equity Holding 2010 %
Macqarie Marble & Lime Pty Ltd	Australia	Ordinary	60	60
Aluminex Resouces Limite	Australia	Ordinary	100	100

31. Business Combination

On 17th December 2009 and 7th January 2010, Iron Mountain Mining Limited acquired 96.03% and 3.97% respectively of the issued shares in Aluminex Resources Limited, through consideration of the issue of 45,293,106 shares in Iron Mountain Mining Limited. The acquisition was intended to create an exploration company with an interest in a diverse range of mineral exploration projects.

Details of net liabilities acquired and goodwill are as follows:

Purchase Consideration	$
Shares issued in Iron Mountain Mining Limited	3,985,793
Total Purchase Consideration	3,985,793

The assets and liabilities arising from the acquisition are as follows:	Fair Value $
Trade and other receivables	70,836
Available for sale financial assets	35,236
Mining Assets	4,800,000
Trade and other payables	(23,700)
Borrowings	(1,010,451)
Net identifiable liabilities	3,871,921
Add: Goodwill on acquisition	113,872
	3,985,793

The goodwill is attributable to Aluminex Resources Limited's current mineral assets and synergies expected to arise after Iron Mountain's acquisition of Aluminex.

Acquisition-related costs

Acquisition-related costs of $172,723 were included in the statement of comprehensive income for the year ended 30 June 2010, of which $154,673 relates to the takeover of Aluminex Resources and $18,050 relates to the unsuccessful takeover bid for Terrain Minerals Ltd.

Acquired receivables

The fair value of trade and other receivables acquired was $70,836. This included $6,906 of TFN withholding tax, $41,487 of GST paid and $22,443 of funds held in a Lawton Gillon trust account.

Revenue and profit contribution

The acquired business contributed nil revenue and a net loss of $18,238 to the consolidated group for the period 17 December 2009 to 30 June 2010. If the acquisition had occurred on 1 July 2009, consolidated revenue and consolidated loss for the year ended 30 June 2010 would have been $1,277,190 and $52,719 respectively.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. The financial statements and notes set out on pages 30 to 64 are in accordance with the *Corporations Act 2001*, including:

    a. complying with Accounting Standards and 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 2011 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

29 September 2011

Perth, Western Australia

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IRON MOUNTAIN MINING LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Iron Mountain Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, that the financials comply with *International Financial Reporting Financial Standards*.

Auditor's Responsibility

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

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

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

Independence

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

Opinion

In our opinion:

(a) the financial report of Iron Mountain Mining Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note1(a).

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2011. 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.

Opinion

In our opinion, the Remuneration Report of Iron Mountain Mining Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO Audit
C Burton

Chris Burton
Director

Perth, Western Australia
Dated this 29th day of September 2011

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

11 ASX INFORMATION

The substantial shareholders as at 26 September 2011 were:

Substantial Shareholder	Number Held	Percentage
UNITED OROGEN LIMITED	23,732,341	17.50
MR DAVID ALAN ZOHAR	11,556,027	8.52
MRS JULIE ZOHAR	10,300,002	7.60
SWANCOVE ENTERPRISES PTY LTD	9,240,500	6.82

Distribution of shareholders as at 26 September 2011

Range of Holding	Holders	Shares
1 - 1,000	33	13,191
1,001 - 5,000	239	817,882
5,001 - 10,000	793	7,673,952
10,001 - 100,000	895	28,114,704
Greater than 100,000	114	95,467,152
	2,074	**132,086,881**

Shareholders with less than a marketable parcel *310*

Distribution of Listed Option Holders as at 26 September 2011

Range of Holding	Holders	Options
1 - 1,000	3	2,193
1,001 - 5,000	771	3,826,075
5,001 - 10,000	138	1,149,730
10,001 - 100,000	393	8,170,134
Greater than 100,000	39	27,038,118
	1,344	**40,186,250**

Option holders with less than a marketable parcel *1,313*

Voting Rights

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

TWENTY LARGEST HOLDERS OF QUOTED ORDINARY SHARES AS AT 26 SEPTEMBER 2011

	Ordinary Shares	
	Number Held	Percentage of issued shares
UNITED OROGEN LIMITED	23,732,341	17.50
MR DAVID ALAN ZOHAR	11,556,027	8.52
MRS JULIE ZOHAR	10,300,002	7.60
SWANCOVE ENTERPRISES PTY LTD	9,240,500	6.82
MR PAUL WINSTON ASKINS	5,640,633	4.16
MR JOHN KARAJAS	3,200,000	2.36
MR CALLUM BAXTER	3,000,000	2.21
Z P PTY LTD <Z PERVAN SUPER FUND A/C>	2,100,000	1.55
MR ERYK MATUSIK + MRS DZANET MATUSIK <MATUSIK SUPERFUND A/C>	1,924,500	1.42
J & F JAMES BROTHERS HOLDINGS PTY LTD	1,400,000	1.03
MRS JANICE ROLL	1,200,000	0.89
BRALICH HOLDINGS PTY LTD	1,188,000	0.88
MR PAUL GLENDON HUNTER	1,100,000	0.81
UOB KAY HIAN PRIVATE LIMITED <CLIENTS A/C>	820,000	0.60
ACTINOGEN LIMITED	720,000	0.53
MR BARRY O'ROURKE + MRS MERLE O'ROURKE <O'ROURKE FAMILY SUPER A/C>	610,000	0.45
EAGLE NICKEL LIMITED	609,127	0.45
LAWSTAR PTY LTD	600,000	0.44
CANON FOODS SERVICES PTY LTD	578,250	0.43
COMO INVESTMENTS LIMITED	570,000	0.42
	80,089,380	**59.07**

TWENTY LARGEST QUOTED OPTION HOLDERS AS AT 26 SEPTEMBER 2011

	Options Expiring 01/02/2012 @ 20c	
	Number Held	Percentage of issued shares
SWANCOVE ENTERPRISES PTY LTD	11,550,000	28.74
MR NOEL DAVID MCEVOY + MRS SHELLEY DAWN MCEVOY <THE ND MCEVOY SUPER FUND A/C>	3,101,005	7.72
DR ZHUKOV PERVAN	1,500,000	3.73
MR DAVID ALAN ZOHAR	1,364,598	3.40
INTERNATIONAL BUSINESS NETWORK (SERVICES) PTY LTD	1,000,000	2.49
Z P PTY LTD <Z PERVAN SUPER FUND A/C>	1,000,000	2.49
MRS JANICE ROLL	900,000	2.24
MR PHILIP MARK LOERCH	600,000	1.49
THORNBUSH CORPORATION LIMITED	500,000	1.24
MR KERRY WILLIAM HENNESSY	415,000	1.03
MR ANTHONY JOHN VETTER	350,000	0.87
MR ANTHONY HEWETT	320,760	0.80
MR ANTHONY DONALD OLLERENSHAW + MRS CHRISTINE OLLERENSHAW <A & C OLLERENSHAW SUPER A/C>	265,033	0.66
CAMERON STOCK BROKERS LTD	250,000	0.62
MR ROLAND ERHARD ROHM	250,000	0.62
MR MICHAEL CUSICK	230,000	0.57
MR TERENCE MCCARTHY	212,500	0.53
MS LUSIA DING	200,000	0.50
MS JACQUELINE ANNE DYER	200,000	0.50
HAULTRANS MANAGEMENT PTY LIMITED <SUCCESSFUL SUPER FUND A/C>	200,000	0.50
	24,408,896	**60.74**

Unquoted Securities

There were 3,500,000 unquoted shares and 15,000,000 unquoted options at $0.20 expiring 01/05/2016 as at 26 September 2011. The shares and options are restricted until 2 June 2012.

Shares and Options escrowed

No. of Shares	Escrow Period
3,500,000	12 Months from the date of issue

No. of Options	Escrow Period
15,000,000	12 Months from the date of issue

12 Interest in Mining Tenements

Tenement	Holder	Area	Date tenement granted	Date tenement expires	Company's beneficial interest (%)	
NEW SOUTH WALES						
Koree Limestone						
ML1446	Macquarie Marble Lime Pty Ltd	13.12 ha	19/03/1999	18/03/2019	60%	
EL7084	Macquarie Marble Lime Pty Ltd	4 units	19/02/2008	19/02/2012	60%	
NORTHERN TERRITORY						
Lucky U						
EL25329	Iron Mountain Mining Limited and United Orogen Limited	28.4 km^2	05/02/2007	04/02/2013	100%	*
Florence Creek						
EL25894	Iron Mountain Mining Limited and United Orogen Limited	252.6 km^2	19/10/2007	18/10/2013	100%	*
Treasure						
EL25346	Iron Mountain Mining Limited and United Orogen Limited	101 km^2	05/02/2007	04/02/2013	100%	
VICTORIA						
Heavy Mineral Sands (HMS)						
EL5303	Iron Mountain Mining Limited	142 Graticules	14/10/2010	13/10/2015	100%	
EL5304	Iron Mountain Mining Limited	40 Graticules	14/10/2010	13/10/2015	100%	
EL5305	Iron Mountain Mining Limited	52 Graticules	14/10/2010	13/10/2015	100%	
EL5306	Iron Mountain Mining Limited	151 Graticules	14/10/2010	13/10/2015	100%	
EL5307	Iron Mountain Mining Limited	239 Graticules	14/10/2010	13/10/2015	100%	
EL5356	Iron Mountain Mining Limited	77 Graticules	28/06/2011	27/06/2016	100%	

Tenement	Holder	Area	Date tenement granted	Date tenement expires	Company's beneficial interest (%)
TASMANIA					
Blythe					
EL6/2005	Iron Mountain Mining Limited	22 km^2	8/09/2005	07/09/2011	50%
EL15/2006	Iron Mountain Mining Limited	30 km^2	26/06/2006	25/06/2011	50%
EL35/2006	Red River Resources Limited	89 km^2	26/02/2007	25/02/2012	50%
EL18/2007	Red River Resources Limited	103 km^2	10/07/2007	09/07/2012	50%
EL53/2007	Iron Mountain Mining Limited	47 km^2	19/12/2007	18/12/2012	50%
EL25/2009	Red River Resources Limited and Iron Mountain Mining Limited	33 km^2	25/05/2009	24/05/2015	50%
WESTERN AUSTRALIA					
Miaree					
E08/1350	Red River Resources Limited	10 Blocks	23/06/2006	22/06/2013	25%
E47/1309	Red River Resources Limited	32 Blocks	04/05/2007	03/05/2012	25%
E47/1707	Red River Resources Limited	13 Blocks	01/08/2008	31/07/2013	25%
w Mt Elvire					
E47/1823	Swancove Enterprises Pty Ltd	4 Blocks	15/03/2011	14/03/2016	100%
Wando					
E70/2444	Swancove Enterprises Pty Ltd	16 Blocks	04/07/2003	03/07/2009	100%
R70/48	Swancove Enterprises Pty Ltd	4406.356 ha	N/A	N/A	100%
E70/2692	Swancove Enterprises Pty Ltd	70 Blocks	27/10/2005	26/10/2012	100%
E70/2693	Swancove Enterprises Pty Ltd	35 Blocks	24/01/2006	23/01/2013	100%
E70/3124	Swancove Enterprises Pty Ltd	87 Blocks	18/02/2010	17/02/2015	100%
E70/3146	Swancove Enterprises Pty Ltd	12 Blocks	09/04/2010	08/04/2015	100%
E70/3147	Swancove Enterprises Pty Ltd	26 Blocks	18/02/2010	17/02/2015	100%
E70/2943	Swancove Enterprises Pty Ltd	70 Blocks	26/11/2010	25/11/2015	100%
E70/3508	Iron Mountain Mining Limited	1 Block	09/12/2008	08/12/2013	100%
E70/3509	Iron Mountain Mining Limited	1 Block	09/12/2008	08/12/2013	100%
E70/3712	Iron Mountain Mining Limited	11 Blocks	10/03/2010	09/03/2015	100%
E70/3713	Iron Mountain Mining Limited	3 Blocks	10/03/2010	09/03/2015	100%
E70/3714	Iron Mountain Mining Limited	12 Blocks	10/03/2010	09/03/2015	100%
E70/3715	Iron Mountain Mining Limited	1 Block	10/03/2010	09/03/2015	100%
Wongan Hills					
E70/2728	Red River Resources Limited	6 Blocks	14/06/2005	13/06/2012	5%

IRON MOUNTAIN
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