IRON MOUNTAIN MINING LIMITED

ACN 112 914 459

FINANCIAL REPORT 2006

For the period from incorporation (14 February 2005) to 30 June 2006

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DIRECTOR'S REPORT

The Directors of Iron Mountain Mining Limited submit their report for the period from incorporation to 30 June 2006.

THE BOARD OF DIRECTORS

The names and details of the Company's Directors in office during the financial year until the date of this report are as follows.

DAVID ALAN ZOHAR
BSc DipEd
Executive Director, Company Secretary and Commercial Manager

David 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 and Uranium Oil and Gas Limited.

JULIE ZOHAR
Non Executive Director

Julie has worked for various companies in the finance industry. She has no current directorships in listed public companies but was a director in Red River Resources Limited before it obtained an ASX listing in July 2005.

SHOSHANNA ZOHAR
Non Executive Director

Shoshanna is a law undergraduate. She has had no directorships of listed public companies over the past three years.

Company Secretary

David Zohar (refer details above).

Director's Interests in Shares and Options of the Company

As at the date of this report the relevant interest of each Director in shares and options of the Company were:

Director	Fully Paid Ordinary Shares		Unlisted Options over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
David Zohar	4,000,001	-	-	-
Julie Zohar	4,000,001	-	-	-
Shoshanna Zohar	1	-	-	-

Principal Activities

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

Dividends

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

Results of Operations

The Company made a loss after tax of $478,600. No dividends were paid and the directors have not recommended the payment of a dividend.

Operating and Financial Review

The Company acquired an interest in the Blythe River/Cuprona tenements in Tasmania, along with interests in mineral tenements called Sunalling Mt Richardson, Windarling East and Bona Well. The Company has farmed out an interest in the Blythe tenements in Tasmania to Red River Resources Limited. The Company raised $550,000 from investors and as at 30 June 2006 had $140,085 cash funds. $414,674 has been spent on acquisitions and exploration of tenements, administration and consulting fees during the period to 30 June 2006.

Number of Employees

The Company had nil employees as at 30 June 2006.

Risk Management

The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board. The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee. The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

* Board approval of all acquisitions/farm-ins/farm-outs of mineral projects
* The receipt of regular financial information
* The approval of budgets on all significant mineral projects and monitoring of budgets.

Adoption of Australian Equivalents to IFRS

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (IFRS), the Company's financial report has been prepared in accordance with those Standards.

Significant Events after Balance Date

There have been no significant events subsequent to balance date and to the date of this Directors Report.

Likely Developments and Expected Results

Likely developments in the operations of the Company 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 be likely to result in unreasonable prejudice to the Company. The Company is to continue to explore for metals on its properties and seek new properties for exploration and evaluation. It is proposed to seek an ASX listing in 2007 and raise a maximum of $8,000,000.

Share Options

As at the date of this report, there were nil share options over unissued ordinary shares.

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 Zohar	4	4
Julie Zohar	4	4
Shoshanna Zohar	4	4

REMUNERATION REPORT

Remuneration policy

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

Executive Remuneration

The Company's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the Company. 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 Company 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 Company. The main principles of the policy are:

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

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 $100,000. All directors are entitled to have any indemnity insurance paid by the Company (currently nil). Currently each non-executive director is entitled to receive $30,000 per annum but no director fees have been paid. Consulting fees totalling $265,000 were paid to the interests of David and Julie Zohar.

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

Executives are also entitled to participate in the employee share and option arrangements.

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 company and expensed. Options are valued using either the Black-Scholes or binomial methodologies.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in an employee option plan (none adopted to date).

Performance based remuneration

The Company currently has no performance based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced. For details of directors and executives interests in options at year end, refer note 14 of the financial statements.

Directors and Executive Officers Emoluments (Key Management Personnel)

Disclosures relating to directors and executive officers (key personnel) emoluments are outlined below and in note 14 to the financial statements. To date, no options have been issued to directors as part of remuneration. As at 30 June 2006, there are no contracts with key management personnel.

2006
Directors of Iron Mountain Mining Limited

	Short Term		Post-employment	Equity (Share Based)		
Name	Cash salary and fees (includes consulting fees) $	Cash bonus $	Super $	Options $	Shares $	Total $
David Zohar	265,000	-	-	-	-	265,000
Julie Zohar	-	-	-	-	-	-
Shoshanna Zohar	-	-	-	-	-	-

Environmental Regulation and Performance

So far as the Directors are aware, there have been no significant breaches of environmental conditions of the Company's exploration licences.

Indemnification and Insurance of Directors

There is currently no Directors' and Officers' Insurance.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor's Independence Declaration

The lead auditor's independence declaration for the period from incorporation to 30 June 2006 has been received and is set out on page 23.

Signed in accordance with a resolution of Directors dated this 8 day of March 2007

David Zohar
Director

INCOME STATEMENT
For the period from 14 February 2005 to 30 June 2006

	Note	2006 $
REVENUES	3	
Interest Income		1,916
Total Revenue		1,916
Expenditure		
Administration		17,803
Exploration costs		170,803
Finance costs		50
Consulting fees		291,860
Depreciation		-
Employment costs		-
(Loss) before income tax		(478,600)
Income tax expense	9	-
NET (LOSS) ATTRIBUTABLE TO MEMBERS		**(478,600)**

The accompanying notes form part of these financial statements.

BALANCE SHEET
As at 30 June 2006

	Note	2006 $
CURRENT ASSETS		
Cash and cash equivalents	4	140,085
Trade and other receivables	5	10,579
	7	
TOTAL CURRENT ASSETS		150,664
NON-CURRENT ASSETS		
Mining bonds	6	13,000
Fixed assets	8	-
TOTAL NON-CURRENT ASSETS		13,000
TOTAL ASSETS		163,664
CURRENT LIABILITIES		
Trade and other payables	9	30,401
Provisions	10	-
Other current liabilities – Owing to vendors	11	50,000
TOTAL CURRENT LIABILITIES		80,401
TOTAL LIABILITIES		80,401
NET ASSETS		83,263
EQUITY		
Issued capital	12	561,863
Option reserve	13	-
Accumulated losses	13	(478,600)
TOTAL EQUITY		83,263

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the period from 14 February 2005 to 30 June 2006

2006	Issued Capital	Accumulated Losses	Option Reserve
Balance as at incorporation	-	-	-
(Loss) for the period	-	(478,600)	-
Shares issued during the year	561,863	-	-
Capital raising costs	-	-	-
Options issued for services	-	-	-
Balance as at 30 June 2006	561,863	(478,600)	-

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT
For the period 15 February to 30 June 2006

	Note	2006 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments for exploration and evaluation		(86,516)
Payments to suppliers and employees		(327,268)
Interest received		1,916
Withholding taxes		(927)
Interest paid		(50)
Goods and services tax (paid)/received		(4,070)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	21	(416,915)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for mining bonds		(13,000)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(13,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares		550,000
Payment of share issue costs		-
Loans from director related entities		20,000
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		570,000
NET INCREASE / (DECREASE) IN CASH HELD		140,085
Cash and cash equivalents at the beginning of the financial period		-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	4	140,085

The accompanying notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, including the Australian equivalents of International Financial Reporting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRSs). Compliance with AIFRSs ensures that the financial report comprising the group's financial statements and notes and the parent entity financial statements and notes of Red River Resources Limited, comply with IFRSs.

Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

These financial statements are the first Iron Mountain Mining Limited financial statements to be prepared in accordance with AIFRSs. AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* has been applied in preparing these financial statements.

The financial statements have been prepared on an accruals basis and on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The financial statements have been prepared on a going concern basis.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is written off as incurred. Acquisition expenditure is accumulated in respect of each identifiable area of interest held in the name of the Company. These acquisition costs are only carried forward to the extent that they are expected 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 against profit in the year in which the decision to abandon the area is made. Where the abandoned area has previously been revalued, the previous revaluation increment is reversed against the Asset Revaluation Reserve.

When production commences, the accumulated acquisition and development costs for the relevant area of interest are 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 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.

(b) Impairment of assets

At each reporting date, the Company 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 income statement.

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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(c) Property, Plant & Equipment

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

Depreciation

Items of property, plant and equipment are depreciated using the diminishing value method over their estimated useful lives to the Company. The depreciation rates used for each class of asset for the current period are as follows:

- Furniture & Fittings 20%
- Computer Equipment 40%

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 balance sheet 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. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) 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 balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement 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 income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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

(e) Employee Benefits

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

ii. *Long service leave*
The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

The Company provides benefits to employees (including directors) of the Company 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 balance 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.

(f) 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.

(g) 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 is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(h) Issued Capital

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

(i) 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 Company. 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.

(j) Joint Ventures

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.

(k) 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.

(l) Earnings per Share

i. *Basic earnings per share*
Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, 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.

ii. *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.

(m) Comparatives

There are no comparative figures. The Company was incorporated on 14 February 2005 and the Income Statement, Statement in Changes in Equity and the Cash Flow Statement are for the period from incorporation to 30 June 2006.

2. Revenue and Expense from Continuing Activities

	2006 $
The operating results before income tax has been determined after:	
Revenues From Continuing Activities	
Interest received	1,916
	1,916
Expenses from Continuing Activities	
Depreciation	-
Exploration costs	170,853
Administration costs	17,803
Option fees	-
Consultancy Fees	291,860
Employment costs	-

3. Income Tax

Net (Loss) before tax	(478,600)
Prima facie tax benefit at 30%	(143,580)
Tax effect of permanent differences	
Temporary differences	3,900
Non-deductible option based payment	-
Other non-deductible expenses	400
Future income tax benefit not brought to account	139,280
	-

Income Tax Loss

Deferred tax asset arising from tax losses of the Company not brought to account at balance date as realisation of the benefit is not regarded as probable.	139,280

The benefit for tax losses will only be obtained if:
(i) the consolidated entity derives future assessable income of a nature and amount sufficient to enable the benefit from the tax losses to be realised;
(ii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
(iii) no changes in tax legislation adversely affect the consolidated entity realising the benefit from the deductions for the losses.

Deferred tax Assets (at 30%) not bought to account as at 30 June 2006 are made up of:

• Tax losses	139,280
• Provisions and accruals	3,900
• Capital raising costs	-
	143,180

Deferred tax liabilities at 30 June 2006 are nil.

4. Cash and Cash Equivalents

Cash at bank	140,085
Cash funds on short term deposit	-
	140,085

5. Trade and other receivables

	2006 $
Goods and services tax refund	7,042
Owing by a Director	2,610
Other Receivables – Withholding tax	927
	10,579

6. Deferred Mineral Acquisition Costs and Mining Bonds

Expenditure incurred on exploration (expensed as incurred)	-
Mining bonds	13,000
	13,000

7. Prepayments

Prepaid capital raising costs	-

8. Fixed Assets

Computer and sundry plant and equipment, at cost	-
Accumulated depreciation	-
	-

9. Trade and other payables

Trade creditors and accruals	25,832
Other creditors owing to director/director related entities	4,569

	30,401

10. **Provisions**

Employee entitlements	-

11. **Owing to Vendors**

Amounts owing to vendors under mining contracts	30,000

12. **Issued Capital**

(a) **Issued and Paid Up Capital**

24,200,003 fully paid ordinary shares	561,863

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

	2006	
	Number of Shares	$
At beginning	-	-
Shares issued on incorporation	3	3
Shares issued for cash	5,500,000	550,000
Shares issued for services rendered/consultancy fees	18,700,000	11,860
Less: Share Issue expenses	-	-
At Reporting Date	24,200,003	561,863

(c) **Share Options**

The Company has on issue nil options.

(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.

13. **Reserves and Accumulated Losses**

	2006 $
Accumulated Losses	
Accumulated losses at the beginning of the financial period	-
Net loss for the period	478,600
Accumulated losses at the end of the financial year	478,600
Option Reserve	
Balance at the beginning of the period	-
Increase on option based payments	-
Balance at end of period	-

The Option Reserve is used to recognize fair value of options issued. There were nil options issued relating to services rendered.

14. **Key Management Personnel Disclosures**

(a) **The Directors of Iron Mountain Mining Limited during the financial period were:**

David Zohar
Julie Zohar

Shoshanna Zohar

There are no other key management personnel.

(b) Directors' and Executive Officers' Emoluments

The Board of Directors is responsible for determining and reviewing compensation arrangements for the directors and the executive team. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. To assist in achieving these objectives, the Board links the nature and amount of Executive Directors' and officers' emoluments to the Company's financial and operational performance. Details regarding the issue of share options are provided below.

Executives are those directly accountable and responsible for the operational management and strategic direction of the Company.

(c) The emoluments of each Director are as follows:

2006

Directors of Iron Mountain Mining Limited

	Short Term		Post-employment	Equity		
	Cash salary and fees	Cash bonus	Super	Options	Shares	Total
Name	$	$	$	$	$	$
David Zohar	265,000	-	-	-	-	265,000
Julie Zohar	-	-	-	-	-	-
Shoshanna Zohar	-	-	-	-	-	-

The fees of $265,000 were paid to David and Julie Zohar and there private company, Swancove Enterprises Pty Ltd

	2006
	$
Short-term	265,000
Post employment	-
Other long-term	-
Termination benefits	-
Share-based payment	-
	265,000

(d) Service Agreements and remuneration commitments

The Company has no service agreements in place during the period to 30 June 2006. However pursuant to a shareholders meeting held on 15 February 2005, Swancove Enterprises Pty Ltd is entitled to receive up to $200,000 per annum in consulting fees, David Zohar is entitled to $150,000 per annum consulting fees and Julie Zohar is entitled to receive up to $50,000 per annum in consulting fees.

(e) At balance date the relevant interest of each Director in ordinary fully paid shares and options of the Company were:

	Fully Paid Ordinary Shares			
Director	Balance at beginning of the period	Shares Issued - Direct	Transfers/ Ceasing to be a director	Balance at 30 June 2006
David Zohar	-	4,000,001	-	4,000,001
Julie Zohar	-	4,000,001	-	4,000,001
Shoshanna Zohar	-	1	-	1

	Share Options			
Director	Balance at beginning of the year	Shares Issued Direct	Transfers/ Ceasing to be a director	Balance at 30 June 2006
David Zohar	-	-	-	-
Julie Zohar	-	-	-	-
Shoshanna Zohar	-	-	-	-

15. Auditors' Remuneration

	2006 $
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	8,000
- other services	-
	8,000

16. Significant Events after Balance Date

There have been no significant evens subsequent to balance date and to the date of signing the Directors Declaration, other than for the receipt of $50,000 from Red River Resources Limited being reimbursements due under a farm out agreement entered into in June 2006.

17. Segment Information

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

18. Related Party Transactions

a) Directors

The directors of Iron Mountain Mining Limited during the financial period were:-

David Zohar
Julie Zohar
Shoshanna Zohar

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

Consulting fees of $265,000 were paid to D &J Zohar and Swancove Enterprises Pty Ltd a director related entity of David Zohar and Julie Zohar.

David Zohar and Swancove Enterprises Pty Ltd advanced the Company or paid costs on behalf of the Company of $96,960 with no fixed term for repayment and interest free.

The Company entered into a farm-out arrangement on an iron ore/base metal property with Red River Resources Limited in which Mr D Zohar is a significant shareholder in and a director of (refer Note 24).

19. Capital and Leasing Commitments

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

Tenement Name	Rent ($)	Minimum Expenditure ($)
EL 6/2005 Tasmania	$439	$16,500 in first 2years
EL 15/2006 Tasmania	$599	$22,500 in first 2 years
E29/571 (Mt Richardson)	$6,020	$56,000
ELA 59/1194 (Bona Well)	-	-
ELA 77/1267 (Windaring East)	-	-
ELA 16/316 (Kunalling)	-	-

20. Financial Instruments, Risk Management and Policies

Interest rate risk

The Company's exposure to interest rate risk, which is the risk that the financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

30 June 2006	Weighted average interest rate	Floating interest $	Fixed interest maturing in less than 1 period $	Non-interest bearing $	Totals $
Financial Assets					
Cash at bank	5.40%	140,085	-	-	140,085
Receivables		-	-	10,579	10,579
Mining bonds		-	-	13,000	13,000
Total Financial Assets		140,085	-	23,579	163,664
Financial Liabilities					
Trade and other payables		-	-	(30,401)	(30,401)
Owing to Vendors		-	-	(50,000)	(50,000)
Total Financial Liabilities		-	-	(80,401)	(80,401)
Net Financial Liabilities (30 June 2006)		140,085	-	(56,822)	83,263

Reconciliation of Net Financial Assets (Liabilities) to Net Liabilities

Net Financial Assets	83,263
Fixed assets	-
Provisions	-
Net equity	83,263

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance sheet date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and the notes to the financial statements. The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments it has entered into. As the Company does not have material debtors, inventories, or any other credit risk, a formal credit risk management policy is not maintained.

Net Fair Values

For all assets and liabilities, their net fair value approximates their carrying values.

No financial assets and financial liabilities are traded on organised markets in standardised form.

21. Cash Flow Information

	2006 $
Reconciliation of the operating (loss) after tax to the net cash flows from operations.	
Operating loss after income tax	(478,600)
Non cash items -Issue of shares for services	11,863
Depreciation	-
Share options	-
Provisions	-
Changes in assets and liabilities	
Increase/(decrease) in payables	10,401
Increase/(decrease) in amounts owing to vendors	50,000
(Increase)/decrease in receivables/GST	(10,579)
Net cash flow from/(used in) operating activities	(416,915)
Reconciliation of Cash	
Cash balance comprises;	
Cash at bank	140,085
Cash on short term deposit	-
	140,085

Financing facilities available
As at 30 June 2006 the Company had no financing facilites available.

Non Cash financing and investing Activities
There were no non-cash financing and investing activities for the period to 30 June 2006 other than the issue of shares to extinguish liabilities relating for consulting fees totaling $11,860.

22. Employee Benefits

As at balance date there were nil employees employed by the Company.

23. Contingent Liabilities and Commitments

The Directors are not aware of any contingent liablities as at 30 June 2006. Refer joint ventures in note 24. The Company is committed to pay $25,000 per every three months from 1 January 2007 to two vendors until such time as the Company is listed on the ASX.

24. Joint Ventures

Blythe - Tasmania
The Company has entered into a joint venture with Red River Resources Limited ("Red River"), a company associated with David Zohar. The Blythe River project on Exploration Licences 6/2005 and 15/2006 is located in Tasmania and is an iron ore, copper and base metal play.

Red River may earn a 60% interest in the Exploration Licences by expending $700,000 over a period of three years commencing from the date of the formalisation of Joint Venture in the following stages:

Spend $100,000 to earn a minimum of 10%
Then spend $200,000 to earn a further 20% to 30%
Then spend $200,000 to earn a further 20% to 50%
Then spend final $200,000 to earn 60% total.

Red River shall reimburse all application and government fees paid by Iron Mountain, up to a maximum of $50,000 to Iron Mountain (paid in July 2006). Red River must maintain the tenements for a minimum of 2 years. Red River may withdraw at any time after they have expended $100,000.

All tenements applied for by Red River within 10 kilometres of any JV tenement is to become part of this JV. Normal dilution to apply after $700,000 but Iron Mountain may pay in arrears plus interest at LIBOR plus 2% to maintain its share up to 4 years from the date herein. Iron Mountain may only be diluted to 10% free carried until mining feasibility if they do not wish to further contribute.

DIRECTORS DECLARATION

The directors of the Company declare that:

(a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and

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

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

David Zohar

Director
8 March 2007
Perth, Western Australia

BDO

Chartered Accountants
& Advisers

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF IRON MOUNTAIN MINING LIMITED

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, statement of changes in equity, accompanying notes to the financial statements, and the directors' declaration for Iron Mountain Mining Limited (the company), for the year ended 30 June 2006.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

The independence declaration given to the directors in accordance with section 307C would be in the same terms if it had been given at the date of this report.

Audit Opinion

In our opinion, the financial report of Iron Mountain Mining Limited is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

BDO
Chartered Accountants

Sherif Andrawes
Partner

Perth 8 March 2007

Chartered Accountants
& Advisers

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8 March 2007

The Directors
Iron Mountain Mining Limited
PO Box 70
INGLEWOOD WA 6052

Dear Sirs

DECLARATION OF INDEPENDENCE BY BDO TO THE DIRECTORS OF IRON MOUNTAIN MINING LIMITED

To the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of this Act in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Yours sincerely
BDO
Chartered Accountants

Sherif Andrawes
Partner