IRON MOUNTAIN MINING LIMITED

ABN 62 112 914 459

INTERIM FINANCIAL REPORT 2013

For the Half-Year Ended 31 December 2013

IRON MOUNTAIN MINING LIMITED
CORPORATE DIRECTORY

Directors

Simon Christopher England
Zhukov Pervan
Robert Sebek

Auditors

Rothsay Chartered Accountants
Level 1, Lincoln House
4 Ventnor Avenue
West Perth WA 6005

Company Secretary

Suraj Sanghani

Legal Advisors

Lawton Gillon
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16 St Georges Terrace
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Registered Office

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Perth WA 6000
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Share Registry

Computershare Investor Services Pty Ltd
2/45 St Georges Terrace
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Head Office

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Website Address

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Email

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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)

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Your directors submit their report on the consolidated entity consisting of Iron Mountain Mining Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2013.

DIRECTORS

The directors that held office during the whole of the half year and up to the date of this report were:

Simon Christopher England
David Alan Zohar (Resigned 11 February 2014)
Robert Sebek
Dr Zhukov Pervan

Review and results of operations

The principal activity of the consolidated entity during the course of the financial period was mineral exploration. A summary of the consolidated revenues and results for the half year are set out below.

The net loss of the consolidated entity for the half year after tax was $1,260,582 (2012: loss of $1,382,154) with total revenues of $366,796 (2012: $258,821). Major costs were exploration expenditure $140,971 (2012: $113,076), administration $624,480 (2012: $530,708) and employment costs of $646,529 (2012: $600,392).

During the half year, Iron Mountain Mining (ASX: IRM) progressed the Golden Camel Project in Victoria which included an updated Measured, Indicated and Inferred JORC resource estimate as well as preliminary pit optimisations and ongoing metallurgical test work to identify potential toll treatment options. A new JV was signed with MMG over the Treasure Project in the Northern Territory and approvals were received for a proposed drilling program at HMS Project in Victoria. Target generation continued at the recently acquired Pithara Project. An off market cash and script takeover bid for Red River Resources Ltd (ASX: RVR) was undertaken that resulted in the company acquiring 69.11% of RVR stock which was later sold due to subsequent financing difficulties. The company also proposed an equal capital reduction that was approved by shareholders on 15 January 2014 and following the resignation and guilty plea of former director David Zohar to charges brought by ASIC, commenced the process of recovering all legal costs incurred by the company in his defence.

At the Golden Camel Gold Project in Victoria, results from a resource, geotechnical and metallurgical diamond core drilling program (8 holes for 540m) completed in early 2013 were used to estimate an updated JORC Measured, Indicated & Inferred Resource of 266,000t @ 1.7g/t Au. Pit optimisations were completed at a variety of different gold price scenarios to assist with economic evaluations. Metallurgical test work was commenced to identify the leaching and recovery characteristics of the mineralisation and confirm suitability for toll treatment at existing plants located in central Victoria. Additional exploration tenure covering northern and southern extensions of the Heathcote Greenstone Belt granted.

A new JV was signed with MMG Exploration over the Treasure Project (EL25346) who subsequently undertook a high resolution aeromagnetic survey late in the year. Processing and interpretation of acquired data to be completed in early 2014. Landowner negotiations and target generation continued at Pithara with a view to undertaking an auger geochemical survey to delineate potential surface gold anomalies for drilling. Exploration at Pithara is restricted by agricultural seasonality. Approval was received for a 2000m air core road verge drilling program at the Heavy Mineral Sands (HMS) Project in Victoria targeting potential strandline sequences. The company is seeking potential interest in a possible joint venture with an experienced mineral sands explorer to leverage their experience to optimise the execution of the drilling program and interpretation of results.

The sale of the company's non-core property asset at 113 Mackie St in Victoria Park was settled. Net proceeds to the company from the sale amounted to $632,239.

On 6 June 2013, the company announced its intention to make an off market takeover bid for all the shares and options in RVR comprised of $0.015 for every RVR share plus 1 IRM share for every 6 shares held in RVR. At the close of the offer on 13 August 2013, IRM held 47,914,512 shares in RVR being 69.11% 69,330,005 of the total ordinary shares on issue.

An Equal Capital Reduction to return approximately $1,359,337 to shareholders equivalent to $0.01 per share for all 135,933,713 shares on issue was announced on 19 December 2013 and subsequently approved by shareholders at a General Meeting on 15 January 2014.

As a result of the ongoing depressed nature of capital markets for junior explorers and anticipated funding difficulties, the company decided to sell the 47,914,512 shares it holds in Red River Resources Ltd for $320,000 with settlement to be executed on or before 31 March 2014.

Following the resignation and subsequent guilty plea by former director David Zohar in February 2014 to certain charges brought against him by ASIC, the Company has commenced the process of seeking recovery of all payments made by the Company for legal costs incurred in defence. Total defence costs which the Company will seek to recover are approximately $590,000.

GOLDEN CAMEL PROJECT

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Robert Sebek BAppSc(Geol), BSc(Hons), MBA, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Sebek is a full-time employee of the company. Mr Sebek sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sebek consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

PITHARA, DROMEDARY, HMS, TREASURE, MIAREE, MT RICHARDSON, BLYTHE & WANDOO PROJECTS

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Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2013 has been received and is set out on page 3.

Signed in accordance with a resolution of Directors and on behalf of the Directors by:

Robert Sebek

Robert Sebek
Director
14 March 2014
Perth, Western Australia

ROTHSAY
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Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Iron Mountain Mining Limited
Level 7, 231 Adelaide Terrace
Perth WA 6000

Dear Sirs

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

i) no contraventions of the auditor independence requirements of the Act in relation to the review of the 31 December 2013 interim financial statements; and

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

Graham Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 14 March 2014

IRON MOUNTAIN MINING LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 31 December 2013

	Notes	CONSOLIDATED	
		31.12.2013 $	**31.12.2012 $**
Revenue from continuing operations	3	289	30,441
Other Revenue	3	366,507	228,380
Administration		(624,480)	(530,708)
Exploration costs		(140,971)	(113,076)
Depreciation		(19,418)	(18,546)
Employment costs		(646,529)	(600,392)
Impairment of available for sale financial assets	4	(124,397)	(37,093)
Impairment of Property		-	(250,000)
Impairment of exploration and evaluation expenditure	6	-	(71,860)
Loss on disposal of land & buildings		(9,774)	-
Share of net loss of associates accounted for using the equity method	5	(61,809)	(19,300)
(Loss) before income tax		(1,260,582)	(1,382,154)
Income tax expense		-	-
(Loss) from the half year		(1,260,582)	(1,382,154)
Profit is attributable to:			
Owners of Iron Mountain Mining Limited		(1,218,912)	(1,363,439)
Non-controlling interest		(41,670)	(18,715)
		(1,260,582)	(1,382,154)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in the fair value of available for sale financial assets		472	(22,815)
Total comprehensive (loss) for the half year		**(1,260,110)**	**(1,404,969)**
Total comprehensive (loss) is attributable to:			
Owners of Iron Mountain Mining Limited		(1,218,440)	(1,386,254)
Non-controlling interest		(41,670)	(18,715)
		(1,260,110)	(1,404,969)
Basic (loss) per share (cents per share)	13	(0.94)	(0.95)
Diluted (loss) per share (cents per share)	13	N/A	N/A

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

IRON MOUNTAIN MINING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Notes	CONSOLIDATED	
		31.12.2013 $	30.6.2013 $
CURRENT ASSETS			
Cash and Cash Equivalents		3,954,291	4,902,872
Trade and Other Receivables		69,619	173,678
Assets held for sale	7	-	632,239
TOTAL CURRENT ASSETS		4,023,910	5,708,789
NON-CURRENT ASSETS			
Property, Plant and Equipment		816,429	822,703
Exploration and Evaluation Expenditure	6	1,064,587	-
Investments accounted for using the equity accounting method	5	-	282,478
Available for Sale Financial Assets	4	452,955	35,393
TOTAL NON-CURRENT ASSETS		2,333,971	1,140,574
TOTAL ASSETS		6,357,881	6,849,363
CURRENT LIABILITIES			
Trade and Other Payables		243,064	164,938
Provisions		91,789	60,169
TOTAL CURRENT LIABILITIES		334,853	225,107
TOTAL LIABILITIES		334,853	225,107
NET ASSETS		6,023,028	6,624,256
EQUITY			
Contributed Equity	8	14,545,549	14,314,976
Reserves	10	1,242,298	1,241,826
Accumulated Losses		(10,151,458)	(8,932,546)
Capital and Reserves attributable to owners of Iron Mountain Mining Limited		5,636,389	6,624,256
Non Controlling Interest		386,639	-
TOTAL EQUITY		6,023,028	6,624,256

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

IRON MOUNTAIN MINING LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2013

	CONSOLIDATED						
	Contributed Equity $	**Accumulated Losses $**	**Asset Revaluation Reserve $**	**Option Reserve $**	**Total $**	**Non Controlling Interest $**	**Total Equity $**
2012							
Balance as at 1 July 2012	14,297,825	(6,353,719)	(4,714)	1,162,005	9,101,397	4	9,101,401
Total comprehensive loss for the half year							
Loss for the half year	-	(1,363,439)	-	-	(1,363,439)	(18,715)	(1,382,154)
Other comprehensive income							
Change in the fair value of available for sale financial assets	-	-	(22,815)	-	(22,815)	-	(22,815)
Total other comprehensive loss for the half year	-	-	(22,815)	-	(22,815)	-	(22,815)
Total comprehensive loss for the year	-	(1,363,439)	(22,815)	-	(1,386,254)	(18,715)	(1,404,969)
Transactions with equity holders in their capacity as equity holder							
Shares issued during the half year	491,798	-		-	491,798	-	491,798
Options issued during the half year	-	-		89,250	89,250	-	89,250
Increase in Non Controlling Interest	-	-		-	-	20,000	20,000
Treasury Shares	(711,970)	-		-	(711,970)	-	(711,970)
Non-controlling interests on acquisition of subsidiary	-	-		-	-	170,422	170,422
Balance as at 31 December 2012	14,077,653	(7,717,158)	(27,529)	1,251,255	7,584,221	171,711	7,755,932
2013							
Balance as at 1 July 2013	14,314,976	(8,932,546)	(9,429)	1,251,255	6,624,256	-	6,624,256
Total comprehensive loss for the half year							
Loss for the half year	-	(1,218,912)	-	-	(1,218,912)	(41,670)	(1,260,582)
Other comprehensive income							
Change in the fair value of available for sale financial assets	-	-	472	-	472	-	472
Total other comprehensive loss for the half year	-	-	472	-	472	-	472
Total comprehensive loss for the year	-	(1,218,912)	472	-	(1,218,440)	(41,670)	(1,260,110)
Transactions with equity holders in their capacity as equity holder							
Shares issued during the half year	230,573	-		-	230,573	-	230,573
Non-controlling interests on acquisition of subsidiary	-	-		-	-	428,309	428,309
Balance as at 31 December 2013	14,545,549	(10,151,458)	(8,957)	1,251,255	5,636,389	386,639	6,023,028

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

IRON MOUNTAIN MINING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2013

	CONSOLIDATED	
	31.12.2013 $	31.12.2012 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	42,229	8,972
Interest received	66,380	106,577
Transaction costs relating to acquisition of subsidiary	(56,863)	(56,791)
Payments for exploration and evaluation	(140,971)	(113,076)
Payment to suppliers and employees	(1,185,452)	(927,055)
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	(1,274,677)	(981,373)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of subsidiary, net of cash acquired	(308,038)	19,376
Payments for property, plant and equipment	-	(3,000)
Proceeds from sale of property, plant and equipment	634,134	3,636
Proceeds from sale of assets held for sale	-	4,000,000
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	326,096	4,020,012
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	-	20,000
Share buy back costs	-	(59,030)
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES	-	(39,030)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(948,581)	2,999,609
Cash and cash equivalents at the beginning of half year	4,902,872	3,274,483
CASH AND CASH EQUIVALENTS AT END OF HALF YEAR	3,954,291	6,274,092

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

1. Basis of Preparation

These condensed consolidated interim financial reports for the half-year reporting period ended 31 December 2013 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These interim financial reports do not include all the notes of the type normally included in annual financial reports. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by the consolidated entity during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New accounting standards and interpretations
In the half-year ended 31 December 2013, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2013.

It has been determined by the Group that the new standards have introduced new disclosures for the interim report but did not affect the entity's accounting policies or any of the amounts recognise in the financial statements.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2013. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

2. Fair Value measurement of financial instruments

Iron Mountain Mining Limited has adopted the AASB13 *Fair value Measurement* 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 31 December 2013.

Group – at 31 December 2013	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
Equity securities	35,393	-	-	35,393
Total assets	35,393	-	-	35,393

Group – at 30 June 2013	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
Equity securities	452,955	-	-	452,955
Total assets	452,955	-	-	452,955

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. Revenue

	31.12.2013	31.12.2012
From Continuing Activities		
Sales Revenue - Services	289	30,441
	289	30,441
Other Revenue		
Interest received	76,188	115,095
Fair value gains on financial assets previously held under equity accounting	274,119	113,285
Fair value gains on available for sale financial assets upon consolidation	16,200	-
	366,796	258,821

4. Available for Sale Financial Assets

	31.12.2013	30.06.2013
Listed equity securities at fair value	452,955	35,393
	452,955	35,393
At beginning of the period	35,393	91,883
Fair value adjustments	472	(4,715)
Impairment of available for sale financial assets	(124,397)	(73,275)
Available for sale financial assets De-recognition upon consolidation with Red River Resources Ltd	(19,800)	-
Transferred from investments accounted for using the equity accounting method	559,787	-
Available for sale financial assets acquired as part of the take-over of Red River Resources Ltd	1,500	-
Available for sale financial assets acquired as part of the take-over of Elysium Resources Ltd	-	70,000
Available for sale financial assets disposed of as part of the de-consolidation with Elysium Resources Ltd	-	(48,500)
At end of the period	452,955	35,393

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

5. Investments in Associates

	31.12.2013 $	30.06.2013 $
Investment in associates	-	282,478
	-	282,478

Investments in associates are accounted for in the financial report using the equity method of accounting.

(a) Movements in carrying amounts

	31.12.2013 $	30.06.2013 $
Carrying amount at the beginning of the year	282,478	59,962
Acquisition	65,000	-
Share of loss	(61,809)	(21,304)
Recognise retained interest at fair value of associate on the date of loss of significant influence.	274,118	-
De-recognition carrying amount of associate on the date of loss of significant influence.	(559,787)	-
De-recognition of associate upon consolidation as a subsidiary	-	(40,662)
Recognition of associate upon de-consolidation as a subsidiary	-	284,482
Carrying amount at the end of the half year	-	282,478

(b) Summarised financial information of associates

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

		Company's share of:			
	Ownership Interest %	Assets $	Liabilities $	Revenues $	Loss $
30 June 2013					
Elysium Resources ltd	22.93%	1,448,611	13,112	5,624	(108,406)
		1,448,611	13,112	5,624	(108,406)

* listed entity

Elysium Resources Ltd became an associate of Iron Mountain Mining Limited on 30th August 2011.

Elysium Resources Ltd became a subsidiary of Iron Mountain Mining Limited on 8 October 2012. The Group ceased recognising the investment in Elysium Resources Ltd as an associate on 8 October 2012. There was a deemed gain on disposal of $113,285.

On 18 February 2013, the company sold 60,000,000 shares that it owned in Elysium Resources Ltd to investor clients of Carling Capital Partners for $400,000. The company retains a total of 26,099,288 shares in Elysium Resources Ltd, which represents 22.93% of the issued capital of Elysium Resources Ltd).

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

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

The Group de-recognises the investment in Elysium Resources Ltd as an associate on 29 November after the loss of significant influence.

Elysium Resources Ltd is incorporated in Australia.

(c) Fair Value of investments in associates

	31.12.2013 $	30.06.2013 $
Elysium Resources Ltd	-	282,478
	-	282,478

6. Exploration Expenditure

	Note	31.12.2013 $	30.06.2013 $
Exploration Evaluation Costs		1,064,587	-
		1,064,587	-

	31.12.2013 $	30.06.2013 $
Mining Lease		
Opening book amount	-	30,000
Additions	-	-
Disposals as part of the deconsolidation with Macquarie Marble and Lime Pty Ltd	-	(30,000)
Closing book amount	-	-

	31.12.2013 $	30.06.2013 $
Exploration and Evaluation Costs		
Opening book amount	-	-
Additions	-	-
Additions from acquisition of Red River Resources Ltd	1,064,587	-
Additions from acquisition of Elysium Resources Ltd	-	71,860
Impairment expense	-	(71,860)
Transfers to assets held for sale	-	-
Closing book amount	1,064,587	-

7. Assets held for sale

(a) Assets classified as held for sale

Land and Building	-	632,239
Total assets classified as held for sale	-	632,239

8. Contributed Equity

	31.12.2013 Shares	30.06.2013 Shares	31.12.2013 $	30.06.2013 $
(a) Share Capital				
Ordinary Shares				
Fully Paid	135,928,713	128,242,799	14,545,549	14,314,976
	135,928,713	128,242,799	14,545,549	14,314,976

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue Price $
1 July 2013	Opening balance	128,242,799	14,314,976
13 August 2013	Shares issued on acquisition of subsidiary	7,685,914	230,573
31 December 2013		135,928,713	14,545,549

9. Equity Securities issued

	2013 Shares	2012 Shares	2013 $	2012 $
Issues of ordinary shares during the half-year				
Shares issued on acquisition of Red River Resources Ltd	7,685,914	-	230,573	-
Shares issued on acquisition of United Orogen Ltd	-	16,393,259	-	491,798
	7,685,914	16,393,259	230,573	491,798

10 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.

	31.12.13 $	30.06.13 $
Option Reserve		
Balance at the beginning of the half year	1,251,255	1,162,005
Options expense	-	89,250
Balance at the end of the half year	1,251,255	1,251,255
Asset Revaluation Reserve		
Balance at the beginning of the half year	(9,429)	(4,714)
Change in fair value	472	(4,715)
Balance at the end of the half year	(8,957)	(9,429)
Total Reserves	1,242,298	1,241,826

11. Contingent Liabilities

There are no material contingent liabilities since the last reporting date.

12. Segment Information

The consolidated entity's sole operations are within the mineral exploration industry within Australia.

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

The consolidated entity's managers operate to manage the business as a whole without any special responsibilities for any separately identifiable segment 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.

13. Basic earnings /(loss) per share

	31.12.2013	31.12.2012
(a) Basic earnings/(loss) per share (cents)	(0.94)	(0.95)
(b) Diluted earnings/(loss) per share (cents)	N/A	N/A
(c) Weighted average number of ordinary shares used as the Denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	134,122,733	143,106,656
Adjustments for calculation of diluted earnings/(loss) per share: - Options	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings/(loss) per share	N/A	N/A
(d) Earnings used in calculating earnings/(loss) per share		
Basic (loss) / earnings per share	(1,260,110)	(1,363,439)
Dilutive (loss) / earnings per share	N/A	N/A

14. Dividends

No dividends were paid or proposed during the period.

The Consolidated entity has no franking credits available at 31 December 2013.

15. Subsidiaries

The consolidated financial statements incorporate assets, liabilities and results of the following subsidiaries :

Name of Entity	**Country of Incorporation**	**Percentage Owned (%)**	
		31.12.2013	**30.06.2013**
Aluminex Resources Limited	Australia	100	100
Red River Resources Limited*	Australia	69	3

* Red River Resources Limited was consolidated as a subsidiary on 13 August 2013.

16. Related Party Transactions

a) Acquisition of Subsidiary Companies

The company increased its shareholding in Red River Resources Ltd to 69.11% on 13 August 2013. Refer to note 18 for further information.

b) Administrative related transactions

Legal fees of $62,518 (2012: $91,996) were paid to Lawton Gillon of which Mr England is a Partner during the half-year.

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. The following table details the company, total services provided and expenses recharged for the half-year and balance outstanding at 31 December 2013:

Related Company	Value of services for the half-year ended 31 December 2013	Balance outstanding at 31 December 2013
Swancove Enterprises Pty Ltd	150	-

c) Joint venture transactions

The Consolidated entity is a participant in the joint venture arrangement with Red River Resources Limited of which Mr Zohar is a Director and/or Significant Shareholder.

From 1st July 2010 Iron Mountain Mining Limited and Red River Resources Limited have each paid 50% of the costs of the Blythe joint venture and Iron Mountain Mining Limited has paid 100% of the Miaree joint venture.

d) Investments in related entities

As at 31 December 2013 the consolidated entity holds the following shares in Director related entities of David Zohar, 4,126,000 ordinary shares in Eagle Nickel Limited at fair values of $12,378 (2012: 4,126,000 ordinary shares and 300,000 options at a fair value of $41,260 and nil respectively); 235,750 ordinary shares in Actinogen Limited at a fair value of $5,187 (2012: 671,500 ordinary shares at a fair value of $6,715); and 31,099,228 ordinary shares in Elysium Resources Limited at a fair value of $435,390 (Previously accounted for as an associate. Refer Note 4 for further information)

e) Director related transactions

During the half year the company incurred legal fees totaling $254,713 (GST Excl) under an agreement David Zohar has with the company relating to ASIC investigations into Aluminex Resources Limited. This brings the total legal fees incurred by the company under the agreement with David Zohar to $512,119 (GST Excl).

17. Share – Based Payments

The following share based payments existed at 31 December 2013 and 31 December 2012:

	2013		2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the half year	37,250,000	18.59 Cents	32,000,000	20 Cents
Granted	-	-	5,250,000	10 Cents
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year end	37,250,000	18.59 Cents	37,250,000	20 Cents
Exercisable at year end	37,250,000	18.59 Cents	37,250,000	20 Cents

During the half year ended 31 December 2012, 4,000,000 options were issued to Robert Sebek, the managing director of the Company and 1,250,000 options were issued to employees as an incentive with an exercise price of 10 cents and a term of 5 years. Using the Black Scholes Model, the fair value of an options is approximately 1.70 cents based on the following criteria:

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

Expenses arising from ordinary share payment transactions

Total expenses arising from share based payment transactions during the half year ended 31 December 2013 were as follows:

	2013 **$**	**2012** **$**
Options issued as employee compensation	-	89,250
	-	89,250

18. Business Combination

(a) Summary of acquisition

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

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

Purchase consideration:

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

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

I. Non-controlling interests

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

II. *Revenue and profit contribution*

The acquired business contributed revenues of $Nil and net loss of $134,896 to the consolidated group (prior to allowance for non-controlling interests) for the period 13 August 2013 to 31 December 2013. If the acquisition had occurred on 1 July 2012, consolidated revenue and consolidated loss for the half year ended 31 December 2013 would have been $366,796 and $1,752,416 respectively.

(b) Purchase consideration – cash flow

Consideration transferred settled in cash	691,718
Cash and cash equivalents acquired	(383,681)
Net Cash outflow on acquisition	308,037
Acquisition costs charged to expenses	56,863
Net Cash paid relating to the acquisition	364,900

Acquisition-related costs

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

19. Events occurring after the reporting date

On 31 January 2014, the company returned approximately $1,359,337 to shareholders under a capital return equivalent to $0.01 per share for all 135,933,713 shares on issue following an Equal Capital Reduction, which was approved by shareholders on 15 January 2014.

On 12 March 2014 Iron Mountain Mining Ltd announced that it has decided to sell all of the shares that it holds in Red River Resources Ltd for $320,000. The 47,914,512 shares in Red River Resources Ltd held by Iron Mountain Mining Ltd will be sold to various sophisticated and professional investor clients of corporate advisory firm Beer & Co. Execution of the sale and purchase of the shares is subject to settlement on or before 31 March 2014.

Following the resignation and subsequent guilty plea by former director David Zohar in February 2014 to certain charges brought against him by ASIC, the Company has commenced the process of seeking recovery of all payments made by the Company for legal costs incurred in defence. Total defence costs which the Company will seek to recover are approximately $590,000.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 4 to 17 are in accordance with the Corporations Act 2001, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the Consolidated Entity 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 and signed on behalf of the board by:

Robert Sebek
Director
14 March 2014
Perth, Western Australia

ROTHSAY

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Independent Review Report to the Members of Iron Mountain Mining Ltd

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Iron Mountain Mining Ltd for the half-year ended 31 December 2013.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2013 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Iron Mountain Mining Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Iron Mountain Mining Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2013 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Rothsay

Graham R Swan
Partner

Dated 14 March 2014

Chartered Accountants

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