IRON ORE HOLDINGS LTD

2013 Annual Report

"Return on Investment is a key driver and the Board is of the opinion that our find, de-risk and monetise model remains appropriate."

HON. RICHARD COURT AC
NON-EXECUTIVE CHAIRMAN

contents

corporate directory

Company

Iron Ore Holdings Ltd

Directors

Hon. Richard Court AC
Non-Executive Chairman

Alwyn Vorster
Managing Director

Ryan Stokes
Non-Executive Director

Malcolm Randall
Non-Executive Director

Brian O'Donnell
Non-Executive Director

Company Secretary

Simon Robertson

Registered and Principal Office

Level 1, 1 Altona Street,
West Perth, WA 6005
Tel: +61 (8) 9483 2000
Fax: +61 (8) 9321 0322

Website

www.ironoreholdings.com

Share Register

Security Transfer Registrars Pty Ltd
770 Canning Highway,
Applecross, WA 6153

Auditors

Deloitte Touche Tohmatsu
Level 14, 240 St Georges Terrace,
Perth WA 6000 Australia

Iron Ore Holdings Ltd shares are listed on the Australian Securities Exchange (ASX) under the symbol 'IOH'.

"Monetising projects at a key point in the pre-production lifecycle can often deliver greater returns than moving down the self-development path."

HON. RICHARD COURT AC
NON-EXECUTIVE CHAIRMAN

chairman's letter

Dear Shareholder

In this my third year as Chairman of Iron Ore Holdings Ltd I am delighted to present the 2013 annual report.

We have continued to build upon the success achieved in the previous year and I have summarised some of your Company's significant achievements below.

Financial Performance

During the 2013 financial year IOH continued its growth through the delivery of another successful transaction involving the Company's Iron Valley Project. The mine gate sale agreement with Mineral Resources Limited (MIN) flowed from the earlier decision to pursue a Central Pilbara asset commercialisation strategy.

IOH carefully assessed all the optimum value creation options, including self-development, joint venture structures or divestment, before concluding that the mine gate sale agreement delivered the best outcome for shareholders. This agreement resulted in the Company avoiding the impacts of raising additional equity or debt which, in these challenging market conditions, is a prudent way to manage our Company.

Our cash position of approximately $75M (at 30 June 2013) and potential mine revenue in the near future will serve as a solid foundation for ongoing success.

Strategic Direction

Your Company remains motivated to pursue its objective of creating significant value from small resource investments within three to four years of a project lifecycle.

Return on Investment is a key driver and the Board is of the opinion that our find, de-risk and monetise model remains appropriate. Monetising assets at a key point in a particular project's pre-production lifecycle can often deliver greater returns than moving down the self-development path.

The expertise and experience of IOH's team of mining professionals are key factors of our capacity to not only identify the optimal monetisation point for each asset but also to execute all of the different activities necessary to achieve fair value transactions.

IOH's transactional record was recently acknowledged at the 2013 Diggers and Dealers Mining Forum, where the Company received the Dealer of the Year Award. To be recognised by this independent, established organisation is testament to the quality and capability of the IOH team in realising value for shareholders.

Value Creation

During the financial year, the mineral resource base has been maintained at 1.6 billion tonnes of JORC Resource, within which more than 500 million tonnes are "direct shipping" type material.

We continue to search for new opportunities to acquire good quality, additional resources, while working to de-risk our major projects. During the past year, IOH acquired a number of exploration tenements with iron ore and base metals potential. We will now plan a program to conduct selective exploration and development studies on these tenements.

The management team has continued to maintain robust safety standards as well as facilitating Company policies consistent with good industry practice and corporate governance.

"Although the global economic outlook is far from certain and the local share market remains volatile, there are also opportunities out there for the Company."

HON. RICHARD COURT AC
NON-EXECUTIVE CHAIRMAN

chairman's letter

Outlook

During the 2013 Financial Year we have continued to consolidate our business using the strong foundations patiently put in place during the past 24 months.

There is still a degree of uncertainty pervading the iron ore sector which continues to create challenges for every company involved in exploration and mining.

Although the global economic outlook is far from steady and the local share market remains volatile, there are also opportunities out there for the Company.

IOH, given our cash position, remains well placed to continue to create value in a tough environment through assessment of our existing tenements, potential new tenement acquisitions and the development of our two major projects.

The Board is looking to the years ahead with considerable confidence as IOH not only has significant flexibility to capitalise on opportunities but will have established an income stream to underpin the Company's operations and to expand the asset base.

On behalf of the Board, I thank everyone who has been part of the IOH team during the year. Our employees, contractors and consultants have each played an important role in ensuring the continuing growth of this Company.

I would like to thank my Board colleagues for their hard work and support throughout the year and acknowledge the performance of our Managing Director, Alwyn Vorster, in leading the Company through another very successful 12 months of operations.

I will also take this opportunity to thank all of our loyal shareholders for the support during a difficult period for the exploration and mining sector. In the next year we will see the diligent effort to realise value from our assets rewarded with the first revenue expected to flow from the Iron Valley development.

Yours faithfully

Hon. Richard Court AC
Non-Executive Chairman

"At its heart IOH is an exploration and project de-risking company and the business model is supported by core skills to find, de-risk and monetise."

ALWYN VORSTER
MANAGING DIRECTOR

managing director's review

As Managing Director I am pleased to provide details of the commercial and operational results over the last year and outline IOH's exciting plans for the year ahead.

At its heart IOH is an exploration and project de-risking company and the business model is supported by the core skills of tenement acquisition and exploration to define potential iron ore resources, then de-risking potential projects through mine studies and approvals, before divesting or entering into agreements with partners who have the capacity to develop the assets. The strategy is therefore clear - "finding, de-risking and monetising mineral assets".

Finding: IOH has continued to build our portfolio of iron ore resources in the Pilbara, totalling more than 1,665 million tonnes of JORC (2004) Code compliant Resources and announced maiden JORC (2004) Probable Ore Reserves totalling 227 million tonnes during the year. We have also added seven new tenements to our already impressive pipeline of future prospects to be explored.

De-risking: IOH concluded a successful Pre-Feasibility Study (PFS) on its Iron Valley Project and a positive PFS on the Buckland Project. During the year, multiple milestones have been achieved from tenure applications, heritage agreements and environmental approvals. All these actions contribute to the de-risking of our projects, adding value towards monetisation.

Monetising: Following on from the previous financial year in which IOH secured $99 million cash through divestment transactions, a highlight of the past year was the Iron Valley mine gate sale transaction with Mineral Resources Limited (MIN). Although this transaction was completed during a period of relatively subdued market conditions, IOH managed to secure a robust transaction which should deliver significant and stable revenue in the near future. Most recently, IOH finalised the sale of the North Marillana group of satellite tenements to Maiden Iron for up to $7.75 million plus a royalty on the iron ore produced.

The information below provides further detail on the key operational aspects and achievements of our business.

Exploration

In the 2013 financial year IOH drilled more than 18,000 exploration metres across seven tenement sites and the Company's resource inventory is now estimated at 1,665 million tonnes of JORC (2004) Code compliant Mineral Resources (Indicated and Inferred). (See Table 1 on page 25).

A significant infill drilling program was designed and initiated at the Bungaroo South deposit with the aim of improving the resource classification and upgrading resources into reserves.

New exploration was primarily focussed on the Western Satellites where there remains some potential to identify smaller hematite and goethite resources to create future product blending flexibility with the larger Bungaroo South deposit.

In terms of new ground IOH was granted seven new exploration tenements, situated in the Western Pilbara and Murchison areas, during the 2013 financial year. These new IOH tenements cover a total area of more than 370 square kilometres and provide the foundation for future exploration activities.

Alwyn Vorster and Mal Randall with the 2013 Dealer Of The Year Award at the annual Diggers & Dealers Mining Forum.

"In February 2013, IOH announced a maiden JORC (2004) Code compliant Probable Ore Reserve of 134.7 million tonnes at an average of 58.5 per cent Fe supporting the initial mining development at the Iron Valley Project.

ALWYN VORSTER
MANAGING DIRECTOR

Projects

Iron Valley – Development Activities

In February 2013, IOH announced a maiden JORC (2004) Code compliant Probable Ore Reserve of 134.7 million tonnes at an average of 58.5 per cent Fe (based on a cut-off grade of 53 per cent) supporting the initial mining development at the Iron Valley Project.

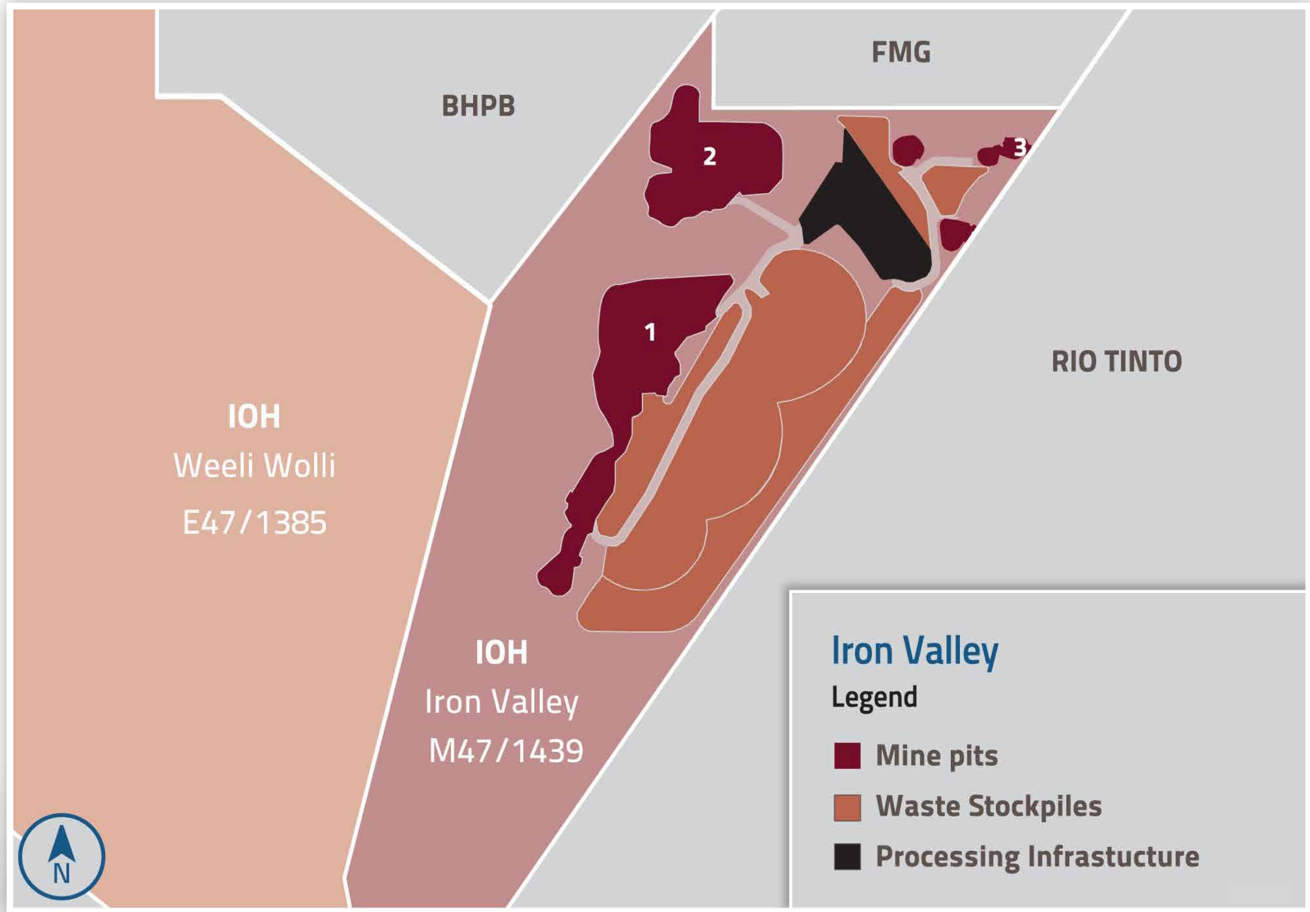
The WA State Minister for the Environment approved the implementation of the Iron Valley above water table mining in the same month. IOH had previously secured a Native Title Land Access Deed and Federal Environment Protection and Biodiversity Protection Act 1999 (EPBC Act) environmental approval for the Project.

In August 2013 IOH received approval for the Iron Valley Mining Proposal from the Department of Mines and Petroleum (DMP), which made the project "development ready".

Iron Valley – Commercial Activities

In line with the IOH strategy to shift the primary operational focus to the West Pilbara, IOH worked to put in place plans for the monetisation of our Central Pilbara deposits in order to strengthen our cash position.

As reported last year IOH concluded an option transaction with Fortescue Metals Groups (FMG) in relation to Iron Valley in February 2012, receiving a $25 million cash payment for the 13-month option. In February 2013 FMG and IOH reached agreement on the early termination of the transaction by IOH repaying $4 million back to FMG.



Iron Valley Project - Proposed Development Footprint

Later in February 2013, IOH announced the execution of a binding formal agreement for an Iron Valley mine gate sale arrangement with Mineral Resources Limited (MIN) which will lead to the development of Iron Valley.

Under the agreement MIN will apply its experience and expertise to commence production from Iron Valley in the shortest feasible time frame, creating an opportunity to export iron ore and benefit from favourable near term price expectations.

This mine gate sale agreement has a number of key terms, including the requirement that MIN will fund, develop and operate the mine at its cost and then purchase product from IOH at the mine gate.

The minimum annual tonnage, mine gate payment price and purchase obligations are each structured to provide appropriate protection to the parties against agreed operational and economic conditions, while ensuring the parties also share in the upside of higher iron ore prices.

IOH remains the tenement owner and will make statutory payments to third parties including the State Government.

The Iron Valley development is expected to generate cash inflows to IOH in the 2014 calendar year.

Outcropping deposit at Iron Valley

Buckland Project - Development Activities

The Buckland Project represents an independent mine to ship solution for the 8-12Mtpa production of direct shipping type iron ore from the Bungaroo South area, transportation via a 195 kilometre private haul road and shipping from a new modest scale transhipping facility at Cape Preston East.

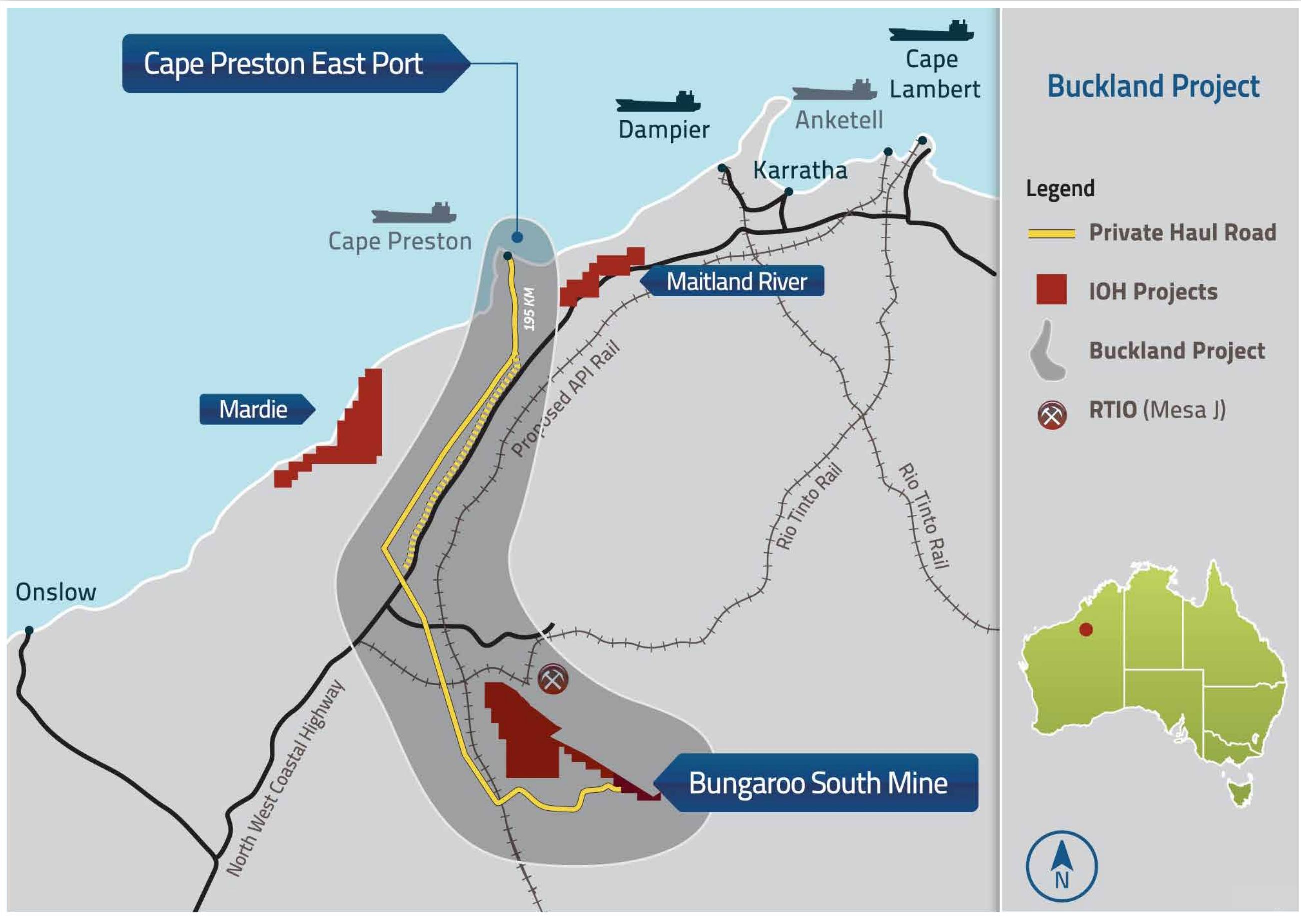
Mining is planned from the IOH flagship Bungaroo South channel iron deposit and the Dragon bedded iron deposit. Together the two deposits contain 263 million tonnes of JORC (2004) Code compliant Mineral Resource.

A maiden JORC (2004) Code compliant Probable Ore Reserve estimate of 92.4 million tonnes at 57.6 per cent Fe for the initial mining development of Bungaroo South, which will be the main source of ore for the Buckland Project, was announced in November 2012. An infill drilling program has been completed and IOH expects to announce an Ore Reserve upgrade by the first quarter of the 2014 calendar year.

A positive PFS was completed in November 2012. It was the first mine to ship PFS completed in the Company's eight year history and is a significant milestone that should enable IOH to control its own development pathway and timing. The Board immediately approved the commencement of a Definitive Feasibility Study (DFS) which, in August 2013, was 70 per cent complete.

During the year IOH signed two Native Title Land Access Agreements. The first was with the Kuruma Marthudunera (KM) Native Title claimant group and the second with the Yaburara Mardudhunera (YM) Native Title claimant group, which provide IOH rights to develop the proposed Buckland Project.

IOH was granted a Mining Lease by the DMP covering the Bungaroo South and Dragon iron ore deposits within the Buckland Project.



Buckland Project

In November 2012 IOH entered into a non-binding Memorandum of Understanding with the Dampier Port Authority defining principles for the location and potential development of a small scale transhipment facility at Cape Preston East. IOH and the Dampier Port Authority continue to progress the drafting of the suite of important port lease agreements.

At Cape Preston East, IOH completed an off-shore geotechnical drilling program to establish the integrity of the seabed and its suitability for the construction of a 1.4 kilometre trestle jetty structure.

In May 2013 the Federal Government's Department of Sustainability, Environment, Water, Population and Conversation (SEWPaC), under the EPBC Act approved the proposed development of a transhipping facility at Cape Preston East, determining that the development will not be a controlled action. The WA State Minister for the Environment has also recently approved the Cape Preston East facility, aligning the conditions with those set by the Federal Government.

The proposed development of a mine at Bungaroo South and the haul road with its associated infrastructure also received SEWPaC approval in July 2013. It was determined that the development will not be a controlled action under the EPBC Act, with a number of standard management actions to be undertaken in accordance with specified conditions.

Road tenure solutions are progressing with several land access agreements concluded and a number of other applications currently being processed through the Warden's Court of Western Australia.

Proposed Cape Preston East Site

managing director's review contd.

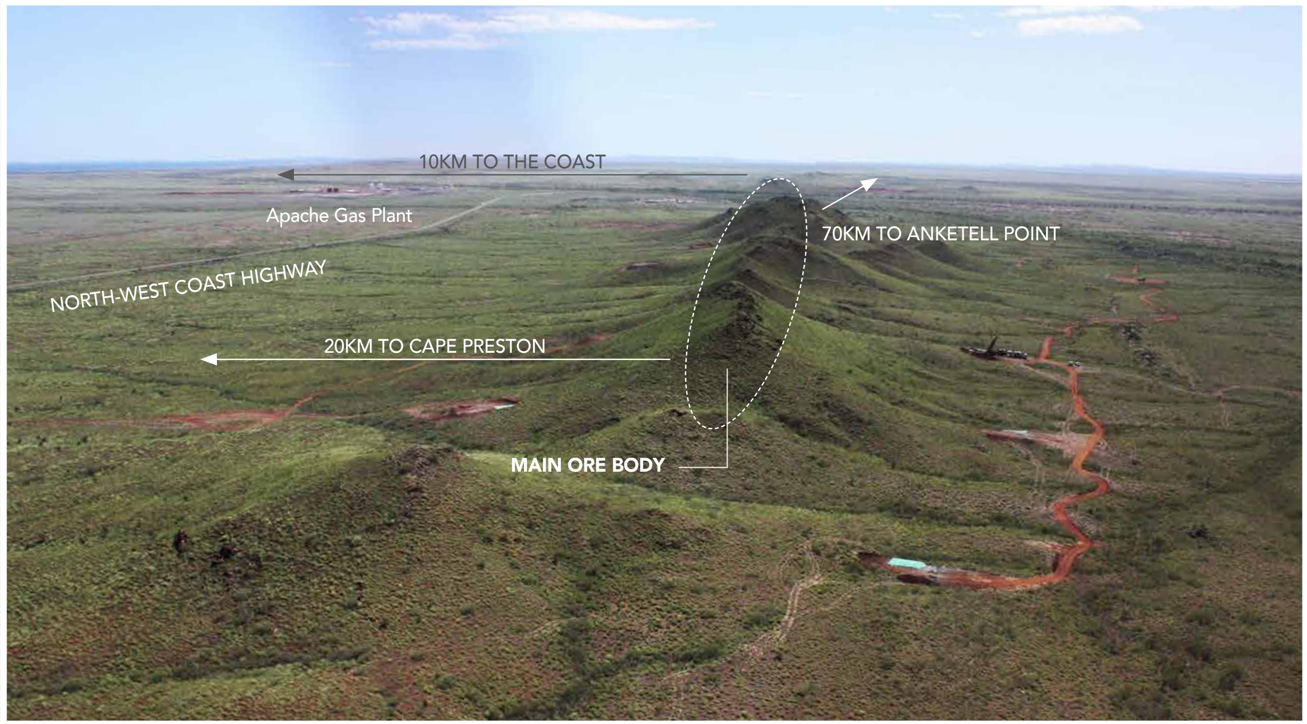
At the date of this report the design specifications of key engineering packages are 70 per cent complete and will be ready for distribution to selected service providers in the coming months, subject to progress on project funding solutions. The DFS is scheduled for completion by the middle of the 2014 calendar year resulting in a production target date late in the 2015 calendar year.

Primary focus will remain on securing outstanding leases and tenure matters and to progress ore reserve upgrades and engineering studies. In parallel, IOH will be focussing on securing the interest of a quality project partner that can assist with funding and building the Project.

Maitland River Project

The completion of a Concept Study into the feasibility of the Maitland River magnetite project, located 10 kilometres from the coast in the Pilbara region of Western Australia, was another significant milestone completed in the first half of the 2013 financial year. Maitland River currently has a total JORC (2004) Code compliant Inferred Resource of 1.1 billion tonnes, hosted in three deposit areas.

The Project area is within five kilometres of the North West Coastal Highway, five kilometres from the Bunbury to Dampier natural gas pipeline and 15 kilometres from the proposed Cape Preston East port development. The Concept Study delivered positive results in a number of important areas and identified those key aspects which will require further examination during a Pre-Feasibility Study.



Maitland River Project

The Concept Study confirmed that mining could involve a relatively low stripping ratio of 1.5 tonnes of waste to 1 tonne of ore to deliver 10 million tonnes of concentrate per annum for a period up to 20 years.

Based on the results of the Concept Study IOH intends to further develop the optimal development path for this project.

“High standards are set and practices are introduced to achieve the optimum Health, Safety, Environment and Community (HSEC) outcomes.”

ALWYN VORSTER
MANAGING DIRECTOR

managing director's review contd.

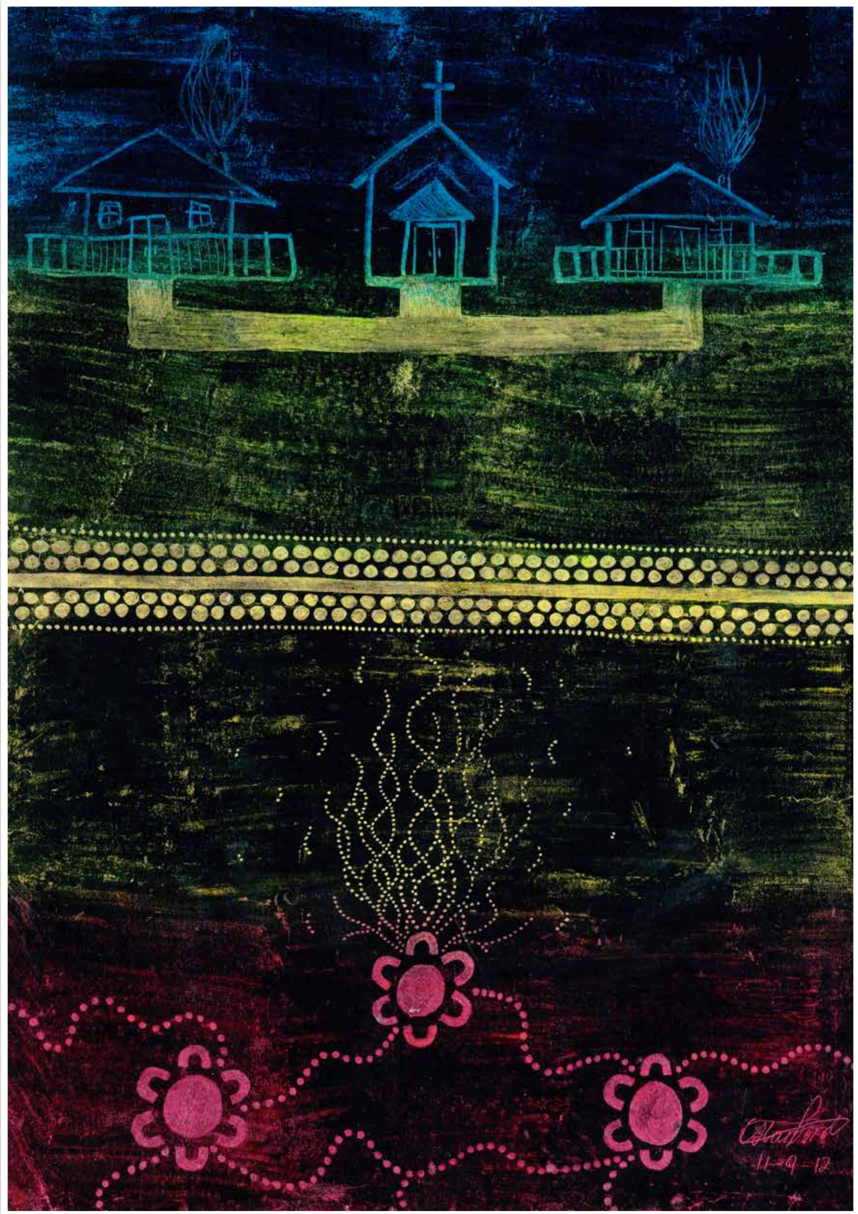
Corporate and Social Responsibility

For the eighth year running IOH is proud to declare that no amployee or contractor has been seriously injured in the course of duty.

IOH aims to maintain integrity in all aspects of its business and aims to maintain positive and cooperative stakeholder relationships. High standards are set and practices are introduced to achieve the optimum Health, Safety, Environment and Community (HSEC) outcomes.

The Company has, during the past year, adopted a Compliance and Obligations Procedure which outlines the process and tools required to record and manage the numerous compliance, as well as other obligations that accumulate as each project is developed.

During the year IOH also engaged with young people in the communities near its Buckland Project through its support of the Indigenous Art and Literacy Program operated by the Children's Charity Network in the Western Pilbara. The program involves the delivery of books and other publications, together with the organisation of writing and illustration workshops by award winning authors and illustrators for school children ranging from Pre-School to Year 12.



2012 Young Australian Indigenous Art Award
Iron Ore Holdings Art Award Winner – Coen Stanford

"The medium term aim is to have a well-balanced portfolio of projects at various stages, healthy cash reserves, royalty streams and income from mine gate sales to provide an attractive return to shareholders."

ALWYN VORSTER
MANAGING DIRECTOR

The Future

The success of the IOH business model was reinforced during 2013 financial year through the successful completion of key transactions and the on-going de-risking work to demonstrate the real value of our key projects.

The ongoing objective is to create significant value uplifts from small resource investments within three to four years in a project's lifecycle, without burdening shareholders with excessive capital commitments.

The medium term aim is to have a well-balanced portfolio of projects at various stages, healthy cash reserves, royalty streams and income from mine gate sales to provide an attractive return to shareholders.

The continuing support of our shareholders and your patient understanding during challenging market conditions is greatly appreciated and is an important prerequesite for building long term value from our assets.

In conclusion, I would like to acknowledge the efforts from everyone in the IOH team during the year.

Working with the dedicated and dynamic team at IOH, together with some of the best contractors and advisors in the industry is a privilege. In addition, each of the IOH Directors has contributed above and beyond what is normally expected from non-executives and the personal support from the Chairman in particular, is greatly appreciated.

The coming year is likely to lead to exciting opportunities for IOH and I look forward to keeping you informed of progress.

Alwyn Vorster
Managing Director

IOH Executive Team at 30 June 2013 (left to right):
Zen Davison, General Manager – Business Development.
Brett Hazelden, General Manager – Project Development.
Alwyn Vorster, Managing Director.
Roland Bartsch, General Manager - Geology.
Christian Johnstone, Chief Financial Officer.

your director's

Your directors present their report on the Company and its controlled entities for the financial year ended 30 June 2013.

The names of directors in office at any time during or since the end of the year are:

- *Hon. Richard Court AC*
- *Alwyn Vorster*
- *Brian O'Donnell*
- *Malcolm Randall*
- *Ryan Stokes*

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

IOH Directors (left to right):
Alwyn Vorster.
Malcolm Randall.
Hon. Richard Court AC.
Ryan Stokes.
Brian O'Donnell.

Qualifications, Experience and Special Responsibilities of Directors

Hon. Richard Court AC - *Non-Executive Chairman*

(Non-Executive Director from November 2007 and Non-Executive Chairman from January 2011)

Qualifications - B.Comm (UWA)

Experience - Mr Court was Premier and Treasurer of Western Australia from 1993 – 2001. He retired from Parliament after nineteen years as the Member for Nedlands. His Government led the LNG marketing push into new markets, the successful deregulation of the Western Australian gas markets and the successful privatisations of the SGIO, BankWest, AlintaGas, Westrail Freight and the Dampier to Bunbury Natural Gas pipeline.

In addition to the directorships held in other listed entities detailed below, Mr Court is also Chairman of Resource Investment Strategy Consultants (RISC); a consultant to Australian Capital Equity Pty Ltd (ACE) and Trustee of the Channel 7 Telethon Trust.

Mr Court was appointed Companion in the General Division of the Order of Australia in June 2003 for service to the Western Australian Parliament and to the community, particularly the indigenous community, and in the areas of child health research and cultural heritage and to economic development through negotiating major resource projects including new gas markets furthering the interests of the nation as a whole.

Special Responsibilities - Audit and Risk Committee member

Directorships held in other listed entities in the last three years - Chairman of National Hire Group Limited (appointed as Non-Executive Director in July 2008, appointed as Chairman in May 2010 and that company was delisted in December 2011).

Alwyn Vorster - *Managing Director*

(Managing Director from January 2011)

Qualifications - BSc (Geology), MSc (Mineral Economics), MBA

Experience - Mr Vorster joined IOH in the position of Chief Executive Officer in November 2010 and was appointed Managing Director in January 2011. He has more than 27 years' experience in both technical and commercial roles with some of the world's leading mining companies. Prior to joining IOH, Mr Vorster held positions of Director Business Development of Oakajee Port and Rail, and was Rio Tinto's Regional Manager for iron ore sales into Asia. During his employment with Rio Tinto, he served on the management board of the Channar Joint Venture (between Rio Tinto and Sinosteel). The earlier part of his career included geological, business development and marketing roles with Kumba Resources (a subsidiary of Anglo American).

He is a member of the executive committee of the Australia China Business Council (ACBC) and is a Member of the Australian Institute of Company Directors (MAICD).

Directorships held in other listed entities in the last three years - None.

Malcolm Randall - *Non-Executive Director*

(Non-Executive Chairman from May 2005 to December 2010 and Non-Executive Director from January 2011)

Qualifications - Dip Applied Chem.

Experience - Mr Randall has had extensive experience in corporate, management and marketing in the resource sector including over 27 years with the Rio Tinto group of companies. His iron ore experience has included senior technical and commercial management roles in Hamersley Iron Pty Ltd and a commercial advisor to the Hope Downs Iron Ore project. Mr Randall is also a Non-Executive Director of four other ASX listed resource companies as noted below. Mr Randall is a Member of the Australian Institute of Company Directors (MAICD).

Special Responsibilities - Audit and Risk Committee member.

Directorships held in other listed entities in the last three years - Current Director of Thundelarra Exploration Ltd, MZI Resources Ltd, Royal Resources Ltd and Summit Resources Ltd.

- Previous Director of United Minerals Corporation NL (resigned 18 February 2010).

Brian O'Donnell - *Non-Executive Director*

(Non-Executive Director from December 2008)

Qualifications - B Comm (UWA), FCA

Experience - Mr O'Donnell has 29 years' experience in the finance and investment industry. He joined ACE as Group Treasurer in 1996, and was appointed to the Board in 2001. As Finance and Investments Director for the ACE Group, Mr O'Donnell has overall responsibility for all finance facilities and lender relationships for the ACE Group, in addition to responsibility for investment assessment, execution and management.

Prior to joining ACE, Mr O'Donnell was employed by the Deutsche Bank Group (1991-1996), Challenge Bank (1988-1991) and Arthur Andersen (1985-1988).

Mr O'Donnell has served on the Boards of several listed and unlisted public and private companies. Among other directorships, Mr O'Donnell is currently Non-Executive Chairman of the Landfill Gas & Power Holdings Pty Ltd Group and @www Pty Ltd, and a Non-Executive Director of Coates Group Holdings Limited and the Fremantle Football Club. Mr O'Donnell is a Member of the Australian Institute of Company Directors (MAICD).

Special Responsibilities - Audit and Risk Committee Chairman.

Directorships held in other listed entities in the last three years - None.

Ryan Stokes - Non-Executive Director

(Non-Executive Director from January 2011)

Qualifications - B.Comm (Curtin), FAIM

Experience - Mr Stokes is Chief Executive Officer of Australian Capital Equity Pty Limited (ACE) and Chief Operating Officer of Seven Group Holdings Limited. Mr Stokes was appointed an Executive Director of ACE in 2001 and CEO in April 2010. ACE is a private company with its primary investment being an interest in Seven Group Holdings (SGH). He has been an Executive Director of Seven Group Holdings Limited since February 2010, and was appointed Chief Operating Officer in 2012.

Mr Stokes is also a Director of WesTrac Pty Limited and has extensive experience in China, having developed relationships with various mining and media companies over the past 13 years. Mr Stokes was Executive Director then Chairman of Pacific Magazines from 2004 until 2008 and previously a Director of Yahoo!7 from inception in 2006 until 2013.

Mr Stokes is Chairman of the National Library of Australia, a position he has held since July 2012 and is a Director of the Australian Strategic Policy Institute. Mr Stokes is the former Chairman of Australia's National Youth Mental Health Foundation (Headspace), a Federal Government initiative established in 2006. Mr Stokes was also a former member of the International Olympic Committee's Radio and Television Commission.

Directorships held in other listed entities in the last three years – Current Executive Director of SGH (appointed as a Director in February 2010 and as Executive Director in April 2010) and Non-Executive Director of Seven West Media (appointed 21 August 2012), Director of Engin Limited (until the company delisted on 8 August 2011) and Consolidated Media Holdings (until the company delisted on 20 November 2012).

Interests in the shares and options of the Company

As at the date of this report, the interests of the directors in the shares and options of IOH were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
Hon. Richard Court AC	1,181,817	-
Mr Alwyn Vorster	336,473	4,000,000
Mr Malcolm Randall	2,150,000	1,300,000
Mr Brian O'Donnell	59,090	-
Mr Ryan Stokes	-	-

Company Secretary

Simon Robertson

Qualifications - B.Bus, CA, M Appl. Fin.

Mr Robertson gained a Bachelor of Business from Curtin University in Western Australia and Master of Applied Finance from Macquarie University in New South Wales. He is a member of the Institute of Chartered Accountants and the Chartered Secretaries of Australia. Mr Robertson currently holds the position of Company Secretary for a number of publically listed companies and has experience in corporate finance, accounting and administration, capital raisings and ASX compliance and regulatory requirements.

Principal Activities

The principal activity of the consolidated group during the financial year was the exploration, study and commercialisation of mineral tenements in Western Australia. There were no significant changes in the nature of the consolidated group's principal activities during the year.

Operating Results

The consolidated loss of the consolidated group after providing for income tax amounted to $32,849,612 (2012: Profit of $66,780,111).

Review and results of Operations

During the financial year the Company continued with exploration, project study and commercialisation activities on its mineral tenements within the Pilbara region of Western Australia.

A summary of the major operational highlights by major project are summarised below:

Buckland Project

- Completion of the PFS which confirmed the technical and financial viability of a 4Mtpa to 8Mtpa mining operation from Bungaroo South, transport via private haul roads and shipping via a new transhipment facility at Cape Preston East. The DFS was commenced and positive progress continues to be made to cover all technical and engineering aspects of the project to industry standards.
- Native Title Land Access Deeds were signed with the:
    - YM Native Title claimant group which provides consent for development activities on tenements in the YM claim area, which includes the Cape Preston East, Maitland River and Mardie areas; and
    - KM Native Title claimant group which provides consent for all exploration, mining and infrastructure activities on tenements in the KM claim area, which includes the Buckland Project area.
- Securing a number of approvals to support the Project including:
    - Federal Government environmental approval for the Cape Preston East Port was secured in May 2013; and
    - the Mining Lease M47/1464, covering the Bungaroo South and Dragon iron ore deposits within the Buckland Project, was granted by the DMP.

Iron Valley Project

A maiden JORC (2004) Probable Ore Reserve of 134.7 million tonnes (Mt) at an average 58.5% Fe (based on a cut-off grade of 53% Fe) was estimated for the initial mining development of the Iron Valley Project. The Western Australian Minister for the Environment approved the implementation of the Iron Valley Above Water Table (AWT) Mining Project.

Maitland River Project

Completion of a Concept Study into the feasibility of the 100% owned Maitland River Project which delivered positive results in a number of important areas and identified the key aspects which require further focus during a PFS.

Corporate Highlights

Completion of a mine gate sale transaction over the Iron Valley Project with MIN. The mine gate sale agreement will result in the early development of the Iron Valley Project through the mine gate sale of ore extracted from the mine.

The completion of a Deed of Release on the early termination of FMG's exclusive option on Iron Valley Project and the farm-in right over the Maitland River Project. As part of the early termination of the Iron Valley option, the Company paid $3.6 million ($4.0 million inclusive of GST) to FMG.

Table 1: IOH JORC (2004) Mineral Resource at 30 June 2013

Location	Project or Tenement	Cut off (% Fe)	JORC Indicated Resources (Mt)	JORC Inferred Resources (Mt)	Fe (%)	CaFe (%)	SiO_2 (%)	Al_2O^3 (%)	P (%)	LOI (%)	Total (Mt)
Central Pilbara	Iron Valley	50	216.3[A]	-	58.4	63.0	5.1	3.1	0.18	7.3	**274.7**
		50	-	42.8	57.9	61.1	7.0	3.9	0.14	5.2	
	North Marillana	53	15.6	-	54.0	60.2	6.0	5.7	0.05	10.3	
Western Pilbara	Bungaroo South	53	179.7[B]	-	58.0	63.1	5.9	2.4	0.15	8.1	**284.6**
		53	-	68.6	55.1	60.0	9.6	2.6	0.14	8.2	
	Dragon	50	-	16.0	55.7	60.6	7.7	3.7	0.14	8.1	
	Rabbit	52	-	6.0	56.8	60.7	7.9	3.4	0.13	6.5	
	Rooster	52	-	7.2	56.2	60.6	6.5	4.8	0.08	7.2	
	Snake	50	-	7.1	57.0	62.6	5.8	2.8	0.15	9.0	
Coastal Pilbara	Maitland River *(Magnetite)*	26	-	1,106.0	30.4	30.8	44.0	2.3	0.06	1.2	**1,106.0**
Magnetite Total		**-**	**-**	**1,106.0**							
Total Mineral Resources			**411.6**	**1,253.7**	**Total Resources (Indicated and Inferred)**						**1,665.3**

[A] *Includes Probable Ore Reserve of 134.7 Mt (see Table 2 below).*

[B] *Includes Probable Ore Reserve of 92.4 Mt (see Table 2 below).*

Table 2: IOH JORC (2004) Probable Ore Reserve at 30 June 2013

Location	Project or Tenement	Cut off (% Fe)	JORC Proven Reserve (Mt)	JORC Probable Reserve (Mt)	Fe (%)	CaFe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)	Total (Mt)
Central Pilbara	Iron Valley	53	-	134.7	58.5	63.0	4.9	3.2	0.17	7.2	**134.7**
Western Pilbara	Bungaroo South	54	-	92.4	57.6	62.4	6.3	2.5	0.2	8.1	**92.4**
Total Ore Reserve				**227.1**							**227.1**

Competent Persons Statements:

The information in this report that relates to exploration, exploration targets and drilling results is based on information compiled by Mr Manohar Ghorpade, who is a Member of the Australasian Institute of Mining and Metallurgy. At 30 June 2013 Mr Ghorpade was a full time employee of Iron Ore Holdings Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ghorpade consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources estimates has been compiled by Mr Lynn Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Widenbar is a full time employee of Widenbar and Associates and produced the Mineral Resource Estimates based on data and geological information supplied by IOH. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

The information in this report that relates to Ore Reserve estimations for Bungaroo South and Iron Valley Deposits is based on information compiled by Mr Alan G. Cooper, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Cooper is a full time employee of Snowden Mining Industry Consultants Pty Ltd. Mr Cooper has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Financial Position and Significant Changes in the State of Affairs

The net assets of the consolidated group have decreased by $31.7 million from 30 June 2012 to $74 million as at 30 June 2013. This decrease resulted from expenditure on the continued exploration and project development of the consolidated group's tenements, a $3.6 million Fortescue Metals Group termination fee and $2.3 million write off on the early termination of the Memorandum of Understanding on the Iron Valley Project, offset by $4.5 million from interest earned during the financial year.

Cash on hand at 30 June 2013 totalled approximately $74.7 million.

Dividends Paid or Recommended

No dividend has been declared or paid by the Company. The directors do not recommend the payment of a dividend.

After Balance Date Events

Apart from the Iron Valley mining proposal that was secured on 31 July 2013 and announced to ASX on 1 August 2013 and the divestment of the North Marillana tenements announced to ASX on 4 September 2013, there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

- the consolidated group's operations in future years; or
- the results of those operations in future years; or
- the consolidated entity's state of affairs in future years.

Future Developments, Prospects and Business Strategies

The consolidated group's primary strategy is the discovery and commercialisation of iron ore deposits.

The Company intends to continue its current operations of mineral exploration and tenement acquisition with a view to the commercial development or other monetisation of discovered or acquired mineral resources.

The ability of the Company to achieve successful commercial developments will depend to a certain degree upon the success of its exploration and project development programs.

Environmental Regulation and Performance

The consolidated group's activities in Australia are subject to the Native Title Act, Environmental Protection Act (WA), Environment Protection and Biodiversity Conservation Act (Commonwealth). There have been no significant known breaches of the consolidated entity's obligations under these Acts. The consolidated group is not aware of any matters that cannot be resolved through the normal legal process, should they arise.

Share Options

Unissued shares

At the date of this report, the unissued ordinary shares of IOH under option are as follows:

Grant Date	Expiry Date	Exercise Price	Number of shares under option
12 October 10	30 September 2013	$2.475	200,000
12 October 10	11 October 2013	$2.475	500,000
8 April 11	8 April 2014	$2.725	590,000
8 April 11	8 April 2014	$2.975	110,000
23 November 11	22 November 2013	$1.750	2,325,000
10 May 12	22 November 2013	$1.750	50,000
23 November 11	22 November 2014	$1.900	2,150,000
10 May 12	22 November 2014	$1.900	50,000
12 November 12	13 November 2015	$1.400	3,000,000

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

There were no unlisted options exercised during the financial year to acquire fully paid ordinary shares in the Company.

Indemnification and Insurance of Directors and Officers

During the financial year, the company paid a premium of $31,482 (2012: $31,482) exclusive of GST, in respect of a contract insuring the directors of the company, the company secretary and all executive officers of the Group against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Meetings of Directors

The number of formal meetings of directors (including committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Directors Meetings		Committee Meetings	
			Audit and Risk Committee	
	Number eligible to attend	*Number attended*	*Number eligible to attend*	*Number attended*
Hon. R Court AC	10	10	4	4
Mr A Vorster	10	10	-	-
Mr M Randall	10	9	4	4
Mr B O'Donnell	10	10	4	4
Mr R Stokes	10	10	-	-

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 36.

remuneration report (audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the Chief Financial Officer, General Manager Geology, General Manager Project Development, General Manager Commercial and Chief Geologist.

Remuneration Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives.
- Link executive rewards to shareholder value.
- A portion of executive remuneration may be put 'at risk', dependent on meeting pre-determined performance benchmarks.
- Where appropriate, establish performance hurdles in relation to variable executive remuneration.

Due to the early stage of development which the Company is in, shareholder wealth is directly affected by the Company share price, as the Company is not in a position to pay dividends. By remunerating directors and executives in part by options, the Company aims to align the interests of directors and executives with shareholder wealth, thus providing individual incentive to perform and thereby improving overall Company performance and associated value.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate directors' fees payable to non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. Shareholders' have approved aggregate non-executive directors' fees payable of $500,000 per year.

The amount of aggregate directors' fees sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board may consider advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company. Commencing on 1 July 2013 members of Board committees will receive fees of $10,000 (excluding superannuation) for the chairman and $5,000 (excluding superannuation) for other members. In addition, if a director performs extra or special services beyond their role as a director, the Board may resolve to provide additional remuneration for such services.

Fees for directors are not linked to the performance of the economic entity however, to align all directors' interests with shareholder interests, directors are encouraged to hold shares in the Company and may receive options. This effectively links directors' performance to the share price performance and therefore to the interests of shareholders. For this reason there are no performance conditions prior to grant, but instead an incentive to increase the value to all shareholders.

During the financial year ended 30 June 2013 the Company granted options to a Non-Executive Director. The value of options granted is being expensed over the vesting period. Table 4 set out on page 33 of this report provides full details of the number, fair value and vesting conditions of these options.

The remuneration of Non-Executive Directors for the years ended 30 June 2013 and 30 June 2012 are detailed in Table 2 and 3 respectively on pages 31 and 32 of this report.

Executive Remuneration

Objective

The Company aims to reward executives (both directors and company executives) with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to:

- Attract and retain high quality individuals.
- Reward executives for Company performance.
- Align the interest of executives with those of shareholders.
- Link reward with the strategic goals and performance of the Company.
- Ensure total remuneration is competitive by market standards.

Structure

Executive remuneration consists of both fixed and variable (at risk) elements.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually or upon renewal of fixed term contracts by the Board and the process consists of a review of Company and individual performance, relevant comparative remuneration in the market and internal policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The remuneration of executive directors for the years ended 30 June 2013 and 30 June 2012 are detailed in Table 2 and 3 respectively on pages 31 and 32 of this report.

Variable Remuneration

Objective

The objective of variable remuneration provided is to reward executives in a manner which aligns this element of remuneration with the creation of shareholder wealth.

Structure

Variable remuneration may be delivered in the form of a short term incentive scheme, cash bonuses or share options granted directly or under the Employee Option Plan.

During the financial year ended 30 June 2013 the Company granted options to the Managing Director and other executives. The value of options granted is being expensed over the vesting period. Table 4 set out on page 33 of this report provides full details of the number, fair value and vesting conditions of these options.

Employment Contracts

Managing Director

The employment conditions of the Managing Director, Mr Vorster, were formalised in a contract of employment for 3 years which commenced on 15 November 2010 and is due to expire on 14 November 2013. The contract may be terminated by the Company in certain circumstances by giving 3 months notice. If the contract is terminated, Mr Vorster will receive an equivalent of 3 months' salary.

Other Executives

The Chief Financial Officer, General Manager Project Development, General Manager Commercial and Chief Geologist are employed under contracts with no fixed term. The contracts of employment vary by employee but stipulate either a one or two month termination period. Where the employer terminates the employee in accordance with the agreement for any reason other than the reasons set out in the Agreement, the employer will pay to the employee the equivalent one or two month's remuneration and as per the agreement any arrears including but not limited to accrued annual leave and long service leave.

remuneration report (audited) contd.

Consolidated Entity's Performance for the five years ending 30 June 2013

	30 June 2013 $	30 June 2012 $	30 June 2011 $	30 June 2010 $	30 June 2009 $
Income	**4,487,375**	100,532,932	863,672	677,823	1,111,933
Net profit / (loss) before tax	**(40,329,724)**	73,227,727	(20,870,873)	(19,336,829)	(7,052,212)
Net profit / (loss) after tax	**(32,849,612)**	66,780,111	(20,870,873)	(19,336,829)	(6,785,763)

	30 June 2013	30 June 2012	30 June 2011	30 June 2010	30 June 2009
Share price at the start of the year	**$0.90**	$1.30	$1.43	$0.82	$0.67
Share price at the end of the year	**$0.73**	$0.90	$1.30	$1.43	$0.82
Interim and final dividend	**-**	-	-	-	-
Basic earnings per share	**(20.38) cents**	40.57 cents	(14.88) cents	(15.78) cents	(5.84) cents
Diluted earnings per share	**(20.38) cents**	40.48 cents	(14.88) cents	(15.78) cents	(5.84) cents

Key Management Personnel Remuneration

Table 2: Remuneration for the year ended 30 June 2013

	Short-term Employee Remuneration							Long-term Employee Remuneration		
Name	**Salary and Fees**	**Short-term Incentive Plan *1**	**Other *2**	**Non-monetary Benefits**	**Post-employment Benefits (Superannuation)**	**Sub-total**	**% of Short-term Remuneration at Risk *5**	**Options *3**	**Total**	**Total % Value at Risk *6**
	$	$	$	$	$	$		$	$	
Directors										
Executive directors										
A Vorster - Managing Director *4	488,032	85,000	-	4,939	25,000	602,971	14%	533,807	1,136,778	54%
Non-executive directors										
Hon. R Court AC - Chairman	98,000	-	-	-	8,820	106,820	-	-	106,820	-
M Randall	59,000	-	-	4,939	5,310	69,249	-	267,342	336,591	79%
B O'Donnell	59,000	-	45,767	-	9,543	114,310	-	-	114,310	-
R Stokes	59,000	-	-	-	5,310	64,310	-	-	64,310	-
Other Key Management Personnel										
C Johnstone - Chief Financial Officer *4	323,558	45,767	-	4,939	29,233	403,496	11%	108,720	512,216	30%
B Hazelden - General Manager Project Development *4	330,058	16,018	15,000	4,939	26,481	392,496	4%	108,621	501,117	25%
M Ghorpade - Chief Geologist	265,650	12,815	-	4,939	28,509	311,913	4%	106,683	418,596	29%
Z Davison - General Manager Business Development *4	303,078	13,730	-	4,939	26,270	348,017	4%	97,819	445,835	25%
Total	**1,985,376**	**173,330**	**60,767**	**29,634**	**164,476**	**2,413,582**		**1,222,992**	**3,636,573**	

**1 Cash bonuses based on the achievement of annual operational targets encompassing safety, financial performance, exploration results and development of project studies/commercial agreements.*

**2 Discretionary once off payments in recognition of additional duties undertaken during the year.*

**3 Refer to Tables 4 and 5 for further details of option exercise price (which range from $1.40 to $2.975), vesting date and expiry date.*

**4 There is the potential for bonuses to be earned as commercialisation milestones are met. At 30 June 2013 these milestones were not achieved however they are expected to be achieved in FY14 and if achieved will form part of the FY14 remuneration report.*

**5 Short-term Remuneration at Risk consists of the amounts noted in the above table under Short-term Incentive Plan.*

**6 Short-term Incentive Plan and Options as a percentage of total remuneration. At the date of this report all options have an exercise price greater than the market price.*

remuneration report (audited) contd.

Table 3: Remuneration for the year ended 30 June 2012

Name	Short-term Employee Remuneration							Long-term Employee Remuneration		
	Salary and Fees	Short-term Incentive Plan *4	Other *5	Non-monetary Benefits	Post-employment Benefits (Superannuation)	Sub-total	% of Short-term Remuneration at Risk *7	Options *6	Total	Total % Value at Risk *8
	$	$	$	$	$	$		$	$	
Directors										
Executive directors										
A Vorster - Managing Director	464,792	110,203	400,000	4,640	25,000	1,004,635	11%	875,615	1,880,250	52%
Non-executive directors										
Hon. R Court AC - Chairman	82,000	-	-	-	7,380	89,380	-	-	89,380	-
M Randall	49,000	-	-	4,640	4,410	58,050	-	129,379	187,429	69%
B O'Donnell	49,000	-	-	-	4,410	53,410	-	-	53,410	-
R Stokes	49,000	-	-	-	4,410	53,410	-	-	53,410	-
Other Key Management Personnel										
C Johnstone - Chief Financial Officer *1	172,083	32,127	25,000	2,695	20,629	252,534	13%	68,072	320,606	31%
B Hazelden - General Manager Project Development *2	136,532	33,541	-	2,110	15,307	187,490	18%	68,072	255,562	40%
M Ghorpade - Chief Geologist	241,450	37,950	30,000	4,640	27,846	341,886	11%	177,066	518,952	41%
Z Davison - General Manager Business Development *3	131,904	21,063	-	2,110	13,767	168,844	12%	68,072	236,916	38%
Total	**1,375,761**	**234,884**	**455,000**	**20,835**	**123,159**	**2,209,639**		**1,386,276**	**3,595,915**	

**1 Mr C Johnstone commenced on 1 December 2011.*

**2 Mr B Hazelden commenced on 16 January 2012.*

**3 Mr Z Davison commenced on 16 January 2012.*

**4 Cash bonuses based on the achievement of annual operational targets for safety, budgets, exploration and project studies.*

**5 Discretionary once off payments made upon exceeding value targets in tenement divestment process.*

**6 Refer to Tables 4 and 5 for further details of option exercise price, vesting date and expiry date.*

**7 Short-term Remuneration at Risk consists of the amounts noted in the above table under Short-term Incentive Plan.*

**8 Short-term Incentive Plan and Options as a percentage of total remuneration.*

Table 4: Compensation Options - granted and vested during the 2013 year

	Granted	Terms & Conditions for each Grant					Vested	
	No.	Grant Date	Fair Value per Option at Grant Date	Exercise Price per Option	Expiry Date	Vesting Date	No.	%
			$	$				
Directors								
A Vorster	1,000,000	14-Nov-12	0.213	1.40	13-Nov-15	14-Nov-12	1,000,000	100
M Randall	1,000,000	14-Nov-12	0.213	1.40	13-Nov-15	14-Nov-12	1,000,000	100
Other KMP								
B Hazelden	250,000	14-Nov-12	0.213	1.40	13-Nov-15	14-Nov-12	250,000	100
C Johnstone	250,000	14-Nov-12	0.213	1.40	13-Nov-15	14-Nov-12	250,000	100
Z Davison	200,000	14-Nov-12	0.213	1.40	13-Nov-15	14-Nov-12	200,000	100
M Ghorpade	100,000	14-Nov-12	0.213	1.40	13-Nov-15	14-Nov-12	100,000	100
	2,800,000						**2,800,000**	

Table 5: Compensation Options - granted and vested during the 2012 year

	Granted	Terms & Conditions for each Grant					Vested	
	No.	Grant Date	Fair Value per Option at Grant Date	Exercise Price per Option	Expiry Date	Vesting Date	No.	%
			$	$				
Directors								
A Vorster *1	1,000,000	23-Nov-11	0.000	1.60	22-Nov-12	30-Nov-11	1,000,000	100
A Vorster *2	1,000,000	23-Nov-11	0.096	1.75	22-Nov-13	30-Nov-12	-	-
A Vorster	1,000,000	23-Nov-11	0.290	1.90	22-Nov-14	30-Nov-13	-	-
M Randall *3	150,000	23-Nov-11	0.096	1.75	22-Nov-13	30-Nov-12	-	-
M Randall *3	150,000	23-Nov-11	0.195	1.90	22-Nov-14	30-Nov-13	-	-
Other KMP								
B Hazelden	200,000	23-Nov-11	0.092	1.60	22-Nov-12	1-Dec-11	200,000	100
B Hazelden	250,000	23-Nov-11	0.191	1.75	22-Nov-13	1-Dec-12	-	-
B Hazelden	250,000	23-Nov-11	0.290	1.90	22-Nov-14	1-Dec-13	-	-
C Johnstone	200,000	23-Nov-11	0.092	1.60	22-Nov-12	1-Dec-11	200,000	100
C Johnstone	250,000	23-Nov-11	0.191	1.75	22-Nov-13	1-Dec-12	-	-
C Johnstone	250,000	23-Nov-11	0.290	1.90	22-Nov-14	1-Dec-13	-	-
M Ghorpade *4	250,000	23-Nov-11	0.191	1.75	22-Nov-13	30-Nov-12	-	-
M Ghorpade *4	250,000	23-Nov-11	0.202	1.90	22-Nov-14	30-Nov-13	-	-
Z Davison	200,000	23-Nov-11	0.092	1.60	22-Nov-12	30-Nov-11	200,000	100
Z Davison	250,000	23-Nov-11	0.191	1.75	22-Nov-13	22-Nov-12	-	-
Z Davison	250,000	23-Nov-11	0.290	1.90	22-Nov-14	22-Nov-13	-	-
	5,900,000						**1,600,000**	

**1 These are options granted to Mr Vorster as approved at a shareholders meeting on 23 November 2011. Their fair value, based on the Black and Scholes model, is less than the fair value of the 1,000,000 options (granted in April 2011 that were subsequently cancelled following shareholder approval on 23 November 2011) revalued at 23 November 2011. In accordance with AASB 2, "Share Based Payments", because the fair value of the new options is less than the original options fair value at 23 November 2011 the new options fair value is deemed nil and the original cancelled options will continue to be expensed in accordance with the original fair value.*

**2 These are options granted to Mr Vorster following the cancellation of the same number of options approved at the same shareholders meeting on 23 November 2011. Their fair value, has been based on the Black and Scholes model and they are being expensed in accordance with AASB 2, "Share Based Payments" Appendix B para 44(a).*

**3 These are options granted to Mr Randall following the cancellation of the same number of options approved at the same shareholders meeting on 23 November 2011. Their fair value, has been based on the Black and Scholes model and they are being expensed in accordance with AASB 2, "Share Based Payments" Appendix B para 44(a).*

**4 These are options granted to Mr Ghorpade following the cancellation of 500,000 options approved at a shareholders meeting on 23 November 2011. Their fair value, has been based on the Black and Scholes model and they are being expensed in accordance with AASB 2, "Share Based Payments" Appendix B para 44(a).*

Table 6: Value of options awarded, exercised, cancelled and lapsed during the 2013 year

	Value of Options Granted During the Year	Value of Options Exercised During the Year	Value of Options at Grant Date which have Lapsed During the Year *1	Value of Options Cancelled During the Year
Directors				
Executive directors				
A Vorster	213,000	-	-	-
Non-executive directors				
Hon. R Court AC	-	-	-	-
M Randall	213,000	-	975,063	-
B O'Donnell	-	-	-	-
R Stokes	-	-	-	-
Other key management personnel				
B Hazelden	53,250	-	18,400	-
C Johnstone	53,250	-	18,400	-
M Ghorpade	21,300	-	377,296	-
Z Davison	42,600	-	18,400	-

*1 *These option values have been included in prior year Remuneration Reports.*
The value of these options at the date of lapse was nil.
For further details on the valuation of the options, including models and assumptions used, please refer to Note 18.
There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

Table 7: Share based payment arrangements in existence during the 2013 year

	Number Under Option	Grant Date	Expiry Date	Vesting Date	Exercise Price	Fair Value at Grant Date
Issued 12 October 2010	200,000	12/10/10	30/9/13	12/10/10	$2.475	$0.541
Issued 12 October 2010	500,000	12/10/10	11/10/13	12/10/10	$2.475	$0.545
Issued 8 April 2011	590,000	8/4/11	8/4/14	8/4/11	$2.725	$0.630
Issued 8 April 2011	110,000	8/4/11	8/4/14	8/4/12	$2.975	$0.587
Issued 23 November 2011	2,325,000	23/11/11	22/11/13	1/12/12	$1.750	$0.191
Issued 10 May 2012	50,000	10/5/12	22/11/13	1/12/12	$1.750	$0.254
Issued 23 November 2011	2,150,000	23/11/11	22/11/14	1/12/13	$1.900	$0.290
Issued 10 May 2012	50,000	10/5/12	22/11/14	1/12/13	$1.900	$0.378
Issued 14 November 2012	3,000,000	14/11/12	13/11/15	14/11/12	$1.400	$0.213

Shares issued on exercise of compensation options

During the year ended 30 June 2013, there were no shares issued on exercise of compensation options to any key management personnel.

Signed in accordance with a resolution of the directors.

Hon. Richard Court AC
Non-Executive Chairman
11 September 2013

auditor's independence declaration

Deloitte.

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

DX 206
Tel: +61 (0) 8 9365 7000
Fax: +61 (0) 8 9365 7001
www.deloitte.com.au

The Board of Directors
Iron Ore Holdings Ltd
1 Altona Street
West Perth WA 6005

11 September 2013

Dear Board Members

Iron Ore Holdings Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Iron Ore Holdings Ltd.

As lead audit partner for the audit of the financial statements of Iron Ore Holdings Ltd for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants

Administration Team (left to right):
Lin Guo, Accountant.
Jessica Ratcliffe, Procurement Officer.
Dean Scarparolo, Financial Controller.
Megan Buchanan, Administration Officer.
Stacey McAllister, Executive Assistant.

corporate governance statement

The Board of Directors of Iron Ore Holdings Ltd (the "Company") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Since the introduction of the ASX Principles of Good Corporate Governance and Best Practice Recommendations ("recommendations"), the Company has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this report. Commensurate with the spirit of the recommendations, the Company has followed each recommendation where the Board has considered the recommendation to be appropriate. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, full disclosure of the nature of and reason for the departure is made in this statement.

The table below summarises the Company's compliance with the Corporate Governance Council's Recommendations.

	Recommendation	Comply Yes / No	Reference / Explanation
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Yes	Page 39
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Yes	Page 43
2.1	A majority of the Board should be independent directors.	No	Page 45
2.2	The chairperson should be an independent director.	No	Page 45
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	Yes	Page 39
2.4	The Board should establish a nomination committee.	No	Page 45
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	Yes	Page 43
3.1	Establish a code of conduct to guide the directors, the Chief Executive Officer (or equivalent), the Chief Financial Officer (or equivalent) and any other key executives as to: • the practices necessary to maintain confidence in the Company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	Page 41

corporate governance statement contd.

	Recommendation	Comply Yes / No	Reference / Explanation
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of the policy. The policy should include requirements for the Board to establish measureable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.	Yes	Page 44
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity for the Board in accordance with the diversity policy and progress to achieving them.	No	Page 45
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Yes	Page 44
4.1	The Board should establish an audit committee.	Yes	Page 40
4.2	Structure the audit committee so that it consists of: • only non-executive directors; • a majority of independent directors; • an independent chairperson, who is not the chairperson of the Board; and • at least three members.	No	Page 45
4.3	The audit committee should have a formal charter.	Yes	Website
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	Website

	Recommendation	Comply Yes / No	Reference / Explanation
6.1	Design and disclose a communications strategy to promote effective communications with shareholders and encourage effective participation at general meetings and disclose their policy or a summary of that policy.	Yes	Website
7.1	The Board or appropriate Board committee should establish policies on risk oversight and management.	Yes	Page 43
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Yes	Page 43
7.3	Disclose whether the Board has received assurance from the CEO and CFO that the declaration provided in accordance with CA section 295A is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	Page 43
8.1	The Board should establish a remuneration committee.	No	Page 44
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors; • is chaired by an independent chair; and • has at least 3 directors.	No	Page 44
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	Yes	Page 28

Further information about the Company's corporate governance practices is set out on the Company's website at **www.ironoreholdings.com**. In accordance with the recommendations of ASX, information published on the Company's website includes charters (for the Board and its sub-committees), codes of conduct and other policies and procedures relating to the Board and its responsibilities.

Board of Directors

Role of the Board and Management

The Board represents shareholders' interests in developing and then continuing a successful business, which seeks to optimise medium to long-term financial gains for shareholders. By not focusing on short-term gains for shareholders, the Board believes that this will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the Group (being Iron Ore Holdings Ltd and its subsidiaries), is managed in such a way to best achieve this desired result. Given the early development stage of this business, the Board currently undertakes an active, not passive, role.

The Board is responsible for evaluating and setting the strategic directions for the Group, establishing goals for management and monitoring the achievement of these goals. The Managing Director is responsible to the Board for the day-to-day management of the Group.

The Board has sole responsibility for the following:

- Appointing, evaluating, rewarding and removing the Managing Director and Company Secretary;
- Determining the strategic direction and financial objectives of the Group and measuring performance of management against approved strategies and financial objectives;
- Reviewing the adequacy of resources for management to properly carry out approved strategies and business plans;
- Reviewing and approving management's development of corporate strategy and performance objectives;
- Approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
- Adopting operating and capital expenditure budgets at the commencement of each financial year and monitoring the progress by both financial and non-financial key performance indicators;
- Monitoring the Group's medium term capital and cash flow requirements;
- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- Determining that satisfactory arrangements are in place for auditing the Group's financial affairs;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- Ensuring that policies and compliance systems consistent with the Group's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board's role and the Group's corporate governance practices are being continually reviewed and improved as the Group's business develops.

Composition of the Board and New Appointments

The Company currently has the following Board members:

Hon. Richard Court AC	*Non-Executive Chairman*
Mr Alwyn Vorster	*Managing Director*
Mr Malcolm Randall	*Non-Executive Director*
Mr Brian O'Donnell	*Non-Executive Director*
Mr Ryan Stokes	*Non-Executive Director*

The Company's Constitution provides that the number of directors shall not be less than three and not more than twenty. There is no requirement for any share holding qualification. The Board believes that the individuals on the Board can make, and do make quality and independent judgments in the best interests of the Company on all relevant issues.

As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed and the optimum number of directors required for the Board to properly perform its responsibilities and functions will be assigned.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next annual general meeting. Under the Company's Constitution the tenure of directors, other than Managing Director, is subject to reappointment by shareholders not later than the third anniversary following the directors last appointment. Subject to the requirements of the Corporations Act 2001 and the constitution the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for any period and on any terms the directors think fit and and subject to the terms of any agreement entered into, the Board may revoke any appointment.

Committees of the Board

To assist the Board in carrying out its responsibilities, the Board has established the following committee.

Audit and Risk Committee

The Audit and Risk Committee operates under a charter approved by the Board. The purpose of the Audit and Risk Committee is to assist the Board in the effective discharge of its responsibilities for financial reporting, risk management, internal controls, corporate governance and internal and external audit.

The members of the Audit and Risk Committee during the year were:

Hon. Richard Court AC	*Non-Executive Chairman*
Mr Malcolm Randall	*Non-Executive Director*
Mr Brian O'Donnell	*Non-Executive Director*

Qualifications of Audit and Risk Committee members

The Qualifications of Audit and Risk Committee members are set out in the Directors Report.

For details of the number of Audit and Risk Committee meetings held during the year and the attendees at those meetings, refer to the Directors' Report.

Conflicts of Interest

In accordance with the Corporations Act 2001 and the Company's Constitution, directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

Independent Professional Advice

The Board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.

Ethical Standards

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all directors and employees of the Group.

Code of Conduct

The Board has adopted a Code of Conduct for directors, officers, employees and contractors (collectively called Employees for the purposes of the Policy) to promote ethical and responsible decision-making by the Employees.

The principles of the code are:

- Employees must act honestly, in good faith and in the best interests of the Company as a whole.
- Employees have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- Employees must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the Company.
- Employees must not take advantage of their position for personal gain or the gain of their associates.
- Confidential information received by Employees in the course of their duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company.
- Employees have an obligation at all times, to comply with the spirit, as well as the letter of the law and with the principles of the Code.
- All Employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

In addition to the above principles, the Code of Conduct outlines further principles applicable specifically to directors. These principles are as follows:

- Directors have a fiduciary relationship with the shareholders of the Company. It is unlawful for directors to improperly use their position to gain advantage for themselves.
- A director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company.
- A director must not use information concerning the activities or proposed activities of the Company, which is not public and which could materially affect the Company's share price for any purpose other than valid Company requirements.

An employee that breaches the Code of Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the Chairman or Managing Director. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

Dealings in Company Securities

The Company's securities trading policy imposes trading restrictions on when employees of the Company may deal in the Company securities. The securities trading policy prohibits employees from trading in the Company's securities if they have inside information.

'Inside information' is information that:

- is not generally available; and
- if it were generally available may have a material effect on the price or value of he Company's securities.

If an employee possesses inside information, the person must not:

- trade in the Company's securities;
- advise others or procure others to trade in the Company's securities; or
- pass on the inside information to others, including colleagues, family or friends, knowing (or where the Employee should have reasonably known) that the other person(s) will use that information to trade in, or procure someone else to trade in, the Company's securities.

This prohibition applies regardless of how the employee or director learns the information.

The securities trading policy provides prescribed closed periods during which Employees are prohibited from dealing in the Company's securities (subject to certain limited exceptions). In accordance with the policy, Directors must notify the Company Secretary as soon as practicable, but not later than 3 business days, after they have bought or sold the Company's securities or exercised options. In accordance with the provisions of the Corporations Act and the Listing Rules of ASX, the Company, on behalf of the Directors, must advise ASX of any transactions conducted by them in the securities of the Company.

Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

Interests of Other Stakeholders

The Groups objective is to develop and commercialise its exploration tenements to create wealth for shareholders and add value for other stakeholders.

To assist in meeting its objective, the Company conducts its business within the Code of Conduct.

Disclosure of Information

Continuous Disclosure to ASX

The continuous disclosure policy requires all executives and directors to inform the Managing Director or the Company Secretary when the Managing Director is not available of any potentially material information as soon as practicable after they become aware of that information.

The Company must immediately notify the market (via an announcement to ASX) of any information concerning the Company which a reasonable person with experience in the minerals industry would expect to have a material effect on the price or value of the Company's securities.

Information need not be disclosed if:

(i) a reasonable person would not expect the information to be disclosed; and

(ii) the information is confidential; and

(iii) one or more of the following applies:

- it would breach a law or regulation to disclose the information;
- the information concerns an incomplete proposal or negotiation;
- the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- the information is generated for internal management purposes; and
- the information is a trade secret.

The Managing Director is responsible for interpreting and monitoring the Company's disclosure policy and where necessary informing the Board. The Company Secretary is responsible for all communications with ASX.

Communication with Shareholders

The Company places considerable importance on effective communication with shareholders.

The Group's communication strategy requires communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Group. The strategy provides for the use of systems that ensure a regular and timely release of information about the Group is provided to shareholders.

Mechanisms employed include:

- announcements lodged with ASX;
- ASX Quarterly and Activities Cash Flow Reports;
- Half Yearly Report;
- Annual Report;
- presentations at the Annual General Meeting/General Meetings; and
- periodic presentations to investors.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Group's strategy and goals.

The Company also posts all reports, ASX and media releases and copies of significant business presentations on the Company's website.

Risk Management

Identification of Risk

The Board is responsible for the oversight of the Group's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Group with the Managing Director having ultimate responsibility to the Board for the risk management and control framework.

Areas of significant business risk to the Group are highlighted in the Business Plan presented to the Board by the Managing Director each year.

Arrangements put in place by the Board to monitor risk management include:

- the Audit and Risk Committee oversees the establishment and implementation of policies on risk oversight and management;
- periodic reporting to the Board in respect of operations and the financial position of the Company; and
- where appropriate the appointment of appropriately skilled consultants to provide independent assessment of operational results and proposals.

Integrity of Financial Reporting

The Company's Managing Director and Chief Financial Officer (or equivalent) report in writing to the Board that:

- the consolidated financial statements of the Company and its controlled entities for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- 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
- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

Role of Auditor

The Company's auditor is invited to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Performance Review

The Board has adopted a self-evaluation process to measure its own performance and the performance of its committee during each financial year. Also, an annual review is undertaken in relation to the composition and skills mix of the directors of the Company.

Arrangements put in place by the Board to monitor the performance of the Company's executives include:

- a review by the Board of the Company's financial performance; and
- annual performance appraisal meetings incorporating analysis of key performance indicators with each individual.

Remuneration Arrangements

The Board has not established a Remuneration Committee responsible for making recommendations to the Board on remuneration arrangements for directors and executives of the Company.

The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide Executive Directors and executives with a remuneration package consisting of fixed and variable components that reflect the person's responsibilities, duties and personal performance.

The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to Non-Executive Directors by other companies of similar size in the industry, and is subject to shareholder approval.

The aggregate amount payable to the Company's Non-Executive Directors for undertaking their duties as directors must not exceed the maximum annual amount approved by the Company's shareholders.

For a full discussion of the Company's remuneration philosophy and framework, and the remuneration received by directors and executives in the current period, please refer to the Remuneration Report, which is contained within the Directors' Report.

Diversity

The Company recognises the value contributed to the Company by employing people with varying skills, cultural backgrounds, ethnicity and experience. The Company believes its diverse workforce is the key to its continued growth, improved productivity and performance.

The Company has implemented a Diversity Policy which provides a framework for the Company to achieve:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The Managing Director is responsible for the ongoing implementation of the Diversity Policy.

As at 30 June 2013, the Company does not have any female Board Members (2012: Nil). At 30 June 2013 one member of the senior management team was female representing 20% of the senior management team (2012: 20%). Of the balance of the Company's employees, 67% are female. As at 30 June 2013, 33% of the total workforce were female.

Compliance with ASX Corporate Governance Recommendations

During the 2013 financial year, the Company complied with the ASX Principles and Recommendations other than in relation to the matters specified below.

Principle Reference	Recommendation Reference	Notification of Departure	Explanation for Departure
2	2.1	A majority of the Board are not independent directors.	Given the present size of the Company, the composition of the Board and its Chairperson is considered appropriate. The Board will consider the appointment of further independent directors as the Company increases in its size and complexity.
	2.2	The Chairperson is not an independent director.	
	2.4	The Board has not established a separate Nomination Committee.	The full Board carries out the role of a Nomination Committee in accordance with its Charter (which is disclosed on the Company's website). The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.
3	3.1 3.2	The Diversity Policy does not include measureable objectives for achieving gender diversity.	The Board considers that, due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy at this time is not appropriate. The Board will consider setting measurable objectives as the Company increases in size and complexity.
4	4.2	A majority of the Audit and Risk Committee are not independent directors.	Given the present size of the Company, the composition of the Audit and Risk Committee is considered appropriate. The Board will consider the appointment of further independent directors as the Company increases in its size and complexity.
8	8.1 8.2	The Board has not established a separate Remuneration Committee.	The full Board carries out the role of a Remuneration Committee in accordance with its Charter (which is disclosed on the Company's website). Due to the relatively small size of the Board, the Board considers that a separate Remuneration Committee would not add efficiency to the process of determining the level of remuneration for the directors and key executives.

consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2013

	Note	2013 $	2012 $
Other income	4	**4,487,375**	100,532,932
Employee benefits expense	5(a)	**(8,150,373)**	(6,988,122)
Administration expenses		**(4,940,234)**	(3,876,459)
Exploration and evaluation expenses		**(25,216,857)**	(15,772,697)
FMG option termination fee and write offs	5(b)	**(5,908,637)**	-
Depreciation and amortisation expense		**(600,998)**	(667,927)
(Loss) / Profit before income tax		**(40,329,724)**	73,227,727
Income tax benefit / (expense)	6	**7,480,112**	(6,447,616)
(Loss) / Profit from continuing operations		**(32,849,612)**	66,780,111
Other Comprehensive Income		**-**	-
Total Comprehensive (Loss) / Income		**(32,849,612)**	66,780,111
(Loss) / Profit for the year attributable to members of the parent entity		**(32,849,612)**	66,780,111
Total Comprehensive (Loss) / Income for the year attributable to members of the parent entity		**(32,849,612)**	66,780,111
Basic (loss) / earnings per share (cents per share)	7	**(20.38)**	40.57
Diluted (loss) / earnings per share (cents per share)	7	**(20.38)**	40.48

The accompanying notes form part of these consolidated financial statements.

consolidated statement of financial position

For the year ended 30 June 2013

	Note	2013 $	2012 $
Current Assets			
Cash and cash equivalents	9(a)	**74,651,500**	109,692,325
Trade and other receivables	10	**1,132,166**	3,847,998
Prepayments		**153,206**	178,362
Total Current Assets		**75,936,872**	113,718,685
Non-Current Assets			
Trade and other receivables	10	**328,319**	433,598
Plant and equipment	11	**597,025**	893,710
Deferred mineral acquisition expenditure	12	**1,888,981**	1,948,441
Deferred tax assets	6(c)	**4,583,068**	-
Total Non-Current Assets		**7,397,393**	3,275,749
Total Assets		**83,334,265**	116,994,434
Current Liabilities			
Trade and other payables	13	**9,073,557**	4,961,674
Current tax liability	6(a)	**-**	5,525,024
Provisions	14	**259,590**	159,956
Total Current Liabilities		**9,333,147**	10,646,654
Non-Current Liabilities			
Deferred tax liability	6(c)	**-**	653,553
Total Non-Current Liabilities		**-**	653,553
Total Liabilities		**9,333,147**	11,300,207
Net Assets		**74,001,118**	105,694,227
Shareholders' Equity			
Issued capital	15	**85,647,898**	85,791,395
Reserve	16	**3,867,700**	5,818,726
Accumulated (losses) / profits		**(15,514,480)**	14,084,106
Total Shareholders' Equity		**74,001,118**	105,694,227

The accompanying notes form part of these consolidated financial statements.

consolidated statement of changes in equity

For the year ended 30 June 2013

	Note	Issued Capital $	Reserve $	Accumulated (Losses) / Profits $	Total Equity $
Balance at 1 July 2011		**92,709,760**	**8,122,698**	**(56,467,984)**	**44,364,474**
Total Comprehensive Income					
Profit for the year		-	-	66,780,111	66,780,111
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	66,780,111	66,780,111
Shares issued during the year		667,500	-	-	667,500
Shares bought back during the year		(7,854,904)	-	-	(7,854,904)
Share issue costs income tax recognised directly in equity		269,039	-	-	269,039
Recognition of share – based payments		-	1,468,007	-	1,468,007
Transfer to accumulated profits		-	(3,771,979)	3,771,979	-
Balance at 30 June 2012		**85,791,395**	**5,818,726**	**14,084,106**	**105,694,227**
Loss for the year		-	-	(32,849,612)	(32,849,612)
Other comprehensive income for the year		-	-	-	-
Total comprehensive loss for the year		-	-	(32,849,612)	(32,849,612)
Shares bought back during the year		(143,497)	-	-	(143,497)
Recognition of share – based payments		-	1,300,000	-	1,300,000
Transfer to accumulated losses	16	-	(3,251,026)	3,251,026	-
Balance at 30 June 2013		**85,647,898**	**3,867,700**	**(15,514,480)**	**74,001,118**

The accompanying notes form part of these consolidated financial statements.

consolidated statement of cash flows

For the year ended 30 June 2013

	Note	2013 $	2012 $
Cash Flows From Operating Activities			
Interest received		**5,107,819**	3,578,500
Payments to suppliers and employees		**(11,129,984)**	(5,346,828)
Payments for exploration and development expenditure		**(25,385,267)**	(16,133,151)
Income taxes paid		**(3,281,533)**	-
Net cash used in operating activities	9(c)	**(34,688,965)**	(17,901,479)
Cash Flows From Investing Activities			
Payments for plant and equipment		**(313,642)**	(473,552)
Payments for prospects		**-**	(225,000)
Proceeds from the sale of prospects		**-**	74,000,000
Transaction costs paid on the sale of prospects		**-**	(2,942,309)
Proceeds from Memorandum of Understanding on tenements		**-**	25,000,000
GST paid on income from Memorandum of Understanding on tenements		**-**	(2,500,000)
Proceeds on disposal of other assets		**-**	423
Payments for environmental bonds		**(21,721)**	(112,000)
Return of environmental bonds		**127,000**	-
Net cash (used in) / provided by investing activities		**(208,363)**	92,747,562
Cash Flows From Financing Activities			
Proceeds from issue of shares		**-**	667,500
Share buyback		**(143,497)**	(7,854,904)
Net cash used in financing activities		**(143,497)**	(7,187,404)
Net (decrease) / increase in cash and cash equivalents		**(35,040,825)**	67,658,678
Cash and cash equivalents at beginning of financial year		**109,692,325**	42,033,647
Cash and cash equivalents at end of financial year	9(b)	**74,651,500**	109,692,325

The accompanying notes form part of these consolidated financial statements.

notes to the consolidated financial statements

For the year ended 30 June 2013

1. Corporate Information

The financial report of Iron Ore Holdings Ltd for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 11 September 2013.

Iron Ore Holdings Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The parent of Iron Ore Holdings Ltd is Wroxby Pty Ltd.

The nature of operations and principal activities of the Company and its subsidiaries (the Group) are described in the Directors' Report.

2. Statement of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial report comprises the consolidated financial statements of Iron Ore Holdings Ltd and its subsidiaries. For the purposes of preparing the consolidated financial report, the Company is a for-profit entity.

The financial report has been prepared on a historical cost basis. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars unless otherwise stated.

Compliance with IFRS

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The following new and revised Standards and Interpretations have been adopted in the current period:

- *Amendments to AASB 101 'Presentation of Financial Statements'*

  Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

- *Amendments to AASB 101 'Presentation of Financial Statements'*

  The amendments require an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The related notes to the third statement of financial position are not required to be disclosed. IOH has not made any changes to accounting policies.

New Accounting Standards and Interpretations that are not yet mandatory

As at the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet mandatory.

The Group's assessment of the impact of these new standards and interpretations is set out below.

Standards and Interpretations	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards*[1]	1 January 2015	30 June 2016
AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'	1 January 2013	30 June 2014
AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'	1 January 2013	30 June 2014
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'	1 January 2013	30 June 2014

*1 *The AASB has issued the following versions of AASB 9 and the relevant amending standards;*

- *AASB 9 'Financial Instruments' (December 2009), AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures'*
- *AASB 9 'Financial Instruments' (December 2010), AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosure'.*

For annual reporting periods beginning before 1 January 2015, an entity may early adopt either AASB 9 (December 2009) for AASB 9 (December 2010) and the relevant amending standards.

The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 'Financial Instruments', and the relevant amending Standards

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. When adopted, the standard is not expected to impact on the Group's accounting for financial assets as it does not have any available for sale assets. 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 Group has decided not to early adopt AASB 9.

(ii) AASB 10 'Consolidated Financial Statements'

AASB 10 Consolidated Financial Statements replaces parts of AASB 127 Consolidated and Separate Financial Statements that deal with consolidated financial statements. Under AASB 10 there is only one basis of consolidation, that is control. In addition there is a new definition of control with regards to investees. This new standard will have no impact on the amounts reported in the consolidated financial statements as the Group has 100% ownership and control of its subsidiaries. The Group has decided not to early adopt AASB 10.

(iii) AASB 127 'Separate Financial Statements' (2011)

The amended version of AASB 127 now only deals with the requirements for separate financial statements, which have been carried over largely unamended from AASB 127 'Consolidated and Separate Financial Statements'. Requirements for consolidated financial statements are now contained in AASB 10 'Consolidated Financial Statements'. The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for either at cost, or in accordance with AASB 9 'Financial Instruments'. This new Standard will have no impact on the amounts reported in the consolidated financial statements of the Group. The Group has decided not to early adopt AASB 127.

(iv) AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'

AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. The scope of AASB 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other Australian Accounting Standards require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances.

In general, the disclosure requirements in AASB 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under AASB 7 'Financial Instruments: Disclosures' will be extended by AASB 13 to cover all assets and liabilities within its scope. AASB 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The Group anticipates that the application of the new Standard will have no impact on the amounts reported in the consolidated financial statements of the Group. The Group has decided not to early adopt AASB 13.

(v) AASB 119 'Employee Benefits' (2011) and AASB 2011-10 "Amendments to Australian Accounting Standards arising from AASB 119 (2011)'

The amendments to AASB 119 change the accounting for defined benefit plans, termination benefits and disclosure of annual leave. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets.The Group does not have any defined benefit plans and therefore there will not be any impact in this regard. The Group anticipates that the application of the amendments as they apply to annual leave may affect the disclosures reported in future financial statements.

(vi) *AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'*

AASB 2011-4 amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. Such disclosures are more in the nature of governance disclosures that are better dealt with as part of the Corporations Act. As the Group already reports KMP disclosures in accordance with the Corporations Act there will be no change in what is disclosed by the Group.

(vii) *AASB 12 'Disclosure of Interests in Other Entities'*

AASB 12 requires extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The impact on the Group resulting from this new Standard has not yet been determined.

(viii) *AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities' (AASB7 amendments)*

Amends AASB 7 Financial Instruments: Disclosures to require an entity to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

Adoption of new and revised Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of these amendments has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current period or prior periods.

Principles of Consolidation

The consolidated financial statements comprise the financial statements of Iron Ore Holdings Ltd and its subsidiaries (as outlined in Note 19) as at 30 June each year (the Group).

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether a group controls another entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and Other Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment.

Collectability of receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable.

Investments and Other Financial Assets

Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classification depends on the nature of the investments. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and Derecognition

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular purchases and sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or been transferred.

Loans and Receivables

Loans and receivables are non-derivative financial assets 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.

Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on either the straight-line basis or diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rate used for plant and equipment is 30%.

The assets residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period disposed.

Exploration and Evaluation Expenditure

Exploration and evaluation costs are expensed as incurred as an operating cost of the Group. Costs related to the acquisition of properties that contain mineral resources are allocated separately to specific areas of interest. These acquisition costs are capitalised until the viability of the area of interest is determined.

Impairment of Assets

Iron Ore Holdings Ltd conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the assets recoverable amount is calculated.

An impairment loss is recognised for the amount by which the assets carrying value exceeds its recoverable amount. Recoverable amount is the higher of an assets fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill, that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee

Operating lease payments, where substantially all the risk and benefits remain with the lessor, are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and a reduction of the liability.

Trade and Other Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to balance date that are unpaid, and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

Provisions and Employee Benefits

Provisions are recognised when the Group has a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and, as such, a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Share Based Payment Transactions

Equity settled transactions

The Group provides benefits to its employees, including key management personnel (KMP), in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions). This is achieved either directly or through the Iron Ore Holdings Ltd Employee Share Option Plan.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a recognised option valuation model, further details of which are given in Note 18.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of Iron Ore Holdings Ltd (market conditions) if applicable.

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

At each subsequent reporting date until vesting, the cumulative charge to the profit or loss is the product of:

(i) the grant date fair value of the award;

(ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and

(iii) the expired portion of the vesting period.

The charge to the profit or loss for the period is the cumulative amount as calculated above less the amounts already charged to previous periods. There is a corresponding entry to equity.

Equity-settled awards granted by Iron Ore Holdings Ltd to employees of its subsidiary are recognised in the parent's separate financial statements as an additional investment in the subsidiary with a corresponding credit to equity. As a result, the expense recognised by Iron Ore Holdings Ltd in relation to equity-settled awards only represents the expense associated with grants to employees of the parent. The expense recognised by the Group is the total expense associated with all such awards.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If 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 a cancelled award and designated as a replacement award on the date that it was granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

Interest revenue

Revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income Tax and Other Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income tax is provided on all temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting or taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiaries and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting or taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiaries, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the amount of GST incurred on a purchase of goods or services is not recoverable from the Australian Tax Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Mineral Resource Rent Tax (MRRT)

The Federal Government introduced a Mineral Resource Rent Tax (MRRT) commencing on 1 July 2012 which applies to Australian iron ore and coal operations. Iron Ore Holdings Ltd does not currently have any operating mines. At the date of authorisation of the financial statements, Iron Ore Holdings Ltd has assessed it will not have a MRRT liability for the year ending 30 June 2013. As a result Iron Ore Holdings Ltd has not recognised any starting base tax allowance for MRRT as it is uncertain whether these could be utilised in the foreseeable future.

Earnings per Share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Operating Segments

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position.

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant Accounting Judgements

Determination of mineral resources

The determination of mineral resources impacts the accounting for asset carrying values. Iron Ore Holdings Ltd estimates its mineral resources in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the 'JORC' Code). The information on mineral resources was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

Significant Accounting Estimates and Assumptions

Recognition of income

The Company enters into a number of transactions and when risk and rewards are transferred the Company recognises the associated consideration as income.

An assignment of rights for a fixed fee or non-refundable guarantee under a non-cancellable contract which permits the licensee to exploit those rights freely and where the licensor has no remaining obligations to perform is, in substance, a sale. In such instances the revenue is recognised at the time of the sale.

Impairment of capitalised mineral acquisition expenditure

The future recoverability of capitalised mineral acquisition expenditure is dependent upon a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised mineral acquisition expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

In addition, mineral acquisition expenditure is capitalised if activities in an area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which the determination is made.

Share based payment transactions

The Group measures the cost of equity-settled share based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined by using a recognised option valuation model, with the assumptions detailed in Note 18. The accounting estimates and assumptions relating to equity-settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

	Consolidated Group 2013 $	Consolidated Group 2012 $
4. Other Income		
Income from sale of tenements and FMG Option Fee	-	99,000,000
Transaction costs paid on sale of tenements	-	(2,942,309)
Interest income	**4,487,375**	4,470,716
Other income	-	4,525
	4,487,375	100,532,932

5. Profit/(Loss) for the Year

Profit/(Loss) for the year from continuing operations has been arrived at after charging (crediting):

	Consolidated Group 2013 $	Consolidated Group 2012 $
(a) Employee benefits expense		
Wages and salaries	**6,144,532**	4,743,429
Superannuation expense	**218,926**	407,777
Share based payments expense	**1,300,000**	1,468,007
Other benefits	**486,915**	368,909
	8,150,373	6,988,122
(b) FMG termination fee and write offs		
FMG termination fee		
Fee paid on the early termination of the Fortescue Metals Group Memorandum of Understanding on the Iron Valley Project	**3,636,364**	-
GST write off		
Write off GST receivable as a result of the early termination of the Fortescue Metals Group Memorandum of Understanding on the Iron Valley Project	**2,272,273**	-
	5,908,637	-

6. Income Tax

	Consolidated Group 2013 $	Consolidated Group 2012 $
(a) Income tax expense recognised in the profit or loss:		
Current income tax		
Current income tax expense / (benefit)	**(9,547,007)**	5,525,024
Prior year under/over provision	**(2,243,490)**	(1,640,304)
	(11,790,497)	3,884,720
Deferred income tax		
Origination and reversal of temporary differences	**(272,684)**	16,664,546
Deferred tax assets not brought to account because their realisation is not regarded as probable	**4,583,069**	-
Recognition of previously unrecognised tax losses	-	(14,101,650)
	4,310,385	2,562,896
Income tax expense reported in the Statement of Comprehensive Income	**(7,480,112)**	6,447,616
(b) Reconciliation of effective tax rate:		
Profit excluding income tax	**(40,329,724)**	73,227,727
Income tax expense calculated at 30% (2012: 30%)	**(12,098,917)**	21,968,318
Non-deductible expenses	**390,129**	221,252
Deferred tax assets not brought to account because their realisation is not regarded as probable	**4,583,069**	-
Recognition of previously unrecognised tax losses	-	(14,101,650)
Change in unrecognised temporary differences under (over) provided in prior periods	**(354,393)**	(1,640,304)
	(7,480,112)	6,447,616

6. Income Tax *contd.*

(c) Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

2013 – Consolidated Group	Opening Balance	Recognised in Profit or Loss	Recognised Directly in Equity	Closing Balance
Temporary Differences				
Deferred tax liabilities				
Accrued interest receivable	(340,703)	186,133	-	(154,570)
Prepayments	(5,713)	(4,047)	-	(9,760)
Exploration tenements	(499,194)	-	-	(499,194)
Capitalised exploration and evaluation expenditure	(85,338)	17,838	-	(67,500)
Deferred tax assets				
Accruals	8,400	(4,800)	-	3,600
Provisions	47,987	147,310	-	195,297
Plant and equipment	17,885	3,640	-	21,525
Section 40-880 deductions	186,784	(67,821)	-	118,963
Receivables	4,350	(4,350)	-	-
Superannuation payable	11,989	(1,220)	-	10,769
Unused tax losses				
Losses recognised to offset against future taxable income	-	4,963,938	-	4,963,938
Net tax asset / (liability)	(653,553)	5,236,621	-	4,583,068

2012 – Consolidated Group	Opening Balance	Recognised in Profit or Loss	Recognised Directly in Equity	Closing Balance
Temporary Differences				
Deferred tax liabilities				
Accrued interest receivable	(73,038)	(267,665)	-	(340,703)
Prepayments	-	(5,713)	-	(5,713)
Exploration tenements	-	(499,194)	-	(499,194)
Capitalised exploration and evaluation expenditure	(17,838)	(67,500)	-	(85,338)
Deferred tax assets				
Accruals	13,590	(5,190)	-	8,400
Provisions	20,921	27,066	-	47,987
Plant and equipment	55,657	(37,772)	-	17,885
Section 40-880 deductions	34,812	-	151,972	186,784
Receivables	-	4,350	-	4,350
Superannuation payable	-	11,989	-	11,989
Unused tax losses				
Losses available to offset against future taxable income	14,067,546	(14,067,546)	-	-
DTA not brought to account	(14,101,650)	14,101,650	-	-
Net tax asset / (liability)	-	(805,525)	151,972	(653,553)

7. (Loss)/Earnings per Share

Basic (loss)/earnings per share

The (loss)/earnings and weighted average number of ordinary shares used in the calculation of basic (loss)/earnings per share are as follows;

	Consolidated Group 2013 $	Consolidated Group 2012 $
Net (loss)/earnings used in calculating the basic earnings per share	**(32,849,612)**	66,780,111

	2013 No.	2012 No.
Weighted average number of ordinary shares used in calculating basic (loss)/earnings per share	**161,175,945**	164,604,951

Diluted (loss)/earning per share

The (loss)/earnings and weighted average number of ordinary shares used in the calculation of diluted (loss)/earning per share are as follows;

	Consolidated Group 2013 $	Consolidated Group 2012 $
Net (loss)/earnings used in calculating the diluted earnings per share	**(32,849,612)**	66,780,111

The weighted average number of ordinary shares used in calculating diluted (loss) / earnings per share reconciles to the weighted number of ordinary shares used in calculating the basic (loss) / earnings per share as follows;

	Consolidated Group 2013 No.	Consolidated Group 2012 No.
Weighted averrage number of ordinary shares used in calculating basic loss / earnings per share	**161,175,945**	164,604,951
Shares deemed to be issued for no consideration in respect of:		
– employee options	**-**	373,485
Weighted average number of ordinary shares used in calculating diluted (loss) / earnings per share	**161,175,945**	164,978,436

For the year ending 30 June 2013, as all the options outstanding would reduce the loss per share from continuing operations on conversion, the potential ordinary shares are not considered dilutive. For the year ending 30 June 2012, the options outstanding would decrease the earnings per share from continuing operations on conversion and are considered dilutive.

8. Parent Entity – Iron Ore Holdings Ltd

	Consolidated Group 2013 $	Consolidated Group 2012 $
Financial Position		
Assets		
Current assets	**149,000,753**	113,718,685
Non-current assets	**5,508,412**	3,275,749
Total Assets	**154,509,165**	116,994,434
Liabilities		
Current liabilities	**9,333,147**	20,016,330
Total Liabilities	**9,333,147**	20,016,330
Equity		
Issued capital	**85,647,898**	85,791,395
Reserves	**3,867,700**	5,818,726
Accumulated profits	**55,660,420**	5,367,983
Total Equity	**145,176,018**	96,978,104
Financial Performance		
(Loss) / Profit for the year	**(4,910,896)**	49,850,756
Other Comprehensive Income	**-**	-
Total Comprehensive Income	**(4,910,896)**	49,850,756

The Parent Company Iron Ore Holdings Ltd has no contingent liabilities as at 30 June 2013.

	Consolidated Group 2013 $	Consolidated Group 2012 $
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments		
Not later than 1 year	**253,064**	258,220
Later than 1 year but not later than 5 years	**283,939**	58,817
	537,003	317,037
Mineral Acquisition Exploration Tenements		
Minimum expenditure on exploration tenements payable		
Not later than 1 year	**1,023,996**	830,800
Later than 1 year but not later than 5 years	**2,940,482**	1,740,200
	3,964,478	2,571,000

Guarantees

The Parent Company Iron Ore Holdings Ltd has deposited $328,319 (2012: $433,598) on interest bearing deposits held as security for long term tenements and rental bonds. The weighted average interest rate as at 30 June 2013 was 4.1% (2012: 5%).

	Consolidated Group 2013 $	Consolidated Group 2012 $
9. Cash and Cash Equivalents		
(a) Cash and cash equivalents in the Statement of Financial Position		
Cash at bank and cash on hand	**2,151,500**	3,692,325
Short-term bank deposits	**72,500,000**	106,000,000
	74,651,500	109,692,325
(b) Reconciliation to the Statement of Cash Flows		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:		
Cash and cash equivalents	**74,651,500**	109,692,325

	Consolidated Group 2013 $	Consolidated Group 2012 $
(c) Reconciliation of net loss after income tax to cash flows used in operations		
Net (loss) / profit after income tax	**(32,849,612)**	66,780,111
Non-cash adjustments		
Depreciation	**600,998**	667,927
Profit on sale of plant and equipment	-	(423)
Net proceeds on sale of tenements included in investing activities	-	(96,057,692)
Income tax (benefit) / expense recognised in profit and loss	**(10,761,645)**	6,447,616
Write off of acquisition costs relating to tenement sales	**2,332,187**	961,019
Share-based payments	**1,300,000**	1,468,007
Changes in assets and liabilities		
(Increase) / decrease in receivables	**(4,312)**	383,699
(Increase) / decrease in prepayments	**25,156**	(60,032)
Increase / (decrease) in employee entitlements	**99,634**	90,218
(Increase) / decrease in interest receivable	**620,443**	(892,216)
Increase / (decrease) in payables	**3,948,186**	2,310,287
Net cash used in operations	**(34,688,965)**	(17,901,479)

10. Trade and Receivables

		Consolidated Group 2013 $	Consolidated Group 2012 $
Current			
Interest receivable		**515,233**	1,135,677
GST receivable		**614,009**	213,709
GST receivable from FMG		**-**	2,500,000
Other debtors	(i)	**2,924**	13,112
Provision for doubtful debts		**-**	(14,500)
		1,132,166	3,847,998
Non-Current			
Interest bearing deposits	(ii)	**328,319**	433,598
		328,319	433,598

(i) All receivables are not impaired and are within initial trade terms. None of the receivables are past due.

(ii) Interest bearing deposits held as security for long term tenements and rental bonds. The weighted average interest rate as at 30 June 2013 was 4% (2012: 5%).

11. Plant and Equipment

	Consolidated Group 2013 $	Consolidated Group 2012 $
At cost	**3,100,693**	2,796,381
Accumulated depreciation	**(2,503,668)**	(1,902,671)
Total Plant and Equipment	**597,025**	893,710

(a) *Movements in Carrying Amounts*

Movements in carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Consolidated Group 2013 $	Consolidated Group 2012 $
Balance at the beginning of the year	**893,710**	1,069,295
Additions	**304,313**	492,342
Disposals	**-**	(8,131)
Accumulated depreciation of assets sold	**-**	8,131
Depreciation expense	**(600,998)**	(667,927)
Balance at the end of the year	**597,025**	893,710

	Consolidated Group 2013 $	Consolidated Group 2012 $
12. Deferred Mineral Acquisition Expenditure		
Deferred exploration and evaluation expenditure	**1,888,981**	1,948,441
Reconciliation of movement		
Tenement write offs	**(59,460)**	

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

	Consolidated Group 2013 $	Consolidated Group 2012 $
13. Trade and Other Payables		
Current		
Trade payables and accruals	**8,706,071**	4,745,395
Employee benefits	**367,486**	216,279
	9,073,557	4,961,674

Trade payables and accruals are non-interest bearing and normally settled within 30 day terms.

Employee benefits represents superannuation payable, PAYG payable and payroll tax payable which are non-interest bearing.

14. Provisions

	Consolidated Group 2013 $	Consolidated Group 2012 $
Current		
Provision for employee benefits	**259,590**	159,956

		Consolidated Group	
		2013 $	2012 $

15. Issued Capital

(a) Ordinary Shares

Issued and fully paid

	2013 $	2012 $
Fully paid ordinary shares carry one vote per share and carry the right to dividends	**85,647,898**	85,791,395

		2013		2012	
		No.	$	No.	$
Movement in ordinary shares on issue					
At the beginning of reporting period		**161,330,094**	**85,791,395**	166,087,005	92,709,760
Exercise of options	(i)	**-**	**-**	600,000	667,500
Share buyback	(ii)	**(156,089)**	**(143,497)**	(5,356,911)	(7,854,904)
Share issue costs		**-**	**-**	-	269,039
At reporting date		**161,174,005**	**85,647,898**	161,330,094	85,791,395

Changes to the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issue of shares do not have a par value.

(i) 600,000 shares were issued for cash in 2012 upon exercise of options. See Note 18.
(ii) Shares bought back in the period have all been cancelled.

(b) Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

The Group is not subject to any externally imposed capital requirements.

	Consolidated Group 2013 $	Consolidated Group 2012 $
16. Reserves		
Share based payments reserve	**3,867,700**	5,818,726
Reconciliation of movement during the year		
Transfer to accumulated losses (i)	**(3,251,026)**	(3,771,979)
Options expensed during the year	**1,300,000**	1,468,007
	(1,951,026)	(2,303,972)

(i) $3,251,026 relating to options that have either expired, been exercised or cancelled have been transferred to Retained Earnings.

The share based payments reserve is used to record the value of share based payments provided to employees, including Key Management Personnel, as part of their remuneration. Refer to Note 18 for further details.

17. Key Management Personnel

(a) Details of Key Management Personnel

The key management personnel (KMP) of Iron Ore Holdings Ltd during the year were:

Hon. Richard Court AC - Non-Executive Chairman

Alwyn Vorster - Managing Director

Malcolm Randall - Non-Executive Director

Brian O'Donnell - Non-Executive Director

Ryan Stokes - Non-Executive Director

Christian Johnstone - Chief Financial Officer

Brett Hazelden - General Manager Project Development

Manohar Ghorpade - Chief Geologist

Zen Davison - General Manager Commercial

(b) Compensation for Key Management Personnel

	Consolidated Group 2013 $	Consolidated Group 2012 $
Short term employee benefits	**2,249,104**	2,086,480
Post-employment benefits	**164,477**	123,159
Share based payments	**1,222,992**	1,386,276
Total compensation	**3,636,573**	3,595,915

Iron Ore Holdings Ltd has applied the option to transfer KMP disclosures required by AASB 124 Related Party Disclosures paragraphs Aus 29.2 to Aus 29.7.2 to the Remuneration Report section of the Directors' Report. These transferred disclosures have been audited.

17. Key Management Personnel *contd.*

(c) Option holdings of Key Management Personnel (Consolidated)

30 June 2013						Vested at 30 June 2013		
	Balance at Beginning of Period	Granted as Remuneration	Options Exercised	Net Change Other*1	Balance at End of Period	Options Vested During Year	Exercisable	Not Exercisable
Directors								
Hon. R Court AC	-	-	-	-	-	-	-	-
A Vorster	4,000,000	1,000,000	-	(1,000,000)	4,000,000	2,000,000	3,000,000	-
M Randall	1,300,000	1,000,000	-	(1,000,000)	1,300,000	1,150,000	1,150,000	-
B O'Donnell	-	-	-	-	-	-	-	-
R Stokes	-	-	-	-	-	-	-	-
Other Key Management Personnel								
B Hazelden	700,000	250,000	-	(200,000)	750,000	500,000	500,000	-
C Johnstone	700,000	250,000	-	(200,000)	750,000	500,000	500,000	-
M Ghorpade	800,000	100,000	-	(300,000)	600,000	350,000	350,000	-
Z Davison	700,000	200,000	-	(200,000)	700,000	450,000	450,000	-
	8,200,000	2,800,000	-	(2,900,000)	8,100,000	4,950,000	5,950,000	-

**1 Net Change Other represents the cancelled or expired number of options during the year.*

17. Key Management Personnel *contd.*

(c) Option holdings of Key Management Personnel (Consolidated)

30 June 2012						Vested at 30 June 2012		
	Balance at Beginning of Period	Granted as Remuneration	Options Exercised	Net Change Other*4	Balance at End of Period	Options Vested During Year	Exercisable	Not Exercisable
Directors								
Hon. R Court AC	-	-	-	-	-	-	-	-
A Vorster	3,000,000	3,000,000	-	(2,000,000)	4,000,000	1,000,000	1,000,000	-
M Randall	1,300,000	300,000	-	(300,000)	1,300,000	-	1,000,000	-
B O'Donnell	-	-	-	-	-	-	-	-
R Stokes	-	-	-	-	-	-	-	-
Other Key Management Personnel								
C Johnstone *2	-	700,000	-	-	700,000	200,000	200,000	-
B Hazelden *1	-	700,000	-	-	700,000	200,000	200,000	-
M Ghorpade	800,000	500,000	-	(500,000)	800,000	-	300,000	-
Z Davison *3	-	700,000	-	-	700,000	200,000	200,000	-
	5,100,000	5,900,000	-	(2,800,000)	8,200,000	1,600,000	2,900,000	-

There have been no changes at the date of this report to the balances reflected in the above table as at the 30 June 2013 apart from the following:

- M Ghorpade 250,000 options were cancelled in accordance with the Iron Ore Holdings Ltd Employee Option Scheme leaving a balance of 350,000 at the date of this report.

**1 Mr B Hazelden commenced on 16 January 2012.*
**2 Mr C Johnstone commenced on 1 December 2011.*
**3 Mr Z Davison commenced on 16 January 2012.*
**4 Net Change Other represents the cancelled number of options during the year.*

17. Key Management Personnel *contd.*

(d) Shareholdings of Key Management Personnel (Consolidated)

	Balance 1 July 12	Granted as Remuneration	On Exercise of Options	Net Change Other*1	Balance 30 June 13
30 June 2013					
Mr R Court	**1,181,817**	-	-	-	**1,181,817**
Mr A Vorster	**105,000**	-	-	**231,473**	**336,473**
Mr M Randall	**2,150,000**	-	-	-	**2,150,000**
Mr B O'Donnell	**59,090**	-	-	-	**59,090**
Mr R Stokes	-	-	-	-	-
Mr C Johnstone	-	-	-	-	-
Mr B Hazelden	**36,250**	-	-	-	**36,250**
Mr M Ghorpade	**118,181**	-	-	-	**118,181**
Mr Z Davison	-	-	-	-	-
	3,495,907	-	-	**231,473**	**3,727,380**

	Balance 1 July 11	Granted as Remuneration	On Exercise of Options	Net Change Other*1	Balance 30 June 12
30 June 2012					
Mr R Court	1,181,817	-	-	-	1,181,817
Mr A Vorster	55,000	-	-	50,000	105,000
Mr M Randall	2,150,000	-	-	-	2,150,000
Mr B O'Donnell	59,090	-	-	-	59,090
Mr R Stokes	-	-	-	-	-
Mr C Johnstone	-	-	-	-	-
Mr B Hazelden	36,250	-	-	-	36,250
Mr M Ghorpade	118,181	-	-	-	118,181
Mr Z Davison	-	-	-	-	-
	3,445,907	-	-	50,000	3,495,907

**1 Net Change Other represents on market shares purchased by Mr Vorster during the year.*
Balances reflected in the above table as at the 30 June 2013 are the same as the date of this report.

(e) Loans to Key Management Personnel (Consolidated)

There are no loans between the entity and KMP.

	Note	Consolidated Group 2013 $	Consolidated Group 2012 $
18. Share Based Payments			
(a) Recognised share based payment expenses			
The expense recognised for employee services received during the year is:			
Expense arising from equity-settled share based payment transactions	5	**1,300,000**	1,468,007

The share based payment plans are described below.

(b) Employee Share Option Plan (ESOP)

On 24 November 2009 Shareholders approved the Iron Ore Holdings Ltd ESOP. The purpose of the Plan is to:

(i) Recognise the ongoing ability of employees of the Company and their expected efforts and contribution in the long-term to the performance of the Company;

(ii) Provide an incentive to the employees of the Company to remain in their employment in the long-term;

(iii) Attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its employees; and

(iv) Provide employees of the Company with the opportunity to acquire Options, and ultimately shares in the Company, in accordance with these rules.

(c) Summary of options granted under ESOP and other arrangements

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, unlisted share options issued during the year:

Consolidated Group		2013 No.	2013 WAEP	2012 No.	2012 WAEP
Outstanding at the beginning of the year		**11,350,000**	**$1.76**	8,650,000	$2.20
Granted during the year		**3,000,000**	**$1.40**	6,350,000	$1.76
Exercised during the year	(i)	**-**	**-**	(600,000)	$1.11
Expired or cancelled during the year		**(5,375,000)**	**$1.49**	(3,050,000)	$2.98
Outstanding at the end of the year		**8,975,000**	**$1.81**	11,350,000	$1.76
Exercisable at the end of the year		**6,775,000**	**$1.77**	6,775,000	$1.72

(i) The weighted average share price of options exercised at the date of exercise was $1.10 in 2012. There were no options exercised during 2013.

(d) Weighted average remaining contractual life

The weighted average remaining contractual life of the share options outstanding as at 30 June 2013 is 1.32 years (2012: 1.11 years)

18. Share Based Payments *contd.*

(e) Range of exercise prices

The range of exercise prices for options outstanding at the end of the year was $1.40 - $2.975 (2012: $1.125 - $2.975)

(f) Weighted average fair value

The weighted average fair value of options granted during the year was $0.21 (2012: $0.16)

(g) Option pricing model

The fair value of the equity-settled share options granted is estimated as at the date of grant using a Black and Scholes Model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the years ended 30 June 2013 and 30 June 2012:

	Consolidated Group	
	2013	**2012**
Dividend yield (%)	**0%**	0%
Expected volatility (%)	**60%**	50%-60%
Risk free interest rate (%)	**2.65%**	2.74%-3.09%
Expected life of the option (years)	**3.00**	0.54 – 3.00
Option exercise price ($)	**$1.40**	$1.60 - $1.90
Share price at grant date ($)	**$0.81**	$1.095 - $1.34

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

(h) Share based payment arrangements in existence at the end of the financial year

Consolidated Group	Number Under Option	Grant Date	Expiry Date	Vesting Date*1	Exercise Price	Fair Value at Grant Date
Issued 12 October 2010	**200,000**	**12/10/10**	**30/9/13**	**12/10/10**	**$2.475**	**$0.541**
Issued 12 October 2010	**500,000**	**12/10/10**	**11/10/13**	**12/10/10**	**$2.475**	**$0.545**
Issued 8 April 2011	**590,000**	**8/4/11**	**8/4/14**	**8/4/11**	**$2.725**	**$0.630**
Issued 8 April 2011	**110,000**	**8/4/11**	**8/4/14**	**8/4/12**	**$2.975**	**$0.587**
Issued 23 November 2011	**2,325,000**	**23/11/11**	**22/11/13**	**1/12/12**	**$1.750**	**$0.191**
Issued 10 May 2012	**50,000**	**10/5/12**	**22/11/13**	**1/12/12**	**$1.750**	**$0.254**
Issued 23 November 2011	**2,150,000**	**23/11/11**	**22/11/14**	**1/12/13**	**$1.900**	**$0.290**
Issued 10 May 2012	**50,000**	**10/5/12**	**22/11/14**	**1/12/13**	**$1.900**	**$0.378**
Issued 12 November 2012	**3,000,000**	**12/11/12**	**13/11/15**	**12/11/12**	**$1.400**	**$0.213**

**1 Each issue of options vest in accordance with the Iron Ore Holdings Ltd Share Options Plan as approved by the Board. Under the terms of the Plan, if an employee leaves employment before the vesting date, the unvested options are cancelled and any vested options which are not exercised within 90 days are also cancelled.*

19. Related Party Disclosure

(a) *Controlled Entities*

The consolidated financial statements include the financial statements of Iron Ore Holdings Ltd and the following subsidiaries:

	% Equity Interest	
	2013	**2012**
PEL Iron Ore Pty Ltd (incorporated in Australia)	**100**	100
Bungaroo South Pty Ltd (incorporated in Australia)	**100**	100
Mal's Ridge Pty Ltd (incorporated in Australia)	**100**	100
Maitland River Pty Ltd (incorporated in Australia)	**100**	100
Iron Valley Pty Ltd (incorporated in Australia)	**100**	100
Lamb Creek Pty Ltd (incorporated in Australia)	**100**	100
Buckland Minerals Transport Pty Ltd (incorporated in Australia)*1	**100**	100
Cape Preston Logistics Pty Ltd (incorporated in Australia)*2	**100**	100
Mardie Minerals Pty Ltd (incorporated in Australia)*3	**100**	100

During the financial year unsecured loan advances were made between the parent entity (Iron Ore Holdings Ltd) and its controlled entities. All such loans were interest free, unsecured and payable on demand. Intra entity loan balances have been eliminated in the financial report of the consolidated entity.

**1 North Marillana Pty Ltd changed its name to Buckland Minerals Transport Pty Ltd during the year.*
**2 South Marillana Pty Ltd changed its name to Cape Preston Logistics Pty Ltd during the year.*
**3 Yandi Coogina Pty Ltd changed its name to Mardie Minerals Pty Ltd during the year.*

(b) *Acquisition of Controlled Entities*

No new subsidiaries were acquired during the year.

(c) *Ultimate Parent*

Iron Ore Holdings Ltd is the parent entity of the Group. The parent entity of Iron Ore Holdings Ltd is Wroxby Pty Ltd. The ultimate controlling entity of the Group is Clabon Pty Ltd.

During the year entities related to the Company's parent entity, Wroxby Pty Ltd provided the Company with rental of premises $282,472 (2012: $282,472). All transactions were on normal commercial terms and conditions.

(d) *Key Management Personnel*

Details relating to KMP, including remuneration paid, are included in Note 17 and the audited remuneration report section of the directors' report.

(e) *Transactions with Other Related Parties*

There were no transactions with other related parties during the current or previous financial year.

20. Financial Instruments

(a) Financial Risk Management

The Group's principal financial instruments comprise cash and short term deposits.

The main purpose of these financial instruments is to fund capital expenditure on the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. Being at an exploration stage, the Group has limited exposure to risks arising from its financial instruments.

Currently the Group does not have any exposure to commodity price risk or foreign currency risk. As the Group moves into development and production phases, exposure to commodity price risk, foreign currency risk and credit risk are expected to increase. The Board will set appropriate policies to manage these risks dependent on market conditions and requirements at that time.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2.

	Consolidated Group	
	2013	**2012**
	$	**$**
(b) Interest Rate Risk		
At balance date, the Group had the following financial assets exposed to interest rate risk:		
Cash and cash equivalents (i)	**74,651,500**	109,692,325
Receivables (ii)	**328,319**	433,598
	74,979,819	110,125,923

(i) The weighted average interest rate of cash and cash equivalents is 4.39% (2012: 5.57%).

(ii) Receivables are interest bearing deposits held as security for long term tenements and rental bonds. The weighted average interest rate as at 30 June 2013 was 4% (2012: 5%).

None of the Group's financial liabilities are interest bearing.

(c) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposure to credit risk in relation to each class of financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Group has in place policies that aim to ensure that counterparties and cash transactions are limited to high credit quality financial institutions and that the amount of credit exposure to one financial institution is limited as far as is considered commercially appropriate.

Since the Group trades only with recognised third parties, there is no requirement for collateral.

20. Financial Instruments *contd.*

(d) *Liquidity Risk*

The Group currently does not have major funding in place, however the Group continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

Consolidated Group	Weighted Average Effective Interest Rate	Less than 1 Month	1 to 3 Months	Greater than 12 Months	Total
	%	$	$	$	$
30 June 2013					
Variable interest rate investments	2.75	2,151,500	-	-	2,151,500
Fixed interest rate investments	4.39	46,500,000	26,000,000	-	72,500,000
Receivables	4.09	-	-	328,319	328,319
		48,651,500	26,000,000	328,319	74,979,819

(e) *Net Fair Values*

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2.

(f) *Sensitivity Analysis*

The following tables summarise the sensitivity of the Group's financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax profit / (loss) and equity would have been affected as shown. The analysis has been performed on the same basis for 2013 and 2012.

30 June 2013		Interest Rate Risk -1%		Interest Rate Risk +1%	
Consolidated Group	Carrying Amount $	Net Profit $	Equity $	Net Profit $	Equity $
Financial assets					
Cash and cash equivalents	74,651,500	(746,515)	(746,515)	746,515	746,515
Receivables	328,319	(3,283)	(3,283)	3,283	3,283
	74,979,819	(749,798)	(749,798)	749,798	749,798

None of the Group's financial liabilities are interest bearing.

30 June 2012		Interest Rate Risk -1%		Interest Rate Risk +1%	
Consolidated Group	Carrying Amount $	Net Loss $	Equity $	Net Loss $	Equity $
Financial assets					
Cash and cash equivalents	109,692,325	(1,096,923)	(1,096,923)	1,096,923	1,096,923
Receivables	433,598	(4,336)	(4,336)	4,336	4,336
	110,125,923	(1,101,259)	(1,101,259)	1,101,259	1,101,259

None of the Group's financial liabilities are interest bearing.

	Consolidated Group 2013 $	Consolidated Group 2012 $
21. Commitments		
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 1 year	**253,064**	258,220
- later than 1 year but not later than 5 years	**283,939**	58,817
	537,003	317,037

The office lease is for the period 22 September 2013 to 21 September 2015, with rent payable monthly in advance. The lease allows for subletting of all lease areas with the consent of the lessor.

The warehouse lease is for the period 4 January 2013 to 3 January 2015, with rent payable monthly in advance. The lease allows for subletting of all lease areas with the consent of the lessee.

	Consolidated Group 2013 $	Consolidated Group 2012 $
(b) Mineral Acquisition Exploration Tenements		
Minimum expenditure on exploration tenements		
Payable:		
- not later than 1 year	**1,023,996**	830,800
- later than 1 year but not later than 5 years	**2,940,482**	1,740,200
	3,964,478	2,571,000

22. Contingent Liabilities

There are no contingent liabilities as at 30 June 2013.

The Group operates entirely in Australia and predominantly in the field of mineral exploration with particular emphasis on iron ore. For management purposes the Group is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

23. Segment Reporting

The Group operates entirely in Australia and predominantly in the field of mineral exploration with particular emphasis on iron ore. For management purposes the Group is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

24. Events After The Statement of Financial Position Date

Apart from the Iron Valley mining proposal that was secured on 31 July 2013 and announced to ASX on 1 August 2013 and the divestment of the North Marillana tenements announced to ASX on 4 September 2013, there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

(i) The consolidated entity's operations in future years; or

(ii) The results of those operations in future years; or

(iii) The consolidated entity's state of affairs in future years.

	Consolidated Group	
	2013 $	2012 $
25. Auditors' Remuneration		
The auditor of Iron Ore Holdings Ltd for the year ended 30 June 2013 and 2012 is Deloitte Touche Tohmatsu .		
Amounts received or due and receivable by Deloitte Touche Tohmatsu for June 2013 and June 2012 for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	**37,500**	37,500
Preparation of the R&D tax return	**47,093**	42,274
	84,593	79,774

directors' declaration

For the year ended 30 June 2013

The directors of the Company declare that:

1. In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity;
2. In the directors' opinion the attached financial statements also complies with International Financial Reporting Standards, as stated in Note 2 to the financial statements;
3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;and
4. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to S.295(5) of the Corporations Act 2001.

On behalf of the Directors

Hon. Richard Court AC
Non-Executive Chairman
11 September 2013

independent auditor's report

To the Members of Iron Ore Holdings Ltd

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 (0) 9365 7007
www.deloitte.com.au

Independent Auditor's Report to the Members of Iron Ore Holdings Ltd

Report on the Financial Report

We have audited the accompanying financial report of Iron Ore Holdings Ltd, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 46 to 79.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard *AASB 101 Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company'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 company'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.

Deloitte.

Auditor's Independence Declaration

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 Ore Holdings Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of Iron Ore Holdings Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 35 of the directors' report for the year ended 30 June 2013. 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 Ore Holdings Ltd for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants
Perth, 11 September 2013

ASX additional information

The shareholder information set out below was applicable as at 25 September 2013.

1. Twenty Largest Shareholders

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Shares

Name	No of Ordinary Shares Held	Percentage of Issued Shares
Wroxby Pty Ltd	84,936,013	52.70%
3rd Wave Investors Ltd	7,820,040	4.85%
Sumisho Iron Pty Ltd	7,000,000	4.34%
Citicorp Nominees Ltd	3,169,379	1.97%
Rimes, Matthew J & RL	2,678,140	1.66%
HSBC Custody Nominees Australia Ltd	2,424,964	1.50%
Renique Holdings Pty Ltd	2,150,000	1.33%
Perron Investments Pty Ltd	1,770,000	1.10%
Foster Stockbroking Nominees Pty Ltd	1,500,000	0.93%
JP Morgan Nominees Australia Ltd	1,499,157	0.93%
Taylor, GE	1,415,000	0.88%
County Sec Pty Ltd	1,318,836	0.82%
Australian Executor Trustees Ltd	1,194,817	0.74%
Fusion Minerals Pty Ltd	1,000,000	0.62%
Rimes MJ & R L	865,939	0.54%
JP Morgan Nominees Australia Ltd (Cash income A/C)	811,918	0.50%
Taylor, GE & SP	750,000	0.47%
Mathieson Muir	600,000	0.37%
Maycot Pty Ltd	546,000	0.34%
Jones, Raymond John	530,000	0.33%
Total Top 20	123,980,203	76.92%
Others	37,193,802	23.08%
Total Ordinary Shares on Issue	**161,174,005**	**100.00%**

2. Distribution of Equity Securities

(a) Analysis of security by size holding as at 25 September 2013

	Ordinary Shares	
	Number of Security Holders	Number of Securities Held
1 – 1,000	540	303,579
1,001 – 5,000	1,012	2,945,065
5,001 – 10,000	510	4,076,303
10,001 – 100,000	651	18,966,219
100,001 – and over	82	134,882,839
	2,795	**161,174,005**

(b) Number of holders of unmarketable parcels – Ordinary shares

Unmarketable Parcels – 262

ASX additional information

3. Substantial Shareholders

The names of the substantial shareholders listed in the company's register at 25 September 2013 are:

Name	No of Shares Held
Wroxby Pty Ltd, Australian Capital Equity Pty Ltd, ACE Group entities*, Clabon Pty Ltd, Mr Kerry Stokes AC, Ashblue Holdings Pty Ltd and Kemast Investments Pty Ltd	84,936,013
Seven Group Holdings Ltd (SGH) and SGH's subsidiaries (deemed interest via association with Australian Capital Equity Pty Ltd)	84,936,013

* *ACE Group entities as listed in the substantial shareholder notice lodged with ASX on 24 May 2012.*

4. Unquoted Securities

As at 25 September 2013, the following unquoted securities are on issue:

Unlisted Options with the following terms:

Grant Date	Expiry Date	Exercise Price	Number on Issue	Number of Holders
12 October 2010	30 September 2013	$2.475	200,000	3
12 October 2010	11 October 2013	$2.475	500,000	1
8 April 2011	8 April 2014	$2.725	590,000	3
8 April 2011	8 April 2014	$2.975	110,000	2
23 November 2011	22 November 2013	$1.750	2,325,000	8
23 November 2011	22 November 2014	$1.900	1,900,000	5
10 May 2012	22 November 2013	$1.750	50,000	1
10 May 2012	22 November 2014	$1.900	50,000	1
14 November 2012	13 November 2015	$1.400	3,000,000	10

5. Restricted Securities

As at 25 September 2013, there are no securities subject to escrow restrictions.

6. Voting Rights

The voting rights of the ordinary shares are as follows:

- Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.
- On a poll each eligible member has one vote for each fully paid share held.
- There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

7. On-Market Buy Back

There is currently no on-market buy-back program for Iron Ore Holding Ltd's listed securities.

ASX additional information

8. Schedule of Interests in Mining Tenements as at 25 September 2013

Project Location	Tenement	Interest
Iron Ore Holdings Ltd		
Hamersley Range	E08/2178	100%
Mardie	E08/2399	100%
North Marillana	E47/1239	100%
South Marillana	E47/2001	100%
Hamersley Range	E47/2350	100%
Maitland River	E47/2505	100%
Moorambinar	E47/2676	100%
Maitland River	E47/2677	100%
Mt Padbury	E52/2834	100%
Mt Padbury	E52/2842	100%
Mt Vernon	E52/2847	100%
South Marillana	L47/336	100% [1]
North Marillana	M47/1353	100% [2]
North Marillana	M47/1354	100% [2]
North Marillana	M47/1355	100% [2]
North Marillana	M47/1356	100% [2]
South Marillana	M47/1359	100% [1]
South Marillana	M47/1421	100% [1]
Bungaroo South Pty Ltd		
Buckland Hills	M47/1464	100%
Iron Valley Pty Ltd		
South Marillana	E47/1385	100%
South Marillana	E47/2004	100%
Iron Valley	M47/1439	100%
Mal's Ridge Pty Ltd		
Buckland Hills	E08/1554	100%

Project Location	Tenement	Interest
Buckland Hills	E08/1899	100%
Buckland Hills	E08/1900	100%
Buckland Hills	E08/1901	100%
PEL Iron Ore Pty Ltd		
Buckland Hills	E47/1538	100%
Maitland River Pty Ltd		
Maitland River	E47/1537	100%
Maitland River	E47/2372	100%
Mardie Minerals Pty Ltd		
Mardie	E08/1849	100%
Metal Holdings Pty Ltd		
Eileen Bore	E80/3878	100% [3]
Cape Preston Logistics Pty Ltd		
Buckland Project	L08/100	Pending [4]
Buckland Project	L08/101	Pending [4]
Buckland Project	L47/679	Pending [4]
Buckland Project	L47/680	Pending [4]
Buckland Project	L47/681	Pending [4]
Buckland Minerals Transport Pty Ltd		
Buckland Project	L08/104	Pending [4]
Buckland Project	L08/105	Pending [4]
Buckland Project	L08/120	Pending [4]

1 These tenements were sold to a wholly owned subsidiary of Mineral Resources Ltd and are in the process of being transferred.

2 These tenements were sold to Maiden Iron Pty Ltd and are in the process of being transferred.

3 This tenement is in the process of being transferred from Thundelarra Exploration Ltd to Metal Holdings Pty Ltd.

4 These are Miscellaneous Licence applications covering the infrastructure requirements for the Buckland Project.

This page is intentionally blank.

ABN 17 107 492 517

Level 1, 1 Altona Street, West Perth, WA 6005
P.O. Box 1761, West Perth 6872

Tel: +61 (8) 9483 2000
Fax: +61 (8) 9321 0322

www.ironoreholdings.com
info@ironoreholdings.com