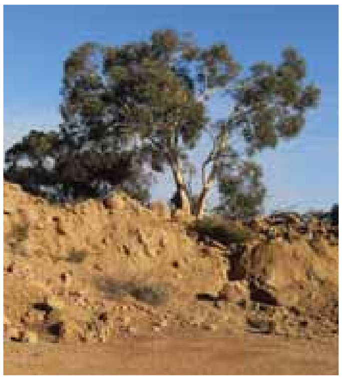
IRON MOUNTAIN
mining limited



Annual Report 2012

Corporate Directory

Directors

Simon Christopher England

Zhukov Pervan

David Alan Zohar

Robert Sebek

Company Secretary

Shoshanna Zohar

Registered Office

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

Head Office

Level 7, 231 Adelaide Terrace
Perth WA 6000

Website Address

www.ironmountainmining.com.au

Email

info@ironmountainmining.com.au

Country of Incorporation

Iron Mountain Mining Limited is domiciled and incorporated in Australia

Stock Exchange Listing

Iron Mountain Mining Limited is listed on the Australian Securities Exchange

(ASX Code: IRM, IRMO)

Auditors

BDO Audit (WA) Pty Ltd

38 Station Street

Subiaco Western Australia 6008

Legal Advisors

Lawton Gillon

Level 11
16 St Georges Terrace
Perth Western Australia 6000

Share Registry

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

Contents

1 Corporate Governance

STATEMENT

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

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

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

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

Board Composition

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

Corporate reporting

The Directors have made the following certifications to the board:

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

Code of Conduct

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

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

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

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

Continuous disclosure and shareholder communication

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

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

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.
All information disclosed to the ASX is posted on the company's website as soon as it is disclosed to the ASX.

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

Independent Advice

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

Independence of Board Members

The determination by the Board as to whether individual directors are independent is a matter of judgement. In making this determination the Board has followed the guidance in Box 2.1 of the Recommendations and the Guide to Reporting on Principle 2. The Board considers the relationships the independent directors have with the company do not materially impact on their independence. In determining the materiality of these relationships, the Board has considered both quantitative and qualitative factors. In determining the quantitative factors the Board considers that a relationship is immaterial where it is equal to or less than 5% of the base amount. In applying this level of materiality to the relationship of the independent directors, in the case of shareholders and suppliers, the Board considers that the independent directors' interest is less than 5% of the base amount. In respect to the qualitative measures the Board has considered the factors affecting the independent directors' relationship with the company and consider these qualitative factors to be immaterial in the assessment of their independence.

Mr England, the Chairman of the board, is considered by the Board to be an independent director.

Trading Policy

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

Remuneration Policy

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

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

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

Departures from Best Practice Recommendations

Principle 1 recommendation 1.1, 1.2,1.3
Notification of Departure:

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

Explanation for Departure:

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

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

Principle 2 Recommendation 2.1

The majority of the Directors should be independent.

Explanation for Departure

The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has relevant industry experience and specific expertise relevant to the Company's business and level of operations.

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

Principle 2 Recommendation 2.4

Establishment of a Nomination Committee.

Explanation for Departure

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

Principle 2 Recommendation 2.5
Notification of Departure:

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

Explanation for Departure:

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

Principle 2 Recommendation 2.6
Notification of Departure:

The Company has not provided the information in guide to reporting on Principle 2.

Explanation for Departure:

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

Principle 3 Recommendation 3.2, 3.3, 3.5
Notification of Departure:

The Company has not established a policy concerning diversity

Explanation for Departure:

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

There are currently four females employed by the company representing 44% of all staff. This includes one female at the company secretary level. No other females occupy board positions.

Principle 4 Recommendations 4.1, 4.2, 4.3, 4.4

Establishment of an Audit Committee.

Explanation for Departure

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

Principle 6 Recommendation 6.1,6.2
Notification of Departure:

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

Explanation for Departure:

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

Principle 7 Recommendation 7.1, 7.2, 7.4
Notification of Departure:

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

Explanation for Departure:

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

Principle 8 Recommendation 8.1, 8.2, 8.4
Notification for departure:

The Company has not established a remuneration committee.

Explanation for Departure:

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

Directors Report 2

Your directors present their report on the consolidated entity consisting of Iron Mountain Mining Limited (Group or Consolidated Entity) and the entities it controlled at the end of, or during, the year ended 30 June 2012.

DIRECTORS

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

SIMON CHRISTOPHER ENGLAND (Appointed 14 March 2007)
LLB(HONS) BCOM GAICD
Chairman

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

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

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

ROBERT SEBEK (Appointed 16 December 2008)
B.App.Sc, B.Sc (Hons), MBA, MAusIMM
Managing Director

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

Mr Sebek holds nil shares and 2,000,000 options in Iron Mountain Mining Ltd.

Dr ZHUKOV PERVAN (Appointed 1 January 2009)
MB BS (WA), FRACGP, FAICD
Non-Executive Director

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

Dr Pervan holds 2,100,000 ordinary shares in Iron Mountain Mining Ltd.

DAVID ALAN ZOHAR (Appointed 14 February 2005)
BSc DipEd
Non- Executive Director

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

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

Mr Zohar holds 31,139,438 ordinary shares in Iron Mountain Mining Ltd.

Company Secretaries

SURAJ SANGHANI (Resigned 4 July 2012)
BCom CA GradDip ACG

Mr Sanghani is a chartered accountant with over 5 years experience in the auditing and accounting profession and in commerce. This included roles with Ernst & Young, as well as roles with a number of ASX listed exploration companies operating domestically and internationally.

Mr Sanghani has a Bachelor of Commerce Degree from the University of Western Australia and is a member of the Institute of Chartered Accountants in Australia. He has also completed a Graduate Diploma in Applied Corporate Governance with Chartered Secretaries Australia.

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

Mr Sanghani holds 142,000 ordinary shares in Iron Mountain Mining Ltd.

Shoshanna Zohar (Appointed 4 July 2012)
Ms Zohar serves is a lawyer with over five years of experience. She has a Bachelor of Laws from the Murdoch University and has previously worked in law firms practicing in corporate law, including Minter Ellison and Clavey Legal.

Ms Zohar is also the Company Secretary of Actinogen Ltd, United Orogen Ltd and Red River Resources Ltd.

Ms Zohar holds 1 ordinary share and nil options in Iron Mountain Mining Ltd.

Principal Activities

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

Operating Results

The Group made a loss after tax of $3,740,920 (2011: $1,388,100 profit) for the year ended 30 June 2012. No dividends were paid and the directors have not recommended the payment of a dividend.

Dividends

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

Review of Operations

During the year the company undertook a program of asset divesture to secure operating capital in addition to continuing exploration within its portfolio of tenements. A program of deep RC drilling for magnetite was completed at Miaree to test for extensions of a significant magnetite resource that had been reported on an adjacent tenement. A total of 6 holes for 2102m were drilled within E08/1350 which when combined with drilling completed in 2008, were able to delineate a maiden JORC Inferred magnetite resource of 286Mt @ 31.36% Fe. After satisfying Stage 2 expenditure requirements of the Miaree JV, Iron Mountain Mining Ltd elected to proceed under voluntary non-contributory provisions instead of committing to Stage 3 and now hold in excess of 60% of the Miaree Project. The company negotiated the sale of the Wandoo Bauxite Project during the year to Alpha Bauxite Pty Ltd with settlement executed on 24 August 2012. Consideration was A$4,000,000 and a A$0.75/t production royalty on all bauxite leaving the Wandoo Project tenements and is a great outcome for both parties. Forward Mining Ltd executed their Option to Acquire the Blythe Magnetite Project under restructured payment terms whereby total consideration of A$6,300,000 remained as originally agreed but with milestone payments deferred until post-production. The company was fortunate to successfully apply for Mining Licence 5548 in Victoria as their Golden Camel Project during the year which was subsequently granted in February 2012. As the Golden Camel Project, MIN5548 contains for former Cornella gold deposit which the company subsequently announced a JORC Indicated & Inferred Resource of 246,000t @ 2.5g/t Au (19,700oz) in July 2012. The company has applied for a work plan to undertake geotechnical, metallurgical and resource definition drilling ahead of undertaking pit optimisation and project evaluation for a small scale toll treatment mining operation. The company's exploration projects are shown in Figures 1.

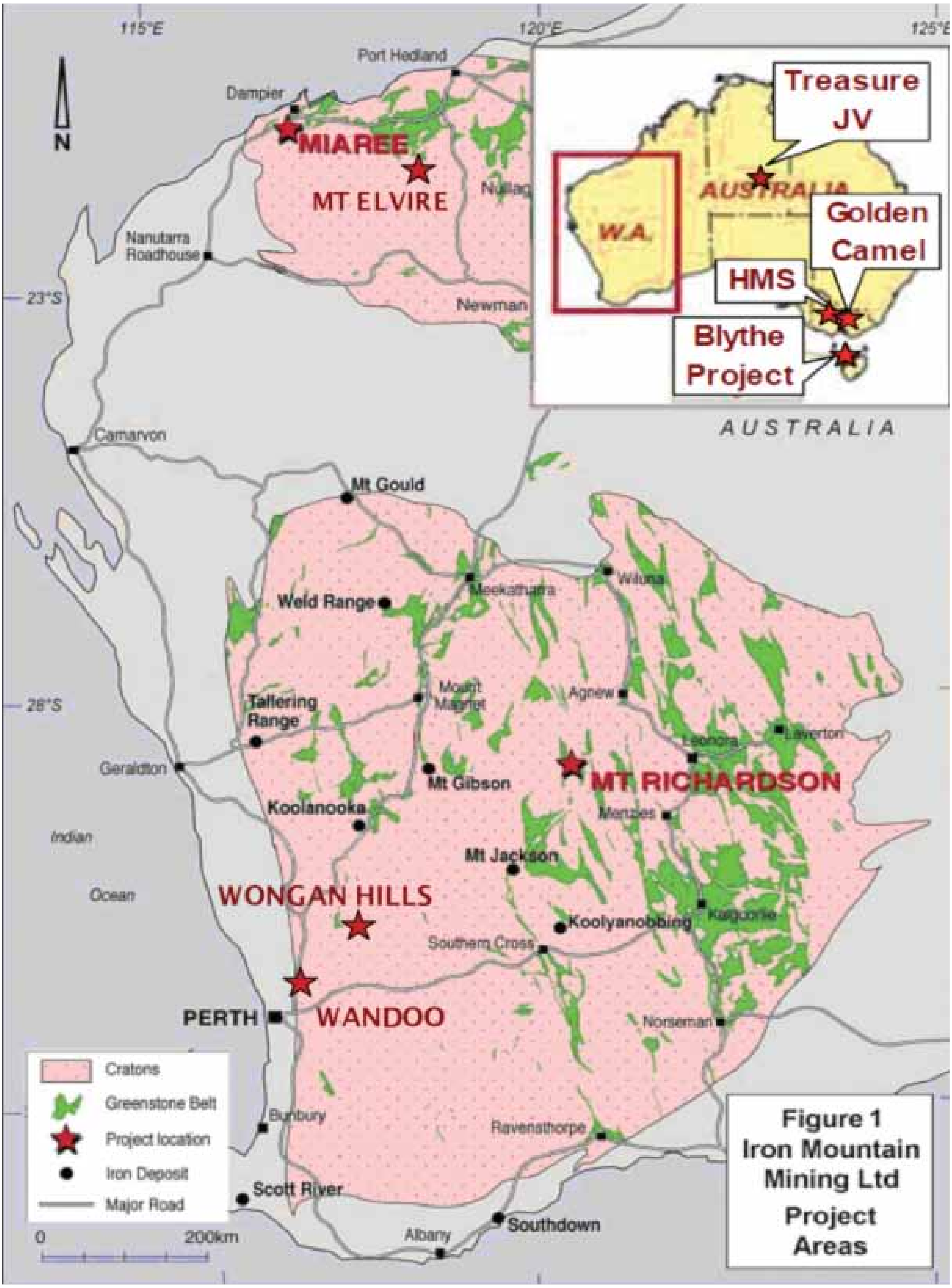


Figure 1 – Australian Project locations

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

On 6 March 2012, the company announced that it had signed a binding Agreement with Alpha Bauxite Pty Ltd ("Alpha") for the 100% sale of the Wandoo Project tenements subject to due diligence. The 13 granted exploration licences that comprise the Wandoo Bauxite Project were acquired by the company in December 2009 and had been the focus of exploration and metallurgical testwork to establish a JORC resource base as well as confirm the premium quality of the gibbsite bauxites that occur in the Darling Ranges of Western Australia. The acquisition and exploration strategy had been in response to China's growing dependence on bauxite imports and new mining regulations in Indonesia that would result in the ban of bauxite exports from that country in 2012.

Consideration for the sale of the Wandoo Project is a combination of up-front cash as well as a production royalty that gives the company exposure to development upside and future growth. The company believes that the successful completion of this transaction will result in expedited exploration and feasibility evaluation that will hopefully lead to development options for the Wandoo Project and maximise value creation for all stakeholders.

Under the general terms and conditions of the Sale Agreement, the following consideration is payable to Iron Mountain subject to the satisfactory completion of the due diligence Transaction Period by Alpha:

- Payment of A$4,000,000 within five business days of the 30 June 2012 Settlement Date or such other extended date as agreed between parties but not exceeding 31 December 2012
- A royalty of A$0.75 per Dry Metric Tonne on future production of bauxite ore transported from the Wandoo Project tenements payable within 30 days of the end of each quarterly reporting period

As part of the due diligence process, Alpha completed an exploration and metallurgical drilling program during the June 2012 quarter designed to validate previous drilling results and provide fresh sample for metallurgical test work by alumina refineries in China. In light of the subsequent analytical and technical due diligence requirements, the settlement date was mutually agreed to be extended to 31 July 2012.

On 1 August 2012, the company announced that it had received formal notification from Alpha of its intention to purchase the Wandoo Bauxite Project with both parties agreeing to extend the financial settlement deadline form 31 July 2012 to 17 August 2012 in order to allow the timely and ordered completion of administration requirements to execute the formal handover and transfer of funds. Following a late notice Foreign Investment Review Board (FIRB) submission request, the financial settlement deadline was pushed back to 24 August 2012 when the official handover has been scheduled to take place. The successful sale of the Wandoo tenements to Alpha gives the project the best possible chance for development as a small to medium scale direct shipping ore (DSO) operation for the delivery of premium bauxite ore into China and is a great outcome for both Alpha and Iron Mountain.

Alpha Bauxite Pty Ltd

Alpha Bauxite is a private company comprised of Chinese Aluminium Industry and Australian investors led by THTF Australia Mining Pty Ltd ("TAM"). TAM is a Chinese backed Australian company with a mandate to identify mineral resource investment opportunities in Australia and other emerging regions by leveraging their in-house technical capabilities and Chinese funding to invest in or acquire key mining and exploration assets for expedited development. The Chinese shareholders of TAM include HongKong THTF Co. Ltd (part of the THTF group), Chengdu Rolar Investment Ltd (a private multiple business) and Hainan Mining Co. Ltd (controlled by the Fosun Group). TAM is working in partnership with a Chinese aluminium industry company interested in securing a safe long-term supply of bauxite. Not only will this deal give the Wandoo Project the best opportunity for development under the management of a dedicated single project company, but it will also provide valuable working capital for Iron Mountain to fund ongoing exploration and pursue other opportunities.

Wandoo Bauxite Resources

Total JORC Inferred Resources of bauxite at Wandoo remain unchanged at 89.3Mt @ 41.75% Al_2O_3. A summary of the Total Inferred Resource for the Wandoo Bauxite Project is provided in Table 1 below.

Wandoo Bauxite Project	Tonnes Mt	Total Al_2O_3 (%)	Available Al_2O_3 (%)	Soluble SiO_2* (%)	LOI (%)
TOTAL INFERRED MINERAL RESOURCE	89.3	41.75	28.51	4.43	19.21

* Soluble SiO_2 = Reactive Silica

Table 1 – Details of Wandoo Project Total Inferred Resource Estimate at 30% Available Al2O3 cut-off

MIAREE PROJECT
Location : Karratha, WA

The Miaree Project covers approximately 150km² and is held under a joint venture between Iron Mountain and Red River Resources Ltd ("Red River") whereby Iron Mountain could earn up to 70% of the project by satisfying three earn-in stages with clearly defined timing and expenditure requirements. During the year, the company satisfied the Stage 2 milestone (49%) and elected not to proceed to Stage 3 (70%) by committing to sole fund a further $2,000,000, instead opting to proceed under voluntary non-contributory dilution provisions in the joint venture agreement and sole fund small exploration programs as warranted by results to incrementally increase its equity in the project while concurrently de-risking its entry. As at 30 June 2012, Iron Mountain had increased its equity in the Miaree Project to 60.25%.

The Miaree Project licences cover approximately 25km of the Miaree Magnetite Trend that occurs within the extensive Cleverville Formation, a geological unit of banded iron formation rich in magnetite (ie. 1.6Bt Cape Lambert magnetite deposit). In addition to magnetite potential, the project also hosts significant surface gold anomalism that has been extensively explored by the company over the past few years. During the past year, the exploration focus at Miaree shifted back to magnetite following the re-evaluation of results from a 2008 magnetite drilling program and the announcement of a significant magnetite resource on adjacent tenements (see Fig.2).

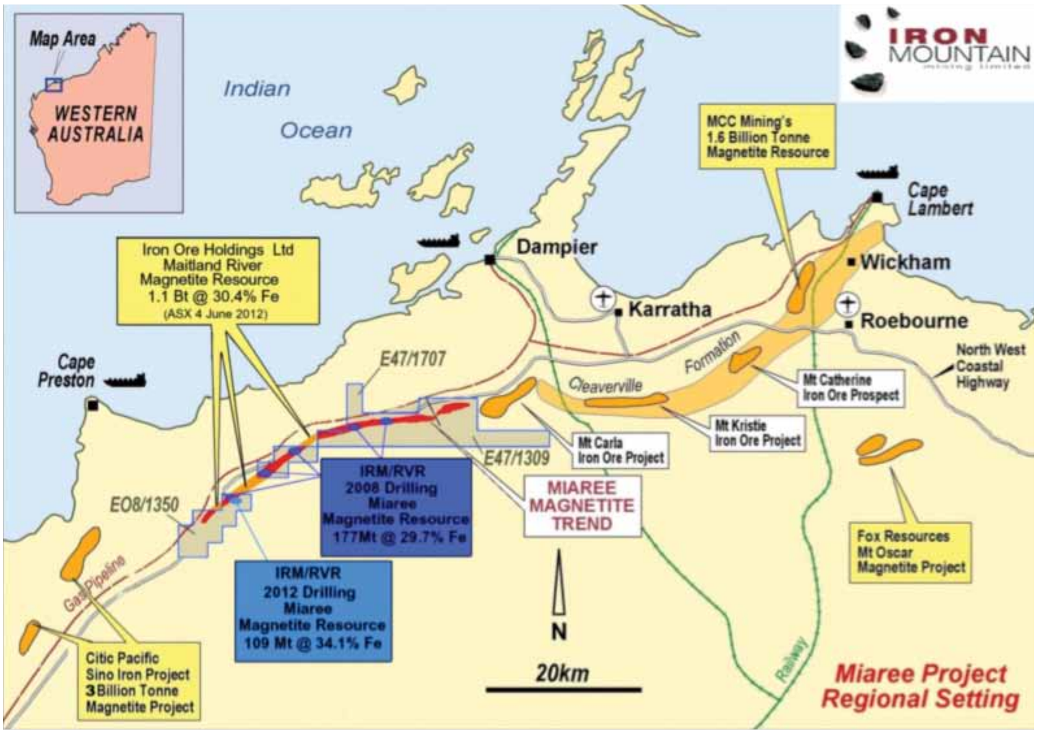


Figure 2 – Miaree Project location showing reported

Early in the year, results from drilling carried out in June 2011 (14 holes for 1406m) and costeaning at the Cockatoo and Bergsma gold prospects were reviewed to determine whether follow up work was warranted. Preliminary assessment was that the results while sufficiently encouraging, were inconclusive at best. As part of a proposed magnetite drilling program, a single hole was planned at the Bergsma A anomaly within E47/1309 to test the source of a peak intensity geochemical surface signature. The proposed hole (BGRC003) was located west of previously drilled BGRC002 (4m @ 1.73g/t Au) and was drilled to a depth of 101m. Results from BRGC003 were disappointing and the Bergsma gold prospect is currently being re-evaluated. Recovery of gold from a 75kg sample of surface quartz from Cockatoo A that was ground to >90% passing 75 microns was completed during the year. A total of 2.81 grams of gold was able to be separated and recovered which translates to a head grade of approximately 37.5g/t Au. Further work to determine whether any feasible options exist to commercially exploit these high grade surface gold occurrences is ongoing. Rock chip sampling in the vicinity of the magnetite drilling program within E08/1350 to the south returned grades of up to 1.29g/t Au confirming the regional nature of the surface gold mineralisation in the area and the need for further work to gain a better understanding of the mineralising controls.

Work on re-assessing the potential of the Miaree Magnetite Project continued to intensify early in the year after receiving advice that the un-tested aeromagnetic signature within E08/1350 had the potential to host magnetite mineralisation at grades and widths that would support the estimation of resources of economic and strategic value (see Fig.3). The Miaree Magnetite Project has undergone two phases of drilling to test the grade and extent of magnetite mineralisation within a banded iron formation of the Cleaverville Formation that strikes southwest through the project tenements. The first phase was completed in December 2008 and comprised of reverse circulation drilling on 13 sections spaced approximately 1km apart where access permitted. Results were promising but not followed up due deteriorating market conditions at the time, staff turnaround and other project priorities.

Figure 3 – Proposed magnetite drilling target within E08/1350 looking southwest.

During the year, the magnetite potential of the Miaree Project was revisited following the announcement by Iron Ore Holdings Ltd of their maiden Inferred Maitland River magnetite resource of 310Mt @ 34.7% Fe (ASX 4 July 2011) within E47/1537 located adjacent to Miaree Project tenements E47/1350 and E08/1350. Evaluation of airborne geophysical data acquired in 2007 confirmed that the strong aeromagnetic signature that hosted Iron Ore Holdings Ltd Maitland River Resource extended southwest into Miaree Project tenement E08/1350. Plans were put in place for an initial program of 6-8 deep reverse circulation holes located within E08/1350 and southwesterly adjacent to the Maitland River Resource of Iron Ore Holdings Ltd. Site reconnaissance was completed in October 2011 in preparation for drilling to begin in late 2011 however difficulties in securing drilling contractors and accommodation in Karratha deferred the commencement of drilling until early January 2012. In January 2012, remaining access tracks and drill pads were completed and drilling contractors were mobilised to site however drilling was suspended prior to the completion of the first hole due to deteriorating conditions as a result of Cyclone Iggy.

Between late-January and early March 2012, a total of 6 RC holes were completed for 2102m within E08/1350 to test for the strike extent and width of magnetite mineralisation (see Fig.4). Despite significant delays caused by slow drilling as a result of difficult ground conditions and the cyclonic pattern of weather at the time, results were very encouraging and included:

- strongly mineralised widths in excess of 300m
- grades up to 45.95% Fe
- intersections grading up to 37% Fe
- five of the six holes finishing in strongly mineralised magnetite

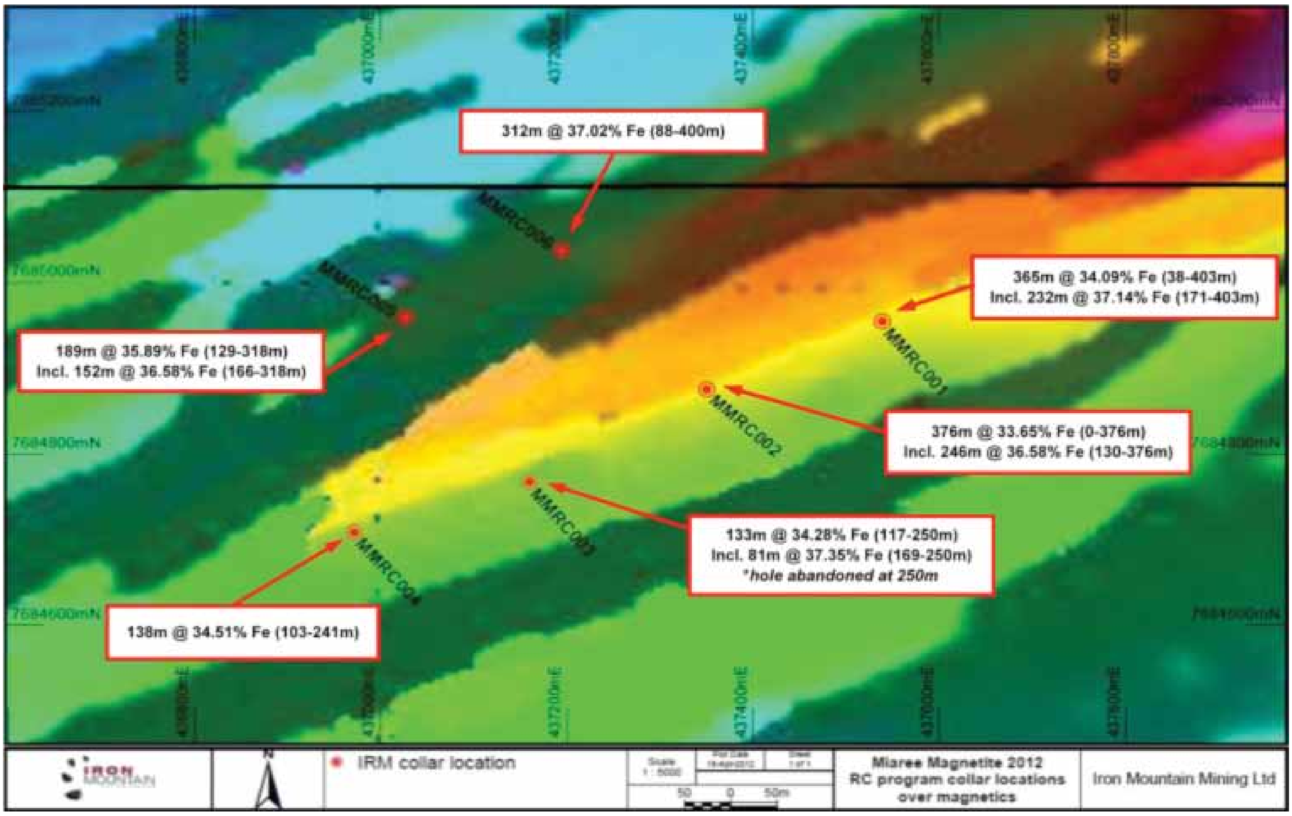


Figure 4 – Approximate position of CKTARC009 and undrilled splay zone of interest.

Following the completion of the second program of drilling in March 2012, accumulated drilling data for both 2008 and 2012 drilling programs were evaluated and compiled prior to being forwarded to independent resource consultants Hackman & Associates Pty Ltd to undertake resource estimations where appropriate. Given the differences in drilling densities, depths and targets between the 2008 and 2012 drilling programs and because there was no overlap, it was determined that both data bases remain separated and individual resource estimations be calculated for each drilling data set. During this time, Iron Ore Holdings Ltd increased their Maitland River Resource to 1.1Bt @ 30.4% Fe (ASX 4 June 2012) which included Area A (190Mt @ 28.3% Fe) and Area B (811Mt @ 31.0% Fe) along strike to the southwest and northeast of E08/1350 respectively (see Fig.2). The Area B resource is to be the subject of a conceptual study by Iron Ore Holdings Ltd to determine the technical feasibility of establishing a magnetite operation. The size and location of the surrounding Maitland Area A & B resources suggests there is scope for the magnetite mineralisation to extend through E08/1350 as one continuous magnetite orebody.

On 13 August 2012, the company announced its maiden Miaree Magnetite Inferred Resource of 286Mt @ 31.36% Fe comprised of 177Mt @ 29.68% Fe based of 2008 drilling and 109Mt @ 34.10% Fe based on drilling undertaken in 2012 (see Table 3). As is evident in Table 1, the first phase of drilling in 2008 was overall significantly shallower than the second phase of drilling undertaken in 2012. Not only did this restrict the vertical extent to which the resource model could be projected with confidence and thus the size of the resource, it also negatively impacted on the head grade as deeper drilling in 2012 confirmed that Fe grades within the project increased with depth. The aeromagnetic response reveals there is approximately 2km strike length of which less than 1km was tested as part of the Miaree South drilling program (see Fig.4)

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

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

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

The company is currently evaluating its options for the Miaree Project. The largest peak intensity magnetic anomaly within the Miaree project tenements remains untested (see Fig.5). Located in the north of E47/1309, the anomaly was not tested as part of the 2008 drilling program to access constraints. Investigations have shown that magnetic intensity correlates strongly with the widest and most mineralised occurrences of magnetite within the Miaree Project. The untested anomaly is approximately 7km x 2km in size and dwarfs the aeromagnetic signatures that host the reported Maitland River (IOH) and Miaree (IRM/RVR) magnetite resources.

In addition to the project being located 10km from the coast, 30km from Karratha on the Northwest Coast Highway and 70km from the planned Anketell port, the Miaree Project tenements and contained magnetite resources are strategically positioned within Iron Ore Holdings Ltd Maitland River Project which hosts the significant Maitland Magnetite Resource (1.1Bt @ 30.4% Fe) of which the central Area B Resource (811Mt @ 31.0% Fe) is currently the focus of a concept study (see Fig.6). Fortescue Metals Group Ltd (FMG) has an option to farm-in to 50% of Iron Ore Holdings Ltd Maitland River Project by 31 March 2013.

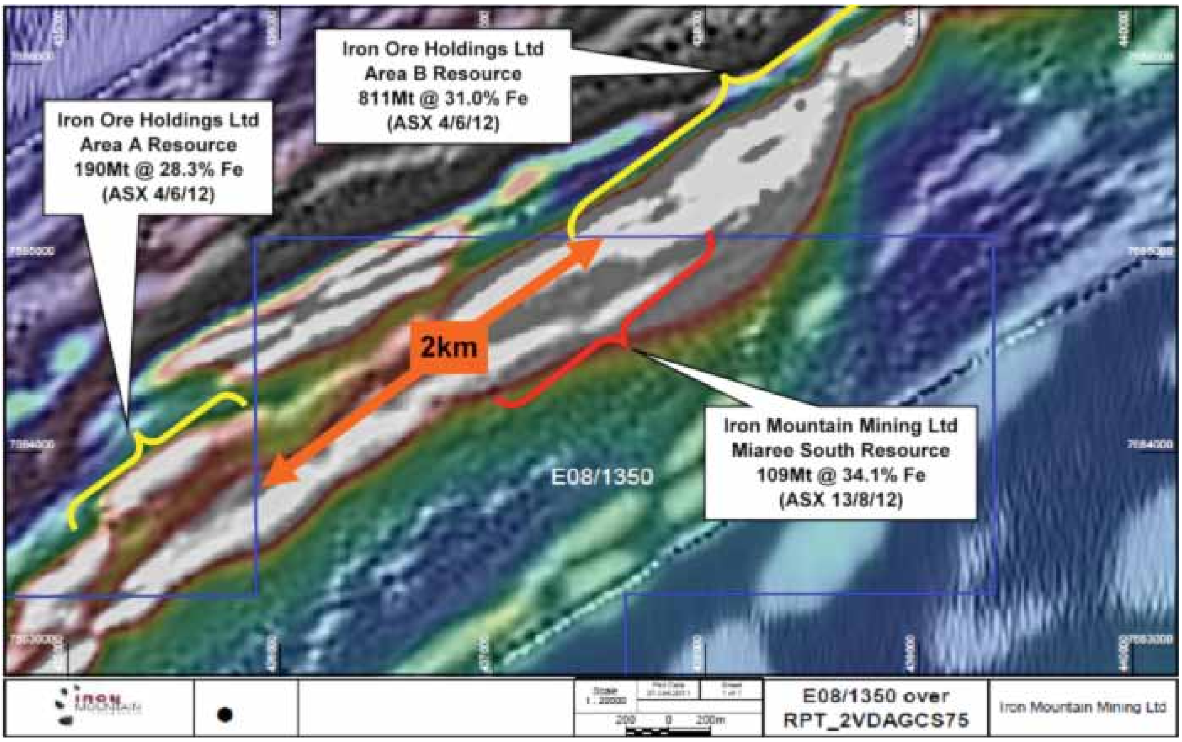


Figure 4 – Miaree Gold Project showing locations of Creek Fault and associated geochemical anomalism

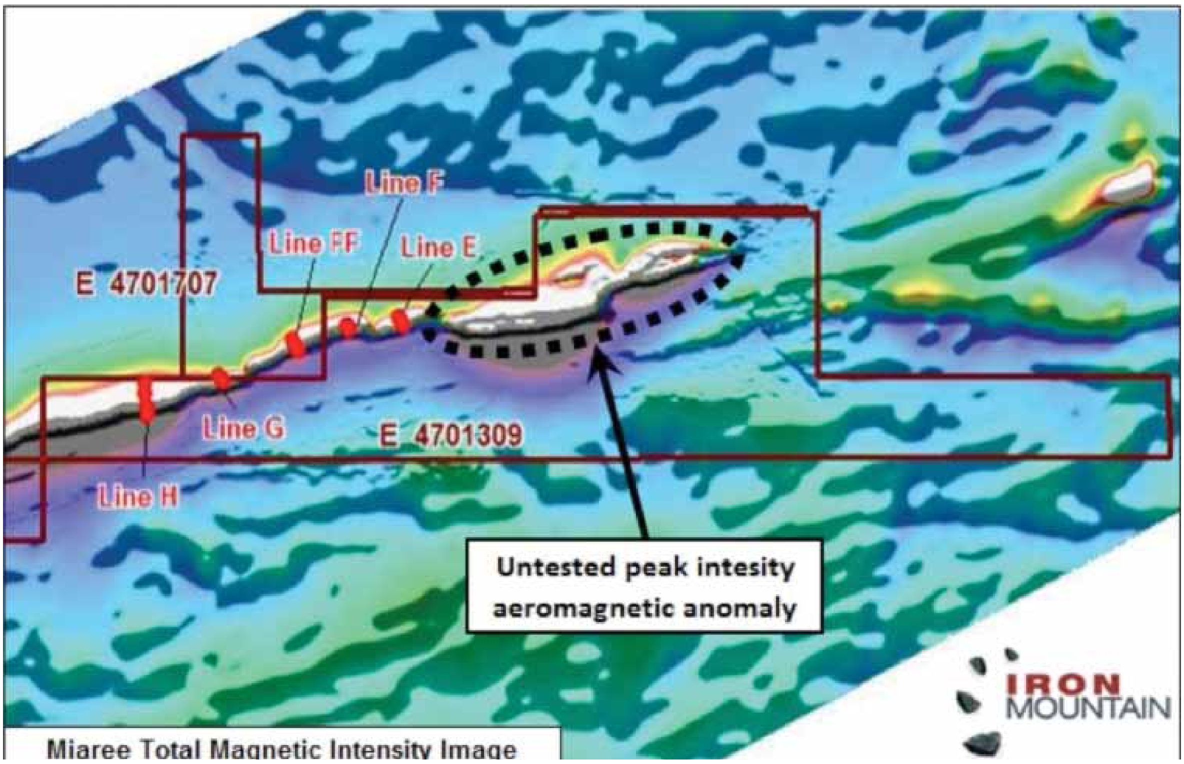


Figure5 – Location of untested peak intensity aeromagnetic anomaly within E47/1309

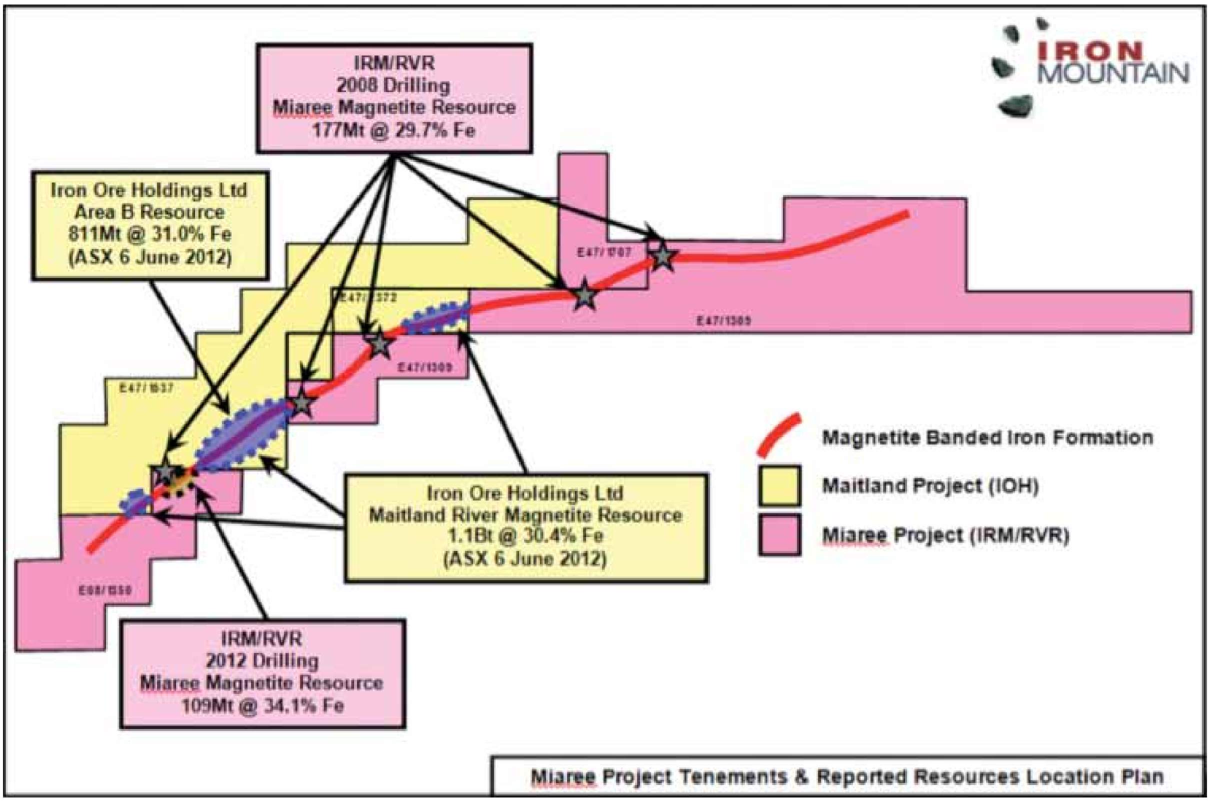


Figure 6 – Plan depicting location of Miaree Project tenements and reported magnetite resources

GOLDEN CAMEL PROJECT
Location : Heathcote Greenstone Belt, VIC

The Golden Camel Project in Victoria is comprised of Mining Licence MIN5548 that was granted on 9 February 2012. MIN5548 is located on the Mt Camel Range within the Heathcote Greenstone Belt in North-Central Victoria and contains the Cornella gold deposit that was previously delineated within former MIN4149 (see Fig.7).

MIN5548 covers an identical area to that formerly covered by MIN4149 that was granted to Rosscraft Minerals Pty Ltd in 1992 and was subsequently sold to New Holland Mining NL (51%) and Perseverance Exploration Pty Ltd (49%) in 1994 prior to their interests being transferred to NuEnergy Capital Pty Ltd and Fosterville Gold Mine Pty Ltd respectively. Perseverance Exploration Pty Ltd delineated a small gold resource at their Cornella East Prospect (MIN4149) in their December 1994 Quarterly Report following the completion of a 36 hole reverse circulation drilling program earlier that year that was supervised by the current managing director of Iron Mountain mining Ltd who at the time was employed as an Exploration Geologist with Perseverance Exploration Pty Ltd. Apart from reports noting two column leach tests, bulk sample CIL and gravity and cyanidation test work, no further development work was undertaken at Cornella East up until the time MIN4149 was surrendered in 2011.

Following the acquisition and assessment of all available historical exploration data, it was confirmed that four phases of drilling had been undertaken within the former MIN4149 comprising of a total of 84 RC holes for 2082m (including one phase by CRA Exploration) and 8 diamond holes for 577.9m. A preliminary review of drilling results has revealed that the deposit contains at least two mineralised chert horizons on the western limb of an anticlinal structure (see Fig.8). The final phase of drilling at the Cornella deposit was completed in the June and September quarters of 1994. It was undertaken by Perseverance Exploration Pty Ltd and comprised of a total of 36 RC holes ("CRN" pre-cursor) for 1373m with best results from obtained drilling data (2m composite samples) including:

CRN105	10m @ 4.80g/t Au	(28-38m)
CRN106	20m @ 2.92g/t Au	(6-26m)
CRN109B	12m @ 4.32g/t Au	(28-40m)
CRN110A	14m @ 3.05g/t Au	(10-24m)

Figure 7 – Location of Golden Camel resource within MIN5548 over Heathcote Greenstone Belt

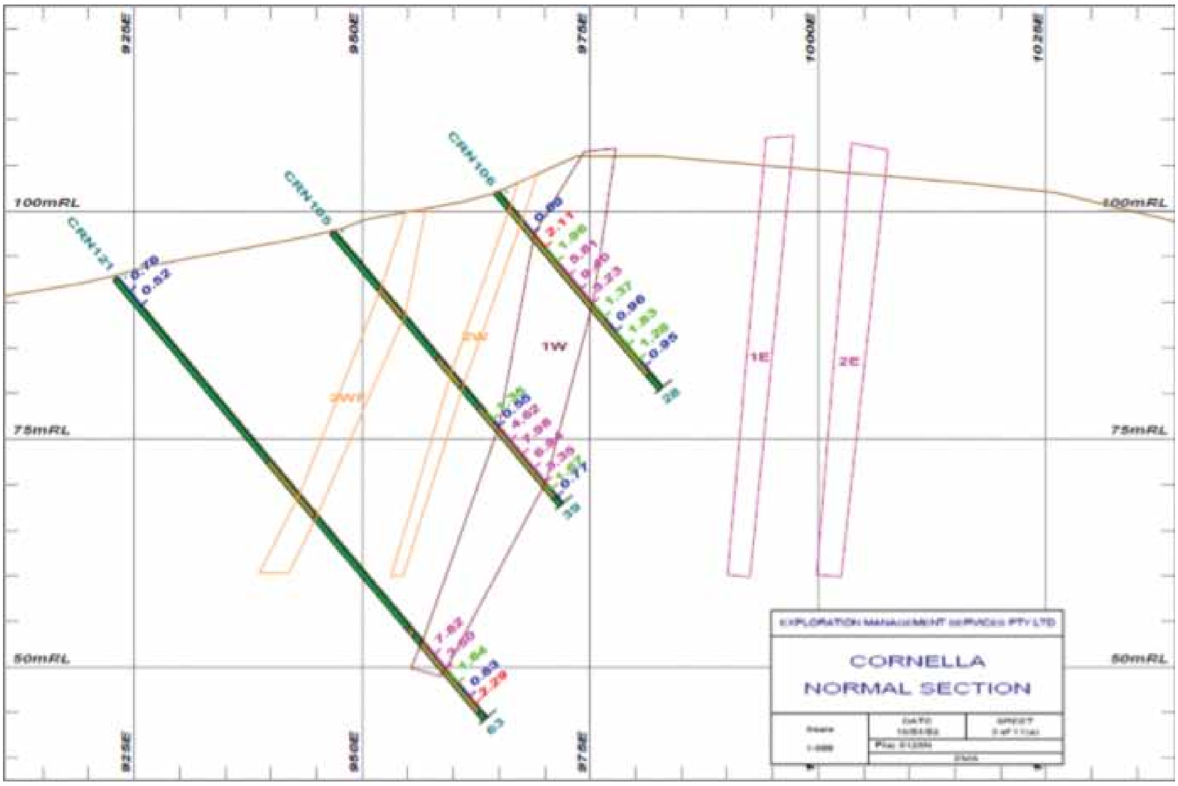


Figure 8 – Golden Camel section showing historical drilling by Perseverance Exploration Pty Ltd, mineralised anticinal western limbs and projected eastern limbs from surface mapping.

Following the final phase of drilling in 1994, Perseverance Exploration Pty Ltd subsequently completed an updated resource calculation for the Cornella deposit with a view to evaluating different mining and treatment scenarios. As announced in their quarterly report for the period ending 31 December 1994, Perseverance Exploration Pty reported a Measured, Indicated and Inferred resource of 439,000t @ 1.5g/t Au at a 0.50g/t Au cut-off (21,000oz). It must be noted that this 1994 resource is not JORC compliant under current JORC 2004 guidelines.

The company was immediately attracted to the rapid development potential of this previously delineated gold deposit as a possible toll treatment operation. A review of historical constraints revealed that it was not technical deficiencies that had caused the deposit to remain undeveloped for so long but rather a combination of circumstances that as a whole were too difficult to overcome. Issues such as conflicting ownership, relatively small scale, low gold prices and an overhanging royalty had basically all been resolved by the surrender MIN4149 and the grant of MIN5548 in 2012. Furthermore, analysis of the existing post-grant project characteristics identified numerous inherent benefits that increase the likelihood for rapid development including:

- Fully granted mining licence
- Existing roads to gate entrance
- Cleared private land with minimal established vegetation (see Fig.9)
- 100% free of Native Title
- Deposit within elevated range which translates to low strip ratio
- Toll treatment scenario significantly reduces capital and permitting requirements
- Trucking distance to several existing gold processing facilities

Figure 9 –Looking east towards the Golden Camel deposit (MIN5548) on the Mt Camel Range within the Heathcote Greenstone Belt in North-Central Victoria.

In July 2012, the company announced a maiden Indicated & Inferred resource of 246,000t @ 2.5 g/t Au (19,700oz) that was estimated by independent resource consultant Zurkic Mining Consultants Pty Ltd (see Table 4). Zurkic Mining Consultants Pty Ltd have been engaged as Resource Estimation and Project Management consultants for the Golden Camel Project and global mining consultancy AMC Consultants have been engaged to the carry out a geotechnical investigation of the deposit required for subsequent pit optimisation and evaluation. There are currently six existing gold processing plants located in Central Victoria that are within acceptable haulage distances of MIN5548 given the potentially achievable mining grades. The Company has held preliminary discussions with several processing plant operators and early indications are that 1.0g/t Au may be an appropriate ore/waste cut-off. Table 4 shows that the resource is robust across a range of grades at this nominal cut-off.

Lower Cut-off Grade (g/t Au)	INDICATED			INFERRED			TOTAL		
	Tonnes (t)	Grade (g/t Au)	Contained Gold (oz)	Tonnes (t)	Grade (g/t Au)	Contained Gold (oz)	Tonnes (t)	Grade (g/t Au)	Contained Gold (oz)
0.5	166,000	2.0	10,700	155,000	2.2	10,800	321,000	2.1	21,600
0.6	158,000	2.1	10,600	150,000	2.2	10,800	308,000	2.2	21,400
0.7	145,000	2.2	10,300	144,000	2.3	10,700	289,000	2.3	21,000
0.8	138,000	2.3	10,200	139,000	2.3	10,500	277,000	2.3	20,700
0.9	125,000	2.4	9,800	136,000	2.4	10,400	261,000	2.4	20,200
1.0	117,000	2.5	9,600	129,000	2.5	10,200	246,000	2.5	19,700
1.1	111,000	2.6	9,400	123,000	2.5	10,000	234,000	2.6	19,300
1.2	102,000	2.8	9,000	119,000	2.6	9,900	221,000	2.7	18,900
1.3	91,000	2.9	8,600	112,000	2.7	9,600	203,000	2.8	18,200
1.4	84,000	3.1	8,300	103,000	2.8	9,200	187,000	2.9	17,500
1.5	76,000	3.2	7,900	97,000	2.9	8,900	173,000	3.0	16,800

Table 4 – Details of the Golden Camel Indicated & Inferred Mineral Resource at varying cut-off grades

It is the intention of the company to undertake necessary technical, metallurgical and economic evaluation of the Golden Camel deposit under a proposed toll treatment model to determine whether or not the project satisfies commercial development requirements. A Work Plan application for a small diamond core drilling program has been lodged with the Department of Primary Industries in Victoria. The proposed Work Plan application consists of 8 holes for a total of 495m that will be comprised of the following:

- 2 geotechnical holes (180m) drilled orientated HQ triple tube diamond core through the hanging wall of the anticipated open pit mine to assess rock type and strength that will be used to optimise pit design
- 2 metallurgical holes (75m) drilled HQ or NQ triple tube diamond core, vertically and at an angle to provide a fresh sample of ore through the oxide-transitional-sulphide zone of the ore body for leach and recovery test work
- 4 resource definition holes (240m) drilled HQ or NQ triple tube diamond core to infill and close areas of the resource model

The planned drilling program is proposed to be drilled all triple tube diamond core to overcome the brecciated nature of the chert hosted ore zones and to exploit the access capabilities of a track mounted diamond only drilling rig. Land access has been granted and drilling contractors appointed in preparation. The company is currently planning for drilling to commence in early-mid November 2012 and take no longer than three weeks to complete. Recovered technical data will then be used to pit optimisation and evaluation ahead of the anticipated lodgement of a Work Plan for mining should all assessments deliver positive outcomes. Additional requirements such as environmental studies and assessment are expected to run concurrently with the evaluation process to expedite the submission process in the event that a decision to mine is warranted.

Given the near surface mineralisation, favourable location and current gold prices, preliminary investigations suggest that the project may deliver a positive NPV at current gold prices under a toll treatment scenario.

MT RICHARDSON PROJECT
Location : Eastern Goldfields, WA

This project is comprised of a single exploration licence (E29/571) located approximately 130km west of the township of Leonora with access via the Menzies-Sandstone road. The development of this project has been managed by Cliffs Asia Pacific Iron Ore Pty Ltd ("Cliffs") within the terms of an Option to Purchase agreement finalised in August 2008 that resulted from early exploration success by Iron Mountain in late 2007. Cliffs are the 100% owner operators of E29/571 following finalisation of the sale of the Mt Richardson Project on 13 July 2010. Iron Mountain retains a royalty of 2% on average/tonne FOB sales value of iron ore product that departs E29/571 as well as a one off payment of AUD 0.50 per dry metric tonne on tonnages in excess of independently evaluated Indicated or Measured resources of 10,000,000 tonnes.

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

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

BLYTHE RIVER PROJECT
Location : Burnie area, Tasmania

On 27 June 2012, the company announced that Forward Mining Ltd had formally acquired the Blythe Magnetite Project in Tasmania from 50:50 Joint Venture operators Iron Mountain Mining Ltd ("Iron Mountain") and Red River Resources Ltd ("Red River") under a restructured system of payments. The 6 granted exploration licences that comprise the Blythe Magnetite Project had been the subject of ongoing exploration since 2008 and during that time had attracted numerous expressions of interest. The Option to Acquire had been signed by both parties in early 2011 and gave Forward Mining an exclusive right to exercise the Option by 31 December 2011. This deadline was subsequently extended by mutual agreement to 30 June 2012 in response to deteriorating market conditions caused by European debt crisis fears.

The originally agreed terms and conditions of the Option to Acquire allowed Forward Mining to take over as managers of the project with total consideration of A$6,300,000 payable and to Iron Mountain and Red River subject to the satisfactory completion of milestones such as Forward Mining Ltd being admitted to the Official List of the ASX, decision to mine and first shipment of iron ore from the project tenements. Under the restructured agreement announced on 27 June 2012 to reflect the volatile nature of current market conditions and provide improved conditions for the successful development of a sustainable long-term mine at Blythe, Forward Mining Ltd acquired the project under the name Blythe River Iron Pty Ltd with the payment of A$650,000 to each of Iron Mountain and Red River Resources Ltd (total payment A$1,300,000).

Total consideration payable (A$6,300,000) remains the same as originally agreed however milestones that trigger future payments have been amended with the clear intention of reducing barriers to project development. Following receipt of the A$1,300,000 execution, the balance of the total consideration (A$5,000,000) is now payable under the following restructured milestones:

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

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

The company acknowledges that remaining future payments are totally dependant on the successful development and commissioning of a sustainable iron ore export operation. Following discussions with Forward Mining Ltd, the company was impressed with proposed plans for the expedited commercial development of the project and were prepared to adopt restructured milestone payments given the realistic potential for a sustainable mining operation to be achieved. The company is confident that the Blythe Project has the potential to be commercially developed by Forward Mining Ltd and thus deliver all outstanding milestone payments as well as an ongoing royalty revenue stream. Future updates on the status of the Blythe Project will be announced as provided by Forward Mining Ltd.

WONGAN HILLS PROJECT
Location : Central Wheat Belt, WA

The Wongan Hills Project is currently comprised of E70/2728 that covers approximately 19km^2 and was originally a joint venture with Red River whereby Iron Mountain could earn up to 70% equity in the project. On 28 August 2010, it was announced that Iron Mountain and Red River had signed a joint venture agreement with Quadrio Resources Pty Ltd ("Quadrio"), a subsidiary of Dominion Mining Limited ("Dominion"), whereby Quadrio could earn 80% equity in exploration licences E70/2437, E70/2443 and E70/2728 by sole funding expenditure of $400,000. In the event of Quadrio moving to 80% of the project, the equity interests of Red River and iron Mountain would be reduced to 15% and 5% respectively. At this point, Red River may then elect to further dilute to a 5% free carried Interest until Quadrio makes a decision to mine but Iron Mountain will remain with a 5% interest during this period. Upon a decision to mine, Red River and Iron Mountain may elect not to contribute and as a result would forgo their equity interest in return for a Net Smelter Return Royalty of 1.875% and 0.625% respectively. As of the March 2010 quarter, Quadrio had satisfied its expenditure requirements to earn an 80% interest in the Wongan Hills JV. On 20 October 2011, Dominion announced that a Scheme Implementation Agreement had been signed with Kingsgate Consolidated Ltd ("Kingsgate") whereby Kingsgate would acquire all of the issued and outstanding shares in Dominion.

The majority of the Wongan West JV is subject to a farm-in agreement with Red River Resources Limited and Iron Mountain under which Kingsgate has earned an 80% interest. The equity interests of Red River and Iron Mountain in E70/2728 have been reduced to 15% contributing and 5% free-carried respectively. Work on the Wongan Project area is subject to access restrictions due to seasonal cropping requirements and project scheduling by Kingsgate. No field exploration work was reported by Kingsgate during the past year.

ELVIRE PROJECT
Location : Pilbara, WA

The Mt Elvire Project is comprised of a single exploration licence 47/1823 covering 12km^2 located south of Port Hedland in Western Australia. The area is considered prospective for channel iron ore accumulations similar in nature to the Yandi deposit (Rio Tinto) as well as for detrital iron ore deposits and was part of a competing application over the same ground highlighting the level of competitor interest in the area. Assessment and evaluation of the Mt Elvire Project is ongoing to determine necessary exploration to be undertaken within restricted seasonal windows of opportunity. No field work was undertaken at Mt Elvire during the year.

TREASURE PROJECT
Location : Alice Springs, NT

The Treasure Prospect is comprised of EL25346 covering 101km^2 located approximately 130km northeast of Alice Springs in the Northern Territory and was originally acquired as part of the Aluminex acquisition in December 2009 (see Fig.10). The project is currently subject to a Joint Venture Agreement with Mithril Resources Ltd ("Mithril") announced on 30 September 2008 whereby Mithril as the JV operator can earn 60% in EL25346 be spending $1m over the first three years (Stage 1) and a further 20% by spending an additional $1m over the following 2 years (Stage 2).

Early in the year, Mithril undertook a field follow-up of VTEM anomalies detected on EL25346 in the previous year. The source of these anomalies has not yet been resolved as there is no outcrop where the anomalies are located. Given the shallow nature of the soil cover, further field verification of these anomalies using shallow auger holes and/or a soil geochemical survey was planned but not executed. Positive results from this work planned for the future will assist in advancing these anomaly targets drilling status. No further field work was completed by Mithril for the remainder of the year.

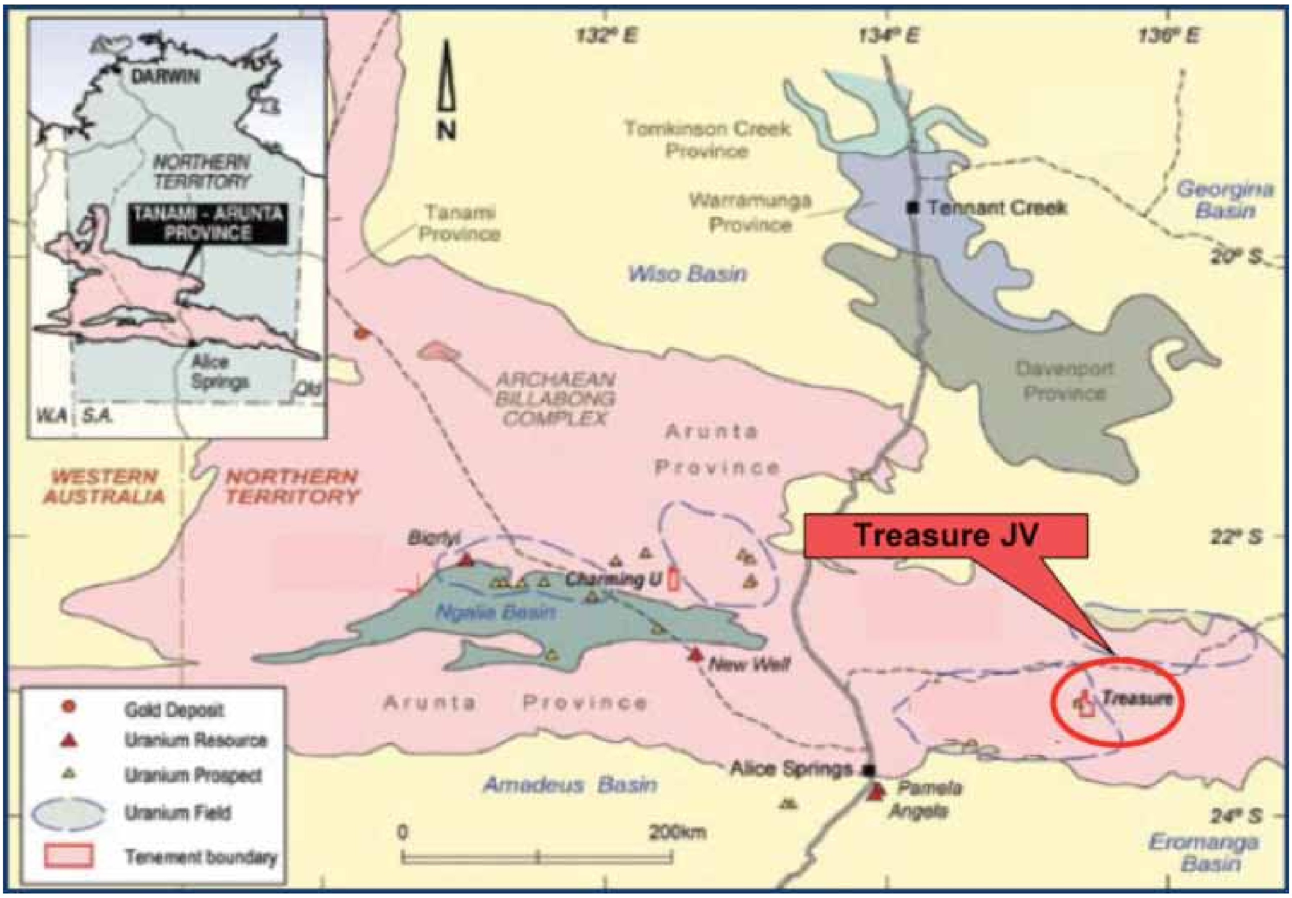


Figure 10 – Treasure JV Project location in the Northern Territory (modified from Aluminex Resources Ltd)

HMS PROJECT
Location : Horsham, Vic

The HMS Project is comprised of 6 granted exploration licences covering 701km^2 over 5 known heavy mineral sand (HMS) deposits within the Murray Basin in Western Victoria. The Murray Basin covers North Western Victoria, South Western New South Wales and South Eastern South Australia and is a prolific producer of heavy mineral sands. Iluka Resources Ltd, currently the largest producer of zircon in the world, has several heavy mineral sand operations in the Murray Basin including a Mineral Separation Plant in Hamilton, Western Victoria. The Murray Basin is Iluka's principal source of rutile production, as well as contributing a major part of the company's zircon production stream. The commissioning of their Kulwin deposit in 2012 followed the conclusion of mining at Douglas and Echo (see Fig.11) and will be followed by the development of the Woornack, Rownack and Pirro (WRP) group of deposits, located 30 kilometres south east of Ouyen.

During the year, the company continued its work validating and evaluating the extensive historical drilling data package with a view preparing a series of plans that will map key characteristics of the identified heavy mineral deposits within the project tenements that will assist in identifying priority targets for selected localised exploration. The company is progressing with a detailed program of acquisition, digitisation and evaluation of extensive open file drilling and exploration data accumulated from work undertaken by Rio Tinto predominantly between the early 1980's and late 1990's. There is potential to isolate premium accumulations of heavy mineral assemblages within identified offshore sheeted fine grained WIM-style deposits with possibly inter-bedded coarse grained strandline deposits.

Preliminary discussions were held with interested parties suggesting that many of the historically inherent problems with Wimmera Industrial Minerals (WIM) style HMS deposits have the potential to be overcome. It is widely anticipated that new technologies for processing the fine grained nature of WIM-style deposits is likely to become publicly available in the not too distant future. The company met with prospective partners during the year with the aim of securing a technically experienced joint venture partner to fund and manage an accelerated exploration program and subsequent feasibility study if warranted.

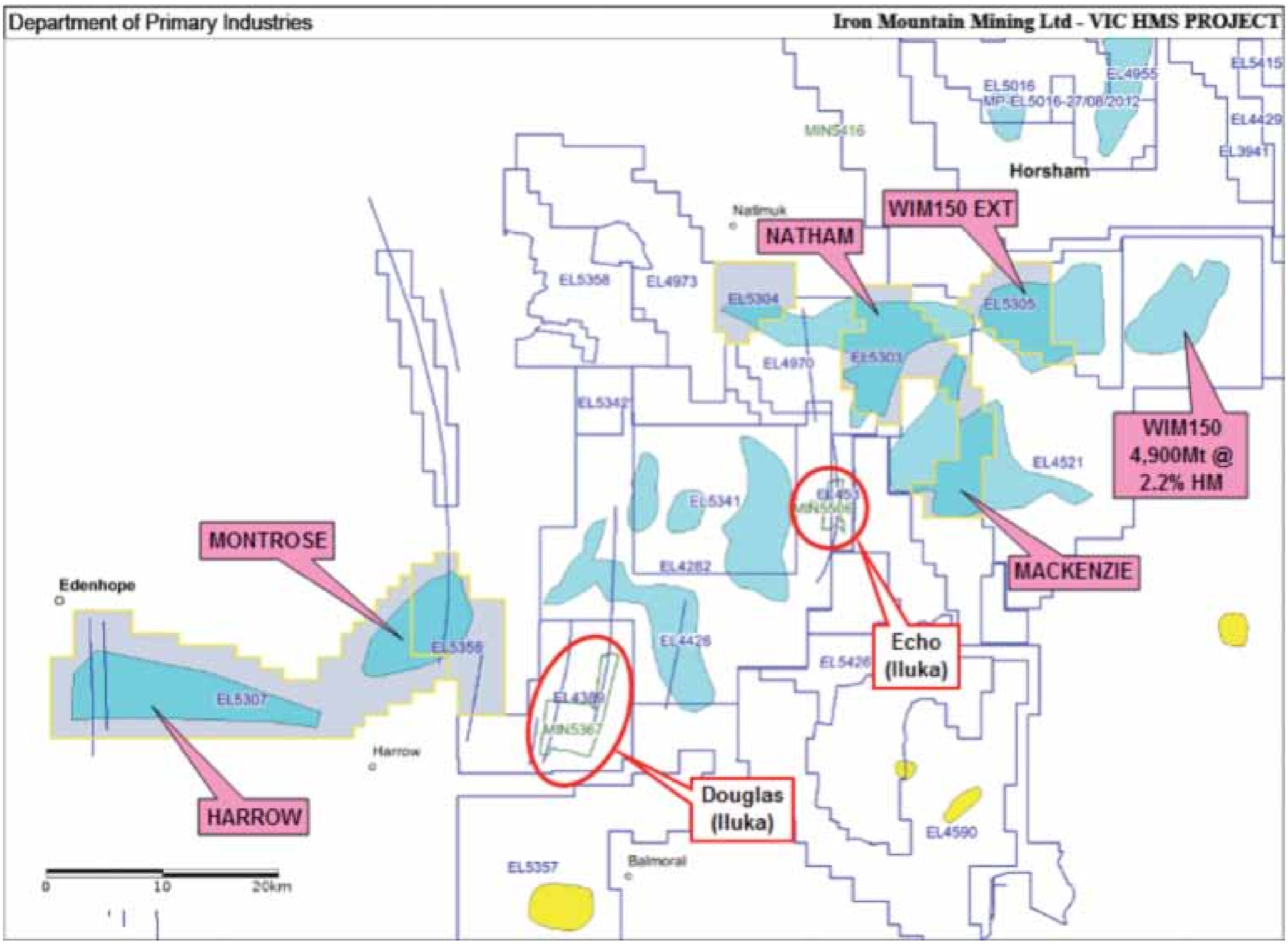


Figure 11 – Location of Vic HMS Project tenements (shaded) as well as identified WIM-style HMS deposits (blue), Iluka's Douglas and Echo operations and the WIM150 deposit.

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

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

RELINQUISHED PROJECTS

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

- Lucky U (Northern Territory)
- Florence Creek (Northern Territory)
- East Kirup (Western Australia)
- Bona Well (Western Australia)

The information within this report as it relates to geology and mineral resources was compiled by Mr Robert Sebek. Mr Sebek is a Member of the Australian Institute of Mining and Metallurgy. Mr Sebek has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code". Mr Sebek is employed by Iron Mountain Mining Ltd and consents to the inclusion in the report of the matters based on information in the form and context which it appears.

Significant changes in the state of affairs

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

On the 27 June 2012 Forward Mining Ltd formally acquired the Blythe River Project in Tasmania from Iron Mountain Mining Ltd and Red River Resources Ltd (50/50). Forward Mining Ltd executed its Option to purchase the Blythe Project under the name Blythe River Iron Pty Ltd with the payment of $650,000 to each of Iron Mountain Mining Ltd and Red River Resources Ltd (Total payment $1,300,00).

On 6th March 2012 Iron Mountain Mining Ltd announced that it had signed a binding Agreement with Alpha Bauxite Pty Ltd ('Alpha") for the 100% sale of the Wandoo Project tenements.

On the 24th August 2012 Iron Mountain Mining Ltd announced that settlement of the sale of Wandoo Bauxite Project to Alpha Bauxite Pty Ltd is complete following the receipt of A$4,000,000.

Matters Subsequent to the End of the Financial Year

On 6 July 2012 Iron Mountain Mining Ltd has announced that it has determined to make an off market bid for all shares and options in United Orogen Ltd.

On 1 August 2012 Iron Mountain Mining Ltd has received formal notification from Alpha Bauxite Pty Ltd of its intention to purchase the Wandoo Bauxite Project in Western Australia from Iron Mountain Mining Ltd for $4,000,000 and a royalty of $0.75 per tonne of any future production from the Wandoo Project.

Other than the matters referred to above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results of Operations

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

Environmental Regulation

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

Greenhouse Gas and Energy data reporting requirements

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

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

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

For the year ended 30 June 2012 the group was below the reported threshold for both legislative reporting requirements therefore is not required to register or report. The group will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

Greenhouse Gas and Energy data reporting requirements

The Group has assessed its reporting obligations under the National Greenhouse and Energy Reporting Act 2007 and Energy Efficiency Opportunities Act 2006. For the year ended 30 June 2012, the Group was below the reported thresholds for both legislative reporting requirements, therefore is not required to register or report. The Group will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

Directors' Meetings

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

	Board Meetings	
Director	Number of meetings held	Number of meetings attended
David Alan Zohar	4	4
Simon Christopher England	4	4
Dr Zhukov Pervan	4	2
Robert Sebek	4	4

REMUNERATION REPORT (AUDITED)

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

Principles used to determine the nature and amount of remuneration

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

Executive Remuneration

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

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

Refer below for details of Executive Directors' remuneration.

Non-Executive Remuneration

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Board recommends the actual payments to directors. The maximum aggregate remuneration approved for non-executive directors is currently $250,000 (2011: $250,000). All directors are entitled to have indemnity insurance paid by the Group which is currently $12,155 (2011: $12,490).

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

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

Executives are also entitled to participate in the employee share and option arrangements. Refer to Note 19(b) to the financial report for details of all Directors' share and option holdings.

The Executive Directors and Executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

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

The Board policy is to remunerate NonExecutive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the NonExecutive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required, during the year no advice was sought. The maximum aggregate amount of fees that can be paid to nonexecutive directors is subject to approval by shareholders at the Annual General Meeting. Fees for NonExecutive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in Iron Mountain Mining Ltd and are able to participate in an employee option plan (none adopted to date).

Performance Based Remuneration

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

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

Details of Remuneration

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

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

Directors

David Alan Zohar (Non-Executive Director)

Simon Christopher England (Non-Executive Chairperson)

Robert Sebek (Managing Director)

Dr Zhukov Pervan (Non-Executive Director)

Company Secretaries

Suraj Sanghani (Resigned 4 July 2012)
Shoshanna Zohar (Appointed 4 July 2012)

General Counsel

Shoshanna Zohar

Key Management Personnel Remuneration:

2012

	Short Term		Post-employment	Share based payments			
Name	**Cash salary and fees $**	**Cash bonus $**	**Superannuation $**	**Options $**	**Shares $**	**Total $**	**Value of Share Based payments as a % of total remuneration**
Directors							
Robert Sebek	160,000	-	14,400	-	-	174,400	0.00%
Dr Zhukov Pervan	60,000	-	-	-	-	60,000	0.00%
David Zohar	74,200	-	23,900	-	-	98,100	0.00%
Simon England	65,000	-	-	-	-	65,000	0.00%
Company Secretary/ General Council							
Suraj Sanghani[1]	106,750	-	9,608	-	-	116,358	0.00%
Shoshanna Zohar[2]	138,000	-	12,420	-	-	150,420	0.00%
Total	603,950	-	60,328	-	-	664,278	0.00%

[1] Suraj Sanghani resigned from the position of company secretary on 4 July 2012. An amount of $44,179 (excl GST) was recharged to director related companies of David Zohar during the year.

[2] Ms Shoshanna Zohar was appointed company secretary on 4 July 2012. The reported remuneration was remuneration paid to Ms Shoshanna whilst she was an employee, prior to her appointment as Company Secretary. An amount of $6,150 (excl GST) was recharged to director related companies of David Zohar during the year.

2011

	Short Term		Post-employment	Share based payments			
Name	**Cash salary and fees $**	**Cash bonus $**	**Superannuation $**	**Options $**	**Shares $**	**Total $**	**Value of Share Based payments as a % of total remuneration**
Directors							
Robert Sebek	160,000	-	14,400	151,800	-	326,200	46.54%
Dr Zhukov Pervan	60,000	-	-	-	-	60,000	0.00%
David Zohar	36,100	-	29,900	-	-	65,400	0.00%
Simon England	65,000	-	-	-	-	65,000	0.00%
Company Secretary/ General Council							
Mark Killmier[1]	206,494	-	15,473	-	-	221,967	0.00%
Suraj Sanghani[2]	33,504	-	3,015	-	-	36,519	0.00%
Total	561,098	-	62,188	151,800	-	775,085	19.58%

[1] Mr Killmier resigned from the position of chief financial officer and company secretary on 13 May 2011.
[2] Mr Sanghani was appointed company secretary on 13 May 2011. The reported remuneration includes remuneration paid to Mr Sanghani whilst he was an employee, but prior to his appointment as Company Secretary.

Share Based Compensation

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

Director	Options issued as compensation	Issue Date / date vested and exercisable	Value per option at grant date (cents)	Exercise price (cents)	Expiry Date
Robert Sebek	2,000,000	1 June 2011	7.59	20	1 May 2016

There was no share based compensation for the year.

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

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

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

No other options have been issued during the year.

Additional Information

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

	2012	2011	2010	2009	2008
Quoted price of ordinary shares at period end (cents)	2.8	8.7	5	8	28
Quoted price of options at period end (cents)	-	0.7	2.3	2	15
Earnings / (loss) per share	(2.76)	1.13	0.00	(1.11)	(1.92)
Dividends paid	-	-	-	-	-

Service Agreements and Remuneration Commitments

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

The value of the service agreement is as follows:

30 June 2012	Mr Sebek
Due within 1 year	13,415
Due later than 1 year	-
Total	13,415

Apart from the above agreement described there are no outstanding commitments payable to any of the key management personnel as at 30 June 2012.

Securitisation Policy

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

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

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

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

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

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

Voting and comments made at the company's 2011 Annual General Meeting.

Iron Mountain Mining Ltd received more than 88% of "yes" votes on its remuneration report for the 2011 financial year.

End of remuneration report (audited)

Shares under Option

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

Date options granted	Expiry Date	Issue price of shares	Number under option
1 June 2011	1 May 2016	20 cents	2,000,000
3 June 2011	1 May 2016	20 cents	15,000,000
3 June 2011	1 May 2016	20 cents	15,000,000

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

No shares were issued during the year ended 30 June 2012 on the exercise of options granted.

Indemnifying Officers

During the financial year, Iron Mountain Mining Ltd paid a premium of $12,155 (GST incl) to insure the directors and secretaries of the company and its controlled entities.

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

Proceedings on behalf of the Group

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

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

Non-audit Services

No non-audit services were provided to the Group by the Group's auditors during the year ended 30 June 2012. Non-audit services are only provided by the Group's auditors where the Board of Directors is satisfied that the provision of non-audit related services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.*

Auditor's Independence Declaration

The auditor's independence declaration as required under *section 307C of the Corporations Act 2001*, for the year ended 30 June 2012 has been received and is set out on page 31.

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

Robert Sebek
Director

17 September 2012
Perth, Western Australia

Auditor's Independence Decloration

BDO

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

17 September 2012

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

Dear Sirs,

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

As lead auditor of Iron Mountain Mining Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

C Burton

CHRIS BURTON
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

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Consolidated Statement of Comprehensive Income

As at 30 June 2012

	Note	2012 $	2011 $
Revenue from continuing operations	5	375,469	620,548
Other Income	5	700,000	6,025,000
Administration		(300,667)	(494,155)
Exploration costs		(697,644)	(1,374,505)
Depreciation	13	(46,199)	(51,492)
Employment costs		(1,055,292)	(1,339,450)
Impairment of available for sale financial assets	12	(97,034)	(323,971)
Impairment of investments in associates	11	(90,155)	-
Impairment of exploration and evaluation expenditure	14	(1,809,018)	-
Impairment of Goodwill		(113,872)	-
Loss on sale of available for sale financial asset		(36,777)	-
Share of net loss of associates accounted for using the equity method	11	(455,659)	-
Writeback / (allowance) for impairment of receivables		(114,072)	(335,656)
Takeover expenses		-	(233,390)
(Loss) / Profit before Income Tax		(3,740,920)	2,492,929
Income tax (expense) / benefit	6	-	(1,104,829)
(Loss) / Profit for the Year		**(3,740,920)**	**1,388,100**
(Loss) / Profit attributable to owners of Iron Mountain Mining Ltd		**(3,740,920)**	**1,388,100**
Other Comprehensive Income / (Loss)			
Changes in the fair value of available for sale financial assets	12	(63,471)	(7,906)
Other comprehensive loss for the year net of tax		(63,471)	(7,906)
Total comprehensive income / (loss) for the year attributable to the owners of Iron Mountain Mining Ltd		**(3,804,391)**	**1,380,194**
Total comprehensive income / (loss) for the year		**(3,804,391)**	**1,380,194**
Basic earnings per share (cents)	27	(2.76)	1.13
Diluted earnings per share (cents)	27	(2.76)	0.71

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

Consolidated Statement of Financial Position

As at 30 June 2012

	Note	2012 $	2011 $
CURRENT ASSETS			
Cash and Cash Equivalents	7	3,274,483	4,851,819
Trade and Other Receivables	8	44,533	326,647
Assets Held for Sale	9	4,000,000	-
TOTAL CURRENT ASSETS		7,319,016	5,178,466
NON-CURRENT ASSETS			
Receivables	10	46,700	46,700
Investments accounted for using the equity accounting method	11	59,962	-
Available For Sale Financial Assets	12	91,883	482,566
Property, Plant and Equipment	13	1,766,110	1,751,897
Exploration and Evaluation Expenditure	14	30,000	5,703,762
Goodwill		-	113,872
TOTAL NON-CURRENT ASSETS		1,994,655	8,098,797
TOTAL ASSETS		9,313,671	13,277,263
CURRENT LIABILITIES			
Trade and Other Payables	15	181,283	340,629
Provisions	16	30,987	30,842
TOTAL CURRENT LIABILITIES		212,270	371,471
TOTAL LIABILITIES		212,270	371,471
NET ASSETS		9,101,401	12,905,792
EQUITY			
Contributed Equity	17	14,297,825	14,297,825
Reserves	18	1,157,291	1,220,762
Accumulated Losses		(6,353,719)	(2,612,799)
Capital and Reserves attributable to the owners of Iron Mountain Mining Limited		9,101,397	12,905,788
Non Controlling Interest		4	4
TOTAL EQUITY		9,101,401	12,905,792

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

Consolidated Statements of Changes in Equity

As at 30 June 2012

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

2012	Contributed Equity $	Accumulated Losses $	Asset Revaluation Reserve $	Option Reserve $	Total $	Non Controlling Interest $	Total $
Balance as at 1 July 2011	14,297,825	(2,612,799)	58,757	1,162,005	12,905,788	4	12,905,792
Total comprehensive income for the year							
Loss for the year	-	(3,740,920)	-	-	(3,740,920)	-	(3,740,920)
Other comprehensive loss							
Change in fair value of available for sale financial assets	-	-	(63,471)	-	(63,471)	-	(63,471)
Total other comprehensive loss for the year	-	-	(63,471)	-	(63,471)	-	(63,471)
Total comprehensive loss for the year	-	(3,740,920)	(63,471)	-	(3,804,391)	-	(3,804,391)
Transactions with equity holders in their capacity as equity holders							
Shares issued during the year	-	-	-	-	-	-	-
Options issued during the year	-	-	-	-	-	-	-
Balance as at 30 June 2012	14,297,825	(6,353,719)	(4,714)	1,162,005	9,101,397	4	9,101,401

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

Consolidated Statement of Cash Flows

As at 30 June 2012

	Note	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		190,915	280,710
Receipts from customers		289,316	947,507
Option Income		55,000	6,025,000
Sale of tenements		715,000	-
Expensed payments for exploration and evaluation		(697,643)	(426,010)
Expensed payments to suppliers and employees		(1,407,807)	(2,510,501)
NET CASH (OUTFLOWS)/INFLOWS FROM OPERATING ACTIVITIES	25	(855,219)	4,316,706
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for available for sale financial assets		(592,679)	(116,408)
Proceeds from sale of property, plant and equipment		-	3,727
Payments for property, plant and equipment		(60,412)	(44,261)
Payment for exploration and evaluation		(135,257)	(385,858)
Proceeds from sale of available for sale financial assets		180,303	-
NET CASH (OUTFLOWS) FROM INVESTING ACTIVITIES		(608,045)	(542,800)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans to related entities		(114,072)	(335,657)
NET CASH (OUTFLOWS) FROM FINANCING ACTIVITIES		(114,072)	(335,657)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,577,336)	3,438,249
Cash and cash equivalents at the beginning of the financial year		4,851,819	1,413,570
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	3,274,483	4,851,819

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

Compliance with IFRS

The financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

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

Critical accounting estimates and significant judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Iron Mountain Mining Ltd (company) as at 30 June 2012 and the results of all subsidiaries for the year then ended. Iron Mountain Mining Ltd and its subsidiaries together are referred to in this financial report as either the Consolidated Entity or Group.

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

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

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

Changes in ownership interests

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

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

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

Associates

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

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

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

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

(c) Business combinations

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

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

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

(d) Exploration and evaluation expenditure

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

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

(e) Impairment of assets

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

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

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

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

(f) Trade Receivables

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

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

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

(g) Property, Plant & Equipment

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

Property

Buildings are shown at cost less subsequent depreciation for buildings.

Depreciation

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

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

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

(h) Income Tax

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

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

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

(i) Employee Benefits

(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations
The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

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

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

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

Refer to Note 26 for further information.

(k) Cash and Cash Equivalents

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

(l) Revenue Recognition

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

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

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

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

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

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

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

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

(p) Joint Ventures

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

(q) Provisions

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

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

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

(r) Leases

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

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

(s) Earnings per Share

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

Diluted earnings per share

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

(t) Investments and other Financial Assets

Classification

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

Recognition

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

Available-for-sale financial assets

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

Loans and receivables

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

Subsequent Measurement

Available-for-sale financial assets are subsequently measured at fair value. Changes in the fair value of available-for-sale financial assets are recognised in the statement of comprehensive income.

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

Impairment

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

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

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

(u) Comparatives

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

(v) Segment reporting

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

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

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

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

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

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

(x) Intangible assets

Goodwill

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

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

(y) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010- 7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2015).

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. The Group is yet to assess its full impact. However, initial indications are that it will not affect the Group's accounting for its available-for-sale financial assets, as AASB 9 appears to continue the current treatment of the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

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

(ii) AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities*, revised AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*
(Effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. While the group does not expect the new standard to have a significant impact on its composition, it has yet to perform a detailed analysis of the new guidance in the context of its various investees that may or may not be controlled under the new rules.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

The group's investment in the joint venture partnership will be classified as a joint venture under the new rules. As the group already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the group's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The group is still assessing the impact of these amendments.

The group does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

(iii) AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

(iv)Revised AASB 119 *Employee Benefits*, AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB* 119 (September 2011) and AASB 2011-11 *Amendments to AASB 119* (September 2011) *arising from Reduced Disclosure Requirements* (effective 1 January 2013)

In September 2011, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(v) AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective for annual reporting periods beginning after 1July 2013)*

In July 2011 the AASB amended AASB 124 Related Party Disclosures to remove individual key management personnel (KMP) disclosures from AASB 124 on the basis they are not part of International Financial Reporting Standards (IFRSs), which include requirements to disclose aggregate (rather than individual) amounts of KMP compensation. Early adoption of this amendment is not permitted so the group will apply the revised standards from 1 July 2013.

(vi) AABS 2011 – 9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (effective for annual reporting periods beginning after 1July 2012)*

In September 2011 the AASB made amendments to a number of accounting standards as a consequence of the issuance of the IASB Standard Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) in June 2011.

The main change resulting from the amendments is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements.

The amendments do not change the option to present items of OCI either before tax or net of tax. However, if the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified to profit or loss and those that will not be reclassified) must be shown separately.

The group intends to apply this amendment from 1 July 2012

2. Financial Risk Management

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

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

The Consolidated Entity holds the following financial instruments:

	2012	**2011**
	$	**$**
Financial Assets		
Cash and cash equivalents	3,274,483	4,851,819
Trade and other receivables	44,533	326,647
Performance bonds	46,700	46,700
Available-for-sale financial assets	91,883	482,566
	3,457,599	5,707,732
Financial Liabilities		
Trade and other payables	(181,283)	(340,629)
	(181,283)	(340,629)

(a) Market Risk

(i) Foreign Exchange Risk

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

Sensitivity

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

(ii) Price risk

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

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

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

The Group is not exposed to commodity price risk.

The table below summarises the impact of the all ordinaries index on the Consolidated and Parent entity's post-tax profit for the year and on equity. The analysis is based on the assumption that the all ordinaries index had decreased by 11.25% (2011 – Increased by 7.84%) with all other variables held constant and all the Consolidated Entity's equity instruments moved according to the historical correlation with the index.

	Impact on Equity		Impact on Post Tax Profit	
	2012	2011	2012	2011
	$	$	$	$
All ordinaries index	132,112	395,729	97,034	323,971

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

Given the nature of the financial assets, the Directors believe the All Ordinaries Index is the most appropriate benchmark to measure the sensitivity of the price risk of the Group's listed financial investments. However it should be noted that the maximum negative impact on the statement of comprehensive income is $91,883 (2011: $482,566).

(i) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from funds on interest bearing deposits. Funds on interest bearing deposits at variable rates expose the Consolidated Entity to cash flow interest rate risk. During 2012 and 2011, the Consolidated Entity's funds on deposit at variable rate were denominated in Australian Dollars only.

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

	30 June 2012		30 June 2011	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	$	%	$
Funds on deposit	5.63	3,274,483	4.71	4,851,819

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

Consolidated Entity sensitivity
At 30 June 2012, if interest rates had changed by -100/+ 70 basis points (2011 by -100/+ 70 basis points) from the year-end rates with all other variables held constant, post-tax profit for the year would have been $31,732 lower / $22,212 higher (2011 – change of 100/70 bps: -$58,013 / $40,609 lower/higher), mainly as a result of higher/lower interest income from cash and cash equivalents. Equity would have been $31,732 lower / $22,212 higher (2011 - $58,013 / $40,609 lower/higher) mainly as a result of an increase/decrease in the interest income from cash and cash equivalents.

(b) Credit Risk

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

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

	2012 $	2011 $
Financial Assets		
Cash and cash equivalents	3,274,483	4,851,819
Trade and other receivables	44,533	326,647
Available for sale financial assets	91,883	482,566
Total Assets Held For Sale	3,410,899	5,661,032

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

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

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

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

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

(c) Liquidity Risk

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

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

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

(d) Fair Value Measurements

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

As of 1 July 2009, Iron Mountain Mining Limited has adopted the amendment to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

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

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).
The following tables present the Group's assets measured and recognised at fair value at 30 June 2012. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

Group – at 30 June 2012	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
Equity securities	91,883	-	-	91,883
Total assets	91,883	-	-	91,883

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

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

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

3. Critical Accounting Estimates and Judgements

Key estimates

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

During the year ended 30 June 2012, the Group made significant judgement about the impairment of a number of its available-for-sale financial assets.

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

The decline in fair value below cost for some of these assets has been considered to be significant and/or prolonged.

The Group has recorded an impairment loss during the year ended 30 June 2012 of $2,224,151 (2011: $659,627), being the transfer of the accumulated fair value adjustments on the impaired available-for-sale financial assets, the impairment of related party loan and acquired property, plant and equipment to the statement of comprehensive income.

(ii) Exploration and evaluation expenditure

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

(iii) Share based payments

The Group's accounting policy for share based payments results in the cost of equity-settled transactions with employees being measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. In undertaking this valuation, the Group makes certain judgments regarding the model inputs. In determining the model inputs consideration is made of publicly available information of transactions of a similar nature.
The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.
Refer to Note 26 for further information.

(iv) Recognition of deferred taxes

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

After reviewing the Group's current contracts and future revenue and expense estimates, the Group's management have made a judgement that whilst there is an expectation that there will be sufficient future taxable amounts available to utilise the Future Tax Assets, there is insufficient evidence available to recognise the Future Tax Assets at 30 June 2012 as required under AASB 112 Income Taxes.

(v) Revenue and contingent assets

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

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

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

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

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

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

Mt Richardson

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

4. Parent Entity Information

The following details information related to the parent entity, Iron Mountain Mining Limited, at 30 June 2012. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2012 $	2011 $
Current assets	5,367,726	7,066,953
Non-current assets	3,891,526	6,215,768
Total assets	**9,259,252**	**13,282,721**
Current liabilities	217,856	364,971
Total liabilities	**217,856**	**364,971**
Contributed equity	14,297,825	14,297,825
Accumulated losses	(6,418,434)	(2,605,081)
Reserves	1,162,005	1,225,005
Total equity	**9,041,396**	**12,917,749**
Profit / (Loss) for the year	(3,813,353)	1,443,428
Other comprehensive income for the year	(63,000)	(11,000)
Total comprehensive income for the year	**(3,876,353)**	**1,432,428**

The parent company, Iron Mountain Mining Limited has lent an amount of $2,048,721 to 100% owned subsidiary Aluminex Resources Limited and an amount of $486,823 to 60% owned subsidiary Macquarie, Marble and Lime Pty Limited. Details of the loans can be found in Note 23.

The Directors are not aware of any contractual commitments or contingent liabilities or assets as at 30 June 2012.

5. Revenue

	2012 $	2011 $
From Continuing Activities		
Sales revenue - Services	201,838	313,326
Other Revenue		
Interest received	173,631	307,222
	375,469	620,548
Other Income		
Option fee	50,000	6,025,000
Sale of tenements	650,000	-
	700,000	6,025,000
Loss on sale of fixed assets	-	317

6. Income Tax

a. Income Tax Expense / (Benefit)

	2012 $	2011 $
Deferred tax	-	1,104,829
	-	1,104,829
Deferred income tax (revenue) expense included in income tax expense comprises:		
(Increase)/ decrease in deferred tax assets	-	1,104,829
	-	1,104,829

b. Numerical reconciliation of income tax to prima facie tax payable

	2012 $	2011 $
Net Profit /(Loss) before tax	(3,740,920)	2,492,929
Tax expense / (benefit) at the Australian tax rate of 30%	(1,122,276)	747,879
Tax effect of amounts that are not deductible / taxable in calculating taxable income		
Sundry non-deductible items	(79,254)	3,864
Exploration costs	(40,577)	(1,220,595)
Impairment	667,245	197,888
Share of net loss of associate	141,188	-
Sundry non-taxable items	5,347	(7,954)
Tax benefit of losses and temporary differences not previously brought to account	-	-
Future tax assets not brought to account	428,327	1,383,747
Income tax expense /(benefit)	-	1,104,829

Tax Losses

	2012 $	2011 $
Unused tax losses for which no deferred tax asset has been recognised.	8,151,898	6,156,473
Potential tax benefit @ 30%	2,445,569	1,846,942

Included in the Future Tax Assets not brought to account are tax losses for which no deferred tax asset has been recognised, but where a Future Tax Asset had been recognised in a prior year.

After reviewing the Group's current contracts and future revenue and expense estimates, the Group's management have made a judgement that whilst there is an expectation that there will be sufficient future taxable amounts available to utilise the deferred tax assets, there is insufficient evidence available to recognise the Future Tax Assets at 30 June 2012 as required under AASB 112 Income Taxes. Accordingly the tax losses available as at 30 June 2012 have not been recognised as Future Tax Assets

7. Cash and Cash Equivalents

	2012 $	2011 $
Cash at bank and in hand	3,274,483	4,851,819
	3,274,483	4,851,819

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

8. Trade and Other Receivables

	2012 $	2011 $
Trade receivables	23,983	139,464
Goods and services tax refund	-	149,370
Accrued revenue	8,847	26,670
Prepayments	11,703	11,143
	44,533	326,647

There are no past due receivables.
Refer to Note 2 for financial risk management.
There are no past due or impaired receivables.

9. Assets Available for Sale

	2012 $	2011 $
Opening Balance	-	-
Transfer from Exploration Expenditure	4,000,000	
Closing Balance	4,000,000	-

On 6th March 2012 Iron Mountain Mining Ltd announced that it had signed a binding Agreement with Alpha Bauxite Pty Ltd ('Alpha") for the 100% sale of the Wandoo Project tenements.

On the 24th August 2012 Iron Mountain Mining Ltd announced that settlement of the sale of Wandoo Bauxite Project to Alpha Bauxite Pty Ltd is complete following the receipt of A$4,000,000.

The capitalised exploration expenditure is reclassified to assets available for sale. (Refer to note 14)

10. Receivables

	2012 $	2011 $
Performance bonds	46,700	46,700
	46,700	46,700

There are no past due or impaired receivables.

11. Investments accounted for using the equity method

	2012 $	2011 $
Investment in associates	59,962	-
	59,962	-

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

(a) Movements in carrying amounts

	2012 $	2011 $
Carrying amount at the beginning of the year	-	-
Transfers from available for sale financial assets at fair value	605,775	-
Share of loss	(455,658)	-
Impairment	(90,155)	-
Carrying amount at the end of the year	59,962	-

(b) Summarised financial information of associates

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

		Company's share of:			
2012	Ownership Interest %	Assets $	Liabilities $	Revenues $	Loss $
United Orogen Limited*	18.86%	1,280,123	15,320	20,128	(455,658)
		1,280,123	15,320	20,128	(455,658)

* listed entity

United Orogen Limited became an associate of Iron Mountain Mining Limited on 30th August 2011.

United Orogen Limited is incorporated in Australia.

(c) Fair Value of investments in associates

	2012 $	2011 $
United Orogen Limited	59,962	-
	59,962	-

(d) Fair Value of investments in associates

United Orogen Limited does not have any contingent liabilities as at 30 June 2012.

12. Available-for-sale Financial Assets

	2012 $	2011 $
Listed equity securities at fair value	91,883	432,566
Unlisted investments at fair value	-	50,000
	91,883	482,566

	2012 $	2011 $
At beginning of year	482,566	698,035
Acquisitions	592,679	116,408
Disposals	(217,082)	-
Fair value adjustments	(63,471)	(7,906)
Impairment of available for sale financial assets	(97,034)	(323,971)
Transfer to investments accounted for using the equity accounting method	(605,775)	-
At end of year	91,883	482,566

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

Refer to Note 23 for related party disclosures.

Refer to Note 2 for risk management.

13. Property, Plant and Equipment

	2012 $	2011 $
BUILDINGS		
Buildings:		
At cost	1,732,847	1,675,329
Accumulated depreciation	(104,636)	(84,002)
TOTAL BUILDINGS	1,628,211	1,591,327
PROPERTY IMPROVEMENTS		
At cost	99,526	99,080
Accumulated amortisation	(7,331)	(4,845)
TOTAL PROPERTY IMPROVEMENTS	92,195	94,235
PLANT AND EQUIPMENT		
At cost	197,580	195,131
Accumulated depreciation	(151,876)	(128,796)
TOTAL PLANT AND EQUIPMENT	45,704	66,335
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,766,110	1,751,897

Movements during the year	**Buildings**	**Property Improvements**	**Plant and Equipment**	**Total**
Balance at 1 July 2011	1,591,327	94,235	66,335	1,751,897
Acquisitions	57,518	445	2,449	60,412
Depreciation expense	(20,634)	(2,485)	(23,080)	(46,199)
Balance at 30 June 2012	1,628,211	92,195	45,704	1,766,110

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

	2012 $	2011 $
14. Exploration Expenditure		
Mining Lease	30,000	30,000
Exploration and Evaluation	-	5,673,762
	30,000	5,703,762
Mining Lease		
Opening book amount	30,000	30,000
Additions	-	-
Closing book amount	30,000	30,000
Exploration and Evaluation Costs		
Opening book amount	5,673,762	5,287,904
Additions	135,256	385,858
Impairment expense	(1,809,018)	-
Transfers to assets held for sale	(4,000,000)	-
Closing book amount	-	5,673,762

	2012 $	2011 $
15. Trade and Other Payables		
Trade payables and accruals	136,335	340,629
Goods and services tax payable	44,948	-
	181,283	340,629

Fair Value

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

	2012 $	2011 $
16. Provisions		
Employee benefits	30,987	30,842
	30,987	30,842

All provisions are expected to be settled within 12 months.

17. Contributed Equity

(a) Share Capital

	Parent Entity	
	2012 $	2011 $
135,581,881 (2011: 135,581,881) fully paid ordinary shares	15,178,408	15,178,408
Capital raising costs	(880,583)	(880,583)
	14,297,825	14,297,825

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

Date	Details	Number of Shares	Issue Price	$
1 July 2010	Balance	122,081,881		12,980,325
3 June 2011	Share Issue	10,000,000	$0.08	850,000
3 June 2011	Share Issue	3,500,000	$0.13	467,500
30 June 2011	Balance	135,581,881		14,297,825
30 June 2012	Balance	135,581,881		14,297,825

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

(c) Share Options

Iron Mountain Mining Ltd has on issue 32,000,000 options (2011: 72,191,250) with an exercise price of 20 cents and an expiry date of 1 May 2016.

Iron Mountain Mining Ltd had on issue 40,191,250 options that were not exercised and have expired on the 1 February 2012.

(d) Terms and Conditions of Issued Capital

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

(e) Capital Risk Management

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

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

18. Reserves

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

	2012 $	2011 $
Option Reserve		
Balance at the beginning of the year	1,162,005	1,010,205
Options expense (refer note 26)	-	151,800
Balance at the end of the year	1,162,005	1,162,005

	2012 $	2011 $
Asset Revaluation Reserve		
Balance at the beginning of the year	58,757	66,663
Change in fair value	(63,471)	(7,906)
Balance at the end of the year	(4,714)	58,757
Total Reserves	1,157,291	1,220,762

19. Key Management Personnel Disclosures

(a) Key Management Personnel Compensation:

	2012 $	2011 $
Short-term employee benefits	603,950	561,098
Post employment benefits	60,328	62,188
Share-based payment	-	151,800
	664,278	775,086

The detailed remuneration disclosures are provided in the remuneration report on pages 25 to 29.

(b) Equity Instruments Disclosure Relating to Key Management Personnel

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

2012	Fully Paid Ordinary Shares			
	Balance at the beginning of the year	Shares Issued as compensation	Net change other	Balance at the end of the year
Directors				
David Alan Zohar	31,096,530	-	42,908	31,139,438
Robert Sebek	-	-	-	-
Dr Zhukov Pervan	2,100,000	-	-	2,100,000
Simon Christopher England	-	-	-	-
Company Secretary				
Suraj Sanghani	-	-	142,000	142,000
Total	33,196,530	-	184.908	33,381,438

2011	Fully Paid Ordinary Shares			
	Balance at the beginning of the year	Shares Issued as compensation	Net change other	Balance at the end of the year
Directors				
David Alan Zohar	31,096,530	-	-	31,096,530
Robert Sebek	-	-	-	-
Dr Zhukov Pervan	1,600,000	-	500,000	2,100,000
Simon Christopher England	-	-	-	-
Chief Financial Officer / Company Secretaries				
Mark Killmier	-	-	-	-
Suraj Sanghani	-	-	-	-
Total	32,696,530	-	500,000	33,196,530

2012	Share Options			
	Balance at the beginning of the year	Options Issued as Compensation	Net change other[1]	Balance at the end of the year
Directors				
David Alan Zohar	12,428,355	-	(12,428,335)	-
Robert Sebek	2,000,000	-	-	2,000,000
Dr Zhukov Pervan	2,500,000	-	(2,500,000)	-
Simon Christopher England	-	-	-	-
Company Secretary				
Suraj Sanghani	-	-	-	-
Total	16,928,355	-	(14,928,355)	2,000,000

[1] Share options expired during the year

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

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

Refer to note 26 for details of options issued.

14,928,355 options held by Directors were not exercised and have expired on the 1 February 2012.

There were nil options issued to Robert Sebek as compensation during the year ended 30 June 2012 (2011: 2,000,000).

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

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

20. Remuneration of Auditor

	2012 $	2011 $
Amounts received or due and receivable by the auditors of Iron Mountain Mining Limited for:		
an audit or review of the financial statements of the entity	35,257	34,295
	35,257	34,295

21. Events occurring after the reporting period

On 6 July 2012 Iron Mountain Mining Ltd has announced that it has determined to make an off market bid for all shares and options in United Orogen Ltd.

Shareholders of United Orogen Ltd will be offered 1 fully paid Iron Mountain Mining Ltd share for every 4 United Orogen Ltd shares held.

On 1 August 2012 Iron Mountain Mining Ltd has received formal notification from Alpha Bauxite Pty Ltd of its intention to purchase the Wandoo Bauxite Project in Western Australia from Iron Mountain Mining Ltd for $4,000,000 and a royalty of $0.75 per tonne of any future production from the Wandoo Project.

On the 24th August 2012 Iron Mountain Mining Ltd announced that settlement of the sale of Wandoo Bauxite Project to Alpha Bauxite Pty Ltd is complete following the receipt of A$4,000,000.

The successful sale of the Wandoo tenements to Alpha gives the project the best possible chance for development which benefits both Alpha and Iron Mountain.

Other than the matter detailed above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

22. Segment Information

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

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

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

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

23. Related Party Transactions

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

(i) Subsidiary Companies

During the year, Iron Mountain Mining Limited advanced 100% owned subsidiary Aluminex Resources Limited $153,203 (2011: $410,779) to pay various expenses (mainly exploration expenses). The total loan balance as at 30 June 2012 is $2,048,721 (2011: $1,895,518), interest free, repayable on demand.

As at 30 June 2012, there is an outstanding loan balance of $486,823 (2011: $487,502) (interest free and repayable on demand) owed to Iron Mountain Mining Limited from 60% owned subsidiary Macquarie, Marble and Lime. There have only been a $679 movement in this balance since 30 June 2010.

(ii) Administrative and other related transactions

Legal fees of $22,599 (GST excl) (2011: $94,299) were paid to Lawton Gillon of which Mr England is a Partner.

Iron Mountain Mining Limited provides rental and employment services to related parties, as well as paying for numerous expenses on their behalf, which are recharged to that company throughout the year. The following table details the company, total services provided and expenses recharged for the year and balance outstanding at 30 June 2012:

Related Company	Value of services for the year ended 30 June 2012 (GST Inclusive)	Value of services for the year ended 30 June 2011 (GST Inclusive)	Balance outstanding at 30 June 2012 (GST Inclusive)	Balance outstanding at 30 June 2011 (GST Inclusive)
Actinogen Limited	$81,358	$72,257	$4,030	$25,916
Red River Resources Ltd	$103,873	$168,750	$13,760	$44,648
United Orogen Limited	$80,133	$94,184	$2,063	$34,234
Swancove Enterprises Pty Ltd	-	$249	-	-

Director related entities paid for expenses on behalf of Iron Mountain Mining Limited throughout the year. The following table details the company, total services provided and expenses paid for the year and balance owing at 30 June 2012:

Related Company	Value of services for the year ended 30 June 2012 (GST Inclusive)	Value of services for the year ended 30 June 2011 (GST Inclusive)	Balance outstanding at 30 June 2012 (GST Inclusive)	Balance outstanding at 30 June 2011 (GST Inclusive)
Actinogen Limited	$36,659	$30,791	-	$7,062
Red River Resources Ltd	$41,028	$159,887	-	$25,735
United Orogen Limited	$83,444	$165,783	$9,769	$1,594

Shoshanna Zohar, daughter of David Zohar is employed as an in-house legal advisor. Remuneration of $138,000 were paid inclusive of superannuation.

(iii) Joint venture transactions

The company was a participant in the joint venture arrangement with Red River Resources Ltd of which Mr Zohar is a Director and/or Significant Shareholder. Refer to note 29 for further information on joint ventures.

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

(iv) Investment in/by related entities

As at 30 June 2012, the Company holds the following shares in Director related entities of David Zohar, 1,800,000 ordinary shares in Red River Resources Limited at a fair value of $30,600 (2011: 1,800,000 ordinary shares at a fair value of $100,800); 500,000 ordinary shares in Golden Century Mining at a fair value of Nil (2011: 500,000 ordinary shares in Golden Century Mining at a fair value of $50,000); 20,526,361 ordinary shares and 20,526,361 options in United Orogen Limited at a equity accounted value of $44,993 and NIL respectively (2011: 770,379 ordinary shares and 256,793 options in United Orogen Limited at a fair value of $13,096 and NIL respectively).

24. Commitments

Tenement Commitments

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

Tenement	Holder	Area	Date Tenement Granted	Date Tenement Expires	Rent ($)	Minimum Expenditure ($)
ML1446	Macquarie Marble Lime Pty Ltd	13.12 ha	19/03/1999	18/03/2019	N/A	$35,000
EL25346	Iron Mountain Mining Limited	101 km^2	5/02/2007	4/02/2013	$2,816	$50,000
EL5303	Iron Mountain Mining Limited	142 Graticules	14/10/2010	13/10/2015	N/A	$32,040
EL5304	Iron Mountain Mining Limited	40 Graticules	14/10/2010	13/10/2015	N/A	$19,800
EL5305	Iron Mountain Mining Limited	52 Graticules	14/10/2010	13/10/2015	N/A	$21,240
EL5306	Iron Mountain Mining Limited	151 Graticules	14/10/2010	13/10/2015	N/A	$33,120
EL5307	Iron Mountain Mining Limited	239 Graticules	14/10/2010	13/10/2015	N/A	$43,680
EL5356	Iron Mountain Mining Limited	77 Graticules	28/06/2011	27/06/2016	N/A	$24,240
MIN5548	Iron Mountain Mining Limited	24.52 ha	9/02/2012	8/02/2015	N/A	$100,000
EL6/2005	Iron Mountain Mining Limited	22 km^2	8/09/2005	7/09/2012	$1,016	$150,000
EL15/2006	Iron Mountain Mining Limited	30 km^2	26/06/2006	25/06/2012	$1,677	$30,000
EL35/2006	Red River Resources Limited	89 km^2	26/02/2007	25/02/2013	$4,975	$25,000
EL18/2007	Red River Resources Limited	103 km^2	10/07/2007	9/07/2012	$5,923	$51,500
EL53/2007	Iron Mountain Mining Limited	47 km^2	19/12/2007	18/12/2012	$2,171	$54,000
EL25/2009	Red River Resources Limited and Iron Mountain Mining Limited	33 km^2	25/05/2010	24/05/2015	$1,845	$15,000
E08/1350-I	Red River Resources Limited	10 Blocks	23/06/2006	22/06/2013	$2,395	$50,000
E47/1309-I	Red River Resources Limited	32 Blocks	4/05/2007	3/05/2014	$7,878	$64,000
E47/1707-I	Red River Resources Limited	13 Blocks	1/08/2008	31/07/2013	$2,359	$30,000
E47/1823-I	Swancove Enterprises Pty Ltd	4 Blocks	15/03/2011	14/03/2016	$467	$15,000
E70/2444	Swancove Enterprises Pty Ltd	16 Blocks	4/07/2003	3/07/2009	$7,459	$70,000
R70/48	Swancove Enterprises Pty Ltd	4406.356 ha	N/A	N/A	N/A	N/A
E70/2692	Swancove Enterprises Pty Ltd	70 Blocks	27/10/2005	26/10/2012	$32,634	$140,000
E70/2693	Swancove Enterprises Pty Ltd	35 Blocks	24/01/2006	23/01/2013	$16,317	$70,000
E70/3124	Swancove Enterprises Pty Ltd	87 Blocks	18/02/2010	17/02/2015	$15,786	$87,000
E70/3146	Swancove Enterprises Pty Ltd	12 Blocks	9/04/2010	8/04/2015	$2,177	$20,000
E70/3147	Swancove Enterprises Pty Ltd	26 Blocks	18/02/2010	17/02/2015	$4,718	$26,000
E70/2943	Swancove Enterprises Pty Ltd	70 Blocks	26/11/2010	25/11/2015	$8,169	$70,000
E70/3508	Iron Mountain Mining Limited	1 Block	9/12/2008	8/12/2013	$281	$10,000
E70/3509	Iron Mountain Mining Limited	1 Block	9/12/2008	8/12/2013	$281	$10,000
E70/3712	Iron Mountain Mining Limited	11 Blocks	10/03/2010	9/03/2015	$1,996	$20,000
E70/3713	Iron Mountain Mining Limited	3 Blocks	10/03/2010	9/03/2015	$544	$15,000
E70/3714	Iron Mountain Mining Limited	12 Blocks	10/03/2010	9/03/2015	$2,177	$20,000
E70/3715	Iron Mountain Mining Limited	1 Block	10/03/2010	9/03/2015	$281	$10,000
E70/2728	Red River Resources Limited	6 Blocks	14/06/2005	13/06/2012	$2,721	$50,000

Service Agreements and remuneration commitments

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

The value of the service agreement is as follows:

30 June 2012	Mr Sebek
Due within 1 year	13,415
Due later than 1 year	-
Total	13,415

Apart from the above agreement described there are no outstanding commitments payable to any of the key management personnel as at 30 June 2012.

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

Cash Flow Information	2012 $	2011 $
(Loss)/Profit after income tax	(3,740,920)	1,388,100
Non cash items		
Depreciation	46,199	51,492
Impairment of available-for-sale financial assets	97,034	323,971
Impairment of investments in associates	90,155	-
Impairment of receivables	-	335,656
Impairment of related party loan	114,072	-
Loss on sale of available for sale financial asset	36,777	-
Impairment of exploration and evaluation expenditure	1,809,018	-
Impairment of Goodwill	113,872	-
Non-cash exploration costs	-	948,314
Non-cash employee benefits expense	-	151,800
Loss on sale of property, plant and equipment	-	317
Share of net loss of associate accounted for using the equity method	455,659	-
Changes in assets and liabilities		
Increase/(decrease) in trade and other payables	(159,346)	148,276
Decrease/(increase) in trade and other receivables	264,293	(121,822)
(Increase)/decrease in accrued revenue	17,823	(26,512)
(Increase) / decrease in deferred tax asset	-	1,104,829
Increase / (decrease) in provisions	145	12,485
(Increase)/ decrease in non –current receivables	-	(200)
Net cash (outflow)/inflow from operating activities	(855,219)	4,316,706

Reconciliation of Cash	2012 $	2011 $
Cash balance comprises;		
Cash at bank	3,274,483	4,851,819
	3,274,483	4,851,819

Financing facilities available

As at 30 June 2012 the Group had no financing facilities available.

Non Cash Financing and Investing Activities

As at 30 June 2012 the Group had no non cash financing and investing activities.

26. Share – Based Payments

The following share based payments existed at 30 June 2012 and 30 June 2011:

	2012		2011	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at the beginning of the financial year	32,000,000	20 Cents	-	-
Granted	-	-	32,000,000	20 Cents
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year end	32,000,000	20 Cents	32,000,000	20 Cents
Exercisable at year end	32,000,000	20 Cents	32,000,000	20 Cents

During the year ended 30 June 2011 2,000,000 options were issued to company Director, Robert Sebek, with an exercise price of 20 cents and a term of 5 years. Using the Black Scholes Model, the fair value of an options is approximately 7.59 cents based on the following criteria:

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

15,000,000 options with an exercise price of 20 cents and a term of 5 years were issued to United Orogen Limited as part consideration for the acquisition of 113 Mackie Street, Victoria Park. The fair value of the property as per the Independent Expert's Report written by MGI and commissioned by Iron Mountain Mining was $850,000. This fair value was allocated against the 10,000,000 shares issued to United Orogen and left the fair value of the options at nil.

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

Expenses arising from ordinary share payment transactions

Total expenses arising from share based payment transactions during the year ended 30 June 2012 were as follows:

	2012 $	2011 $
Options issued as employee compensation	-	151,800
	-	151,800

27. Earnings Per Share

	2012	2011
(a) Basic earnings per share (cents)	(2.76)	1.13
(b) Diluted earnings per share (cents)	(2.76)	0.71

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

	2012	2011
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	135,581,881	123,080,511
Adjustments for calculation of diluted earnings per share:		
- Options	-	72,191,250
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	135,581,881	195,271,761

(d) Earnings used in calculating earnings per share

	2012	2011
Basic earnings per share	(3,740,920)	1,388,100
Diluted earnings per share	(3,740,920)	1,388,100

28. Contingent Liabilities and Assets

The Directors are not aware of any contingent liabilities or assets as at 30 June 2012.

29. Joint Ventures

Blythe

During the financial year ended 30 June 2012 the Blythe project continued to be funded by Forward Mining Limited. Forward's option to acquire the project was extended twice to 30 June 2012. This extension resulted in a total of $50,000 being received each by Iron Mountain Mining Limited and Red River Resources Limited (the joint venture partner). On 27 June 2012 the company announced that Forward Mining Limited had exercised their option to acquire Blythe on restructured payment terms, namely the following –

1. Payment of $1,300,000 to be split equally between IRM and RVR before 30 June 2012 to exercise the option.
2. Payment of $1,000,000 to be split equally between IRM and RVR upon first shipment of iron ore extracted from the Blythe project tenements.
3. Payment of $2,000,000 to be split equally between IRM and RVR upon anniversary of first shipment of iron ore extracted from the Blythe project tenements.
4. Payment of $2,000,000 to be split equally between IRM and RVR upon second anniversary of first shipment of iron ore extracted from the Blythe project tenements.

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

Miaree and Wongan Hills

On the 7 February the company announced that Iron Mountain Mining Limited had satisfied the stage 2 earn in requirements of the Joint Venture Agreement with Red River Resources Limited. As a result IRM lifted its equity interest in Miaree to 49% (RVR 51%). IRM notified the company that it did not wish to earn in to the third stage for a total of 70% equity. Instead IRM elected to sole fund the recent drilling program under the non-contributory dilutionary provisions in the Joint venture agreement. This has seen IRM's interest in the project climb in excess of 50%.
The Wongon Hills project continues to be managed by Quadrio with RVR contributing 15%.

Mt Richardson

Pursuant to the agreement reached on the sale of Mt Richardson, a royalty of 2% on average/tonne FOB sales value of iron ore product that departs E29/571 will be payable to Iron Mountain as well as a one off payment of AUD 0.50 per dry metric tonne on tonnages in excess of independently evaluated Indicated or Measured resources of 10,000,000 tonnes.

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

Northern Territory – Lucky U, Treasure and Florence Creek

During the year Lucky U (EL25329) and Florence Creek (EL25894) were dropped.

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

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

30. Subsidiaries

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

			Equity Holding	
Name of Entity	**Country of incorporation**	**Class of shares**	**2012 %**	**2011 %**
Macquarie Marble & Lime Pty Ltd	Australia	Ordinary	60	60
Aluminex Resources Limited	Australia	Ordinary	100	100

Directors' Declaration

In the Directors' opinion:

1. The financial statements and notes set out on pages 32 to 66 are in accordance with the Corporations Act 2001, including:

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

   b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

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

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

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

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

Robert Sebek
Director

17 September 2012

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

Report on the Financial Report

We have audited the accompanying financial report of Iron Mountain Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the 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 about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group'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 group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Opinion

In our opinion:

(a) the financial report of Iron Mountain Mining Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Iron Mountain Mining Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO
C Burton

Chris Burton
Director

Perth, Western Australia
Dated this 17th day of September 2012

ASX Information

The substantial shareholders as at 12 September 2012 were:

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

Distribution of shareholders as at 12 September 2012

Range of Holding	Holders	Shares
1 - 1,000	34	13,203
1,001 - 5,000	223	760,294
5,001 - 10,000	759	7,349,451
10,001 - 100,000	840	26,597,942
Greater than 100,000	117	100,865,991
	1,973	135,586,881
Shareholders with less than a marketable parcel	*1,226*	

Voting Rights

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

	Ordinary Shares	
TWENTY LARGEST HOLDERS OF QUOTED ORDINARY SHARES AS AT 12 SEPTEMBER 2012	**Number Held**	**Percentage of issued shares**
UNITED OROGEN LIMITED	23,732,341	17.50
MR DAVID ALAN ZOHAR	10,300,002	7.60
SWANCOVE ENTERPRISES PTY LTD	9,240,500	6.82
MRS JULIE ZOHAR	6,300,001	4.65
MR PAUL WINSTON ASKINS	5,640,633	4.16
MS JULIE ZOHAR	4,000,001	2.95
MR JOHN KARAJAS	3,200,000	2.36
MR CALLUM BAXTER	3,000,000	2.21
Z P PTY LTD <Z PERVAN SUPER FUND A/C>	2,100,000	1.55
MR ERYK MATUSIK + MRS DZANET MATUSIK <MATUSIK SUPERFUND A/C>	1,640,000	1.21
MR ALAN BRIEN + MRS MELINDA BRIEN <A & M BRIEN SUPER FUND A/C>	1,519,724	1.12
J & F JAMES BROTHERS HOLDINGS PTY LTD	1,400,000	1.03
WALINJA PTY LTD <DUFFIELD SUPER FUND A/C>	1,250,000	0.92
MRS JANICE ROLL	1,200,000	0.89
COMO INVESTMENTS LIMITED	1,180,000	0.87
MR DAVID ALAN ZOHAR	1,115,208	0.82
MR PAUL GLENDON HUNTER	1,100,000	0.81
UOB KAY HIAN PRIVATE LIMITED <CLIENTS A/C>	820,000	0.60
ACTINOGEN LIMITED	720,000	0.53
EAGLE NICKEL LIMITED	609,127	0.45
	80,067,537	**59.05**

Unquoted Securities

There are 32,000,000 unquoted options at $0.20, expiring on the 01/05/2016 as at 12 September 2012.

Shares and Options escrowed

No shares or options are under escrow as at 12 September 2012

12 Interest in Mining Tenements

30 June 2012

Tenement	Holder	Area	Date tenement granted	Date tenement expires	Company's beneficial interest (%)
NEW SOUTH WALES					
Koree Limestone					
ML1446	Macquarie Marble Lime Pty Ltd	13.12 ha	19/03/1999	18/03/2019	60%
NORTHERN TERRITORY					
Treasure					
EL25346	Iron Mountain Mining Limited and United Orogen Limited	101 km2	05/02/2007	04/02/2013	100%
VICTORIA					
Heavy Mineral Sands (HMS)					
EL5303	Iron Mountain Mining Limited	142 Graticules	14/10/2010	13/10/2015	100%
EL5304	Iron Mountain Mining Limited	40 Graticules	14/10/2010	13/10/2015	100%
EL5305	Iron Mountain Mining Limited	52 Graticules	14/10/2010	13/10/2015	100%
EL5307	Iron Mountain Mining Limited	239 Graticules	14/10/2010	13/10/2015	100%
EL5356	Iron Mountain Mining Limited	77 Graticules	28/06/2011	27/06/2016	100%
MIN5548	Iron Mountain Mining Limited	24.52 ha	9/02/2012	8/02/2015	100%
WESTERN AUSTRALIA					
Miaree					
E08/1350-I	Red River Resources Limited	10 Blocks	23/06/2006	22/06/2013	60.25%
E47/1309-I	Red River Resources Limited	32 Blocks	4/05/2007	3/05/2014	60.25%
E47/1707-I	Red River Resources Limited	13 Blocks	1/08/2008	31/07/2013	60.25%
Mt Elvire					
E47/1823-I	Swancove Enterprises Pty Ltd	4 Blocks	15/03/2011	14/03/2016	100%
Wongan Hills					
E70/2728	Red River Resources Limited	6 Blocks	14/06/2005	13/06/2012	5%

IRON MOUNTAIN mining limited

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