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IRON MOUNTAIN MINING LIMITED

ABN 62 112 914 459

**INTERIM FINANCIAL
REPORT 2007**

For the Half-Year Ended 31 December 2007

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DIRECTORS' REPORT

Your directors submit their report on the consolidated entity consisting of Iron Mountain Mining Ltd and the entities it controlled at the end of, or during, the half year ended 31 December 2007.

DIRECTORS

The directors that held office during the half year were:

Simon Christopher England (Appointed 14 March 2007)
Gregory Keith Whitehouse (Appointed 14 March 2007)
John Adrian Watts (Appointed 14 March 2007)
David Alan Zohar

Review and results of operations

The principal activity of the Company 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 \$831,217 (2006: \$144,930) with total revenues of \$241,455 (2006: \$50,505). Major costs were Exploration expenditure \$638,224 (2006: \$3,000), Administration \$311,172 (2006: \$72,315) and employment costs of \$108,005 (2006: nil).

During the half year the company acquired interests in a number of additional tenements which extend the ground it controls in relation to existing project areas and provides access to additional prospective ground. The company started drill exploration on its Mount Richardson Project where a total of 51 RAB (Rotary Air Blast) and 29 RC (Reverse Circulation) holes were drilled. Ground magnetic survey was used to define drill targets at the Blythe project in Tasmania and an aeromagnetic survey was conducted over the Miaree project at Karratha.

Auditor's Independence Declaration

The auditor's independence declaration under Section 307(c) of the Corporations Act 2001 for the half-year ended 31 December 2007 has been received and is set out on page 2.

Signed in accordance with a resolution of Directors



Keith Whitehouse
Managing Director
13 March 2008
Perth, Western Australia

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AUDITORS INDEPENDENCE DECLARATION



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13 March 2008

The Directors
Iron Mountain Mining Limited
Level 7
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 half year ended 31 December 2007, 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 review; and
- any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink that reads 'C. Burton'.

Chris Burton
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, Western Australia

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INCOME STATEMENT

For the half year ended 31 December 2007

	Notes	Consolidated Group	
		31.12.2007 \$	31.12.2006 \$
Revenue			
Interest Income		162,024	505
Other Income	2	79,431	50,000
Total Revenue		<u>241,455</u>	<u>50,505</u>
Expenditure			
Administration		311,172	72,315
Exploration costs		638,224	3,000
Finance costs		221	120
Consulting fees		0	120,000
Depreciation		18,359	-
Employment costs		108,005	-
Total Expenditure		<u>1,075,981</u>	<u>195,435</u>
Loss before income tax		(834,526)	(144,930)
Income tax expense		-	-
Loss for the year		<u>(834,526)</u>	<u>(144,930)</u>
Loss attributable to minority equity interest		3,309	-
NET LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		<u>(831,217)</u>	<u>(144,930)</u>
Basic loss per share	6	(0.01)	(0.01)

The accompanying notes form part of these financial statements.

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BALANCE SHEET

As at 31 December 2007

	Notes	Consolidated Group	
		31.12.2007 \$	30.6.2007 \$
CURRENT ASSETS			
Cash and cash equivalents		4,320,926	5,628,534
Trade and other receivables		98,119	118,389
Other current assets		2,958	6,878
TOTAL CURRENT ASSETS		4,422,003	5,753,801
NON-CURRENT ASSETS			
Mining bonds and deposits		79,500	13,000
Property, plant and equipment	5	1,004,046	831,583
Mining leases	9	210,000	-
Available for sale financial assets	4	615,372	640,000
TOTAL NON-CURRENT ASSETS		1,908,918	1,484,583
TOTAL ASSETS		6,330,921	7,238,384
CURRENT LIABILITIES			
Trade and other payables		68,533	79,247
Loan from related party	12	-	15,157
Provisions		4,637	418
TOTAL CURRENT LIABILITIES		73,170	94,822
TOTAL LIABILITIES		73,170	94,822
NET ASSETS		6,257,751	7,143,562
EQUITY			
Issued capital		8,080,034	8,046,691
Reserves		958,612	1,043,240
Accumulated losses		(2,777,586)	(1,946,369)
Minority interest		(3,309)	-
TOTAL EQUITY		6,257,751	7,143,562

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2007

	Issued Share Capital \$	Accumulated Losses \$	Reserves \$	Minority Interest \$	Total \$
2006					
Balance at 1 July 2006	561,863	(478,600)	-	-	83,263
Loss for the half year	-	(144,928)	-	-	(144,928)
Total recognised income and expense for the half year		(144,928)			(144,928)
Shares issued during the half year	-	-	-	-	-
Capital raising costs	-	-	-	-	-
Options issued for services	-	-	-	-	-
Balance at 31 December 2006	561,863	(623,528)	-	-	(61,665)
2007					
Balance as at 1 July 2007	8,046,691	(1,946,369)	1,043,240	-	7,143,562
Loss for the half year	-	(831,217)	-	-	(831,217)
Increase in the fair value of available-for-sale financial assets			14,000		14,000
Decrease in the fair value of available-for-sale financial assets	-	-	(98,628)	-	(98,628)
Loss attributable to minority shareholder				(3,309)	(3,309)
Total recognised income and expense for the half year		(831,217)	(84,628)	(3,309)	(919,154)
Shares issued during the half year	81,250	-	-	-	81,250
Capital raising costs	(47,911)	-	-	-	(47,911)
Share capital acquired during the half year	4	-	-	-	4
Balance as at 31 December 2007	8,080,034	(2,777,586)	958,612	(3,309)	6,257,751

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

For the half year ended 31 December 2007

	Notes	Consolidated Group	
		31.12.2007 \$	31.12.2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		64,763	50,000
Interest received		162,024	505
Payments for exploration and evaluation		(526,746)	(86,378)
Payment to suppliers and employees		(547,752)	-
Interest paid		(221)	(120)
Goods and services tax paid		(45,128)	(120,000)
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(893,060)	(155,993)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of financial assets		119,431	-
Payment for acquisition of financial assets		(100,000)	-
Payments for property, plant and equipment		(190,822)	-
Payment for mining bonds and deposits		(276,500)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(447,891)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		81,250	-
Payment of share issue costs		(47,907)	-
Loans to from related entities		-	15,015
NET CASH FLOWS FROM FINANCING ACTIVITIES		33,343	15,015
NET DECREASE IN CASH HELD		(1,307,608)	(140,978)
Cash and cash equivalents at the beginning of period		5,628,534	140,085
CASH AND CASH EQUIVALENTS AT END OF PERIOD		4,320,926	(893)

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Preparation

The half-year consolidated financial statements are a general purpose interim financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by Iron Mountain Mining Limited and its controlled entity during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by entities in the consolidated group and are consistent with those in the June 2007 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical cost modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The financial statements have been prepared on a going concern basis.

Accounting Policies

a. Principles of Consolidation

A controlled entity is any entity Iron Mountain Mining Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 10 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation.

Accounting policies of the subsidiary have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where a controlled entity entered the consolidated group during the year, its operating results have been included from the date control was obtained.

b. Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated 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.

When production commences, the accumulated 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.

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NOTES TO THE FINANCIAL STATEMENTS

2.	Profit for the half year	Consolidated Group	
		31.12.2007	31.12.2006

The following revenue and expense items are relevant in explaining the financial performance for the relevant period:

Profit on sale of available for sale financial assets	79,431	-
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3.	Acquisition and Disposal of Subsidiaries and Restructuring	Consolidated Group	
		31.12.2007	30.06.2007

The parent entity acquired 60% of Macquarie Marble and Lime Pty Ltd on 2 November 2007, a mining exploration company. The purchase was satisfied by the issue of 6 ordinary shares at an issue price of \$1 each. The issue was based on the market price at the date of purchase.

The purchase price was allocated as follows:

Purchase consideration	6	-
Cash consideration	6	-
Assets and liabilities acquired at acquisition date:	-	-
Goodwill on consolidation	-	-
Total	6	-

The assets and liabilities arising from the acquisition are recognised at fair value which are equal to their carrying value at acquisition date.

Loss relating to Macquarie Marble and Lime Pty Ltd amounting to \$8,272 is included in the consolidated income statement for the half-year ended 31 December 2007.

4.	Available for Sale Financial Assets	Consolidated Group	
		31.12.2007	30.06.2007
Listed investment at fair value	414,000	440,000	
Unlisted investments at cost	300,000	200,000	
Less: Fair value adjustment	(98,628)	-	
	615,372	640,000	

The unlisted investments are ordinary shares in Eagle Nickel Limited and Gold Mounting Mining Limited, Director related entities.

The fair value of the investments has been recognised based on the net tangible asset backing of the investments. The revaluations are considered temporary as the investments are currently pursuing IPO's, being Eagle Nickel Limited with an expected listing date of 14th March 2008 and Gold Mountain Mining Limited with an expected listing date within the next 6 months. Upon listing it is expected that the investments will be revalued to fair value with reference to the quoted price on the Australian Stock Exchange.

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NOTES TO THE FINANCIAL STATEMENTS

5. Property, Plant and Equipment	Consolidated Group	
	31.12.2007	30.06.2007
BUILDINGS		
Buildings:		
At cost	825,329	825,329
Accumulated depreciation	(10,373)	(1,470)
TOTAL BUILDINGS	814,956	823,859
PROPERTY IMPROVEMENTS		
At cost	37,328	7,727
Accumulated amortisation	(1,693)	(3)
TOTAL PROPERTY IMPROVEMENTS	35,635	7,724
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	90,000	-
Accumulated depreciation	(517)	-
Total Plant and Equipment	89,483	-
Field Equipment:		
At cost	10,347	-
Accumulated depreciation	(225)	-
Total Field Equipment	10,122	-
Office Equipment:		
At cost	43,689	-
Accumulated depreciation	(6,265)	-
Total Office Equipment	37,424	-
TOTAL PLANT AND EQUIPMENT	987,620	-
FURNITURE AND FIXTURES		
Furniture and Fixtures:		
At cost	1,463	-
Accumulated depreciation	(254)	-
TOTAL FURNITURE AND FIXTURES	1,209	-
MOTOR VEHICLES		
At cost	3,500	-
Accumulated depreciation	(301)	-
TOTAL MOTOR VEHICLES	3,199	-
LOW VALUE COST POOL		
At cost	12,223	-
Accumulated depreciation	(205)	-
TOTAL LOW VALUE COST POOL	12,018	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,004,046	831,583

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NOTES TO THE FINANCIAL STATEMENTS

6. Loss per share	Consolidated Group	
	31.12.2007	31.12.2006
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	67,418,121	24,200,003
Weighted average number of options outstanding	40,637,500	-
Earnings used to calculate basic and dilutive EPS	(831,217)	(144,930)
Basic loss per share	(0.01)	(0.01)

Options are considered to be potential ordinary shares. The options have not been included in the determination of basic or diluted earnings per share as the company is in a position of loss.

7. Segment Information

Business Segments

The Company operates in the mineral exploration industry.

Geographical Segments

The Company operates in Australia only.

8. Dividends

No dividends were paid or proposed during the period

The Company has no franking credits available at 31 December 2007.

9. Mining lease

During the period under review, the subsidiary Macquarie Marble and Lime Pty Ltd purchased a mine and mining license for an area of interest located in NSW. The mining lease requires the group to undertake certain rehabilitation projects which are currently underway. The group has applied to the NSW Department of Primary Industries (the Department) for a minor extension to complete these works, due to unsafe conditions relating to inclement weather, and they are expected to be complete during March 2008. In the event that the site works are not met the Department may exercise their discretion to issue new requirements which can include penalties, additional work orders or in extreme cases cancellation of the lease. The Director's however, are working closely with the Department and are confident that the requirements identified by the Department will be met without the imposition of penalties.

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NOTES TO THE FINANCIAL STATEMENTS

10. Controlled Entities

a. Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)	
		31.12.2007	30.06.2007
Parent Entity: Iron Mountain Mining Limited	Australia	-	-
Ultimate Parent Entity: Iron Mountain Mining Limited	Australia		
Subsidiaries of Iron Mountain Mining Limited: Macquarie Marble and Lime Pty Ltd	Australia	60	-
<i>* Percentage of voting power is in proportion to ownership</i>			

b. Acquisition of Controlled Entities

On 2 November 2007 the parent entity acquired 60% of the net assets of Macquarie Marble and Lime Pty Ltd, with Iron Mountain Mining Limited entitled to all profits earned from 2 November 2007 for a purchase consideration of \$6.

11. After balance date events

As at the close of the Australian Stock Exchange on the 12th March 2008, the Company's investment in listed entities (as disclosed in Note 4) was fair valued at \$216,000, representing a diminution in value of \$198,000 since 31 December 2007. The Fair value adjustment has not been recognised at the 31 December 2007 as the condition did not exist at reporting date, and the Directors believe the diminution in value is as a consequence of market conditions and does not represent a permanent impairment of financial assets.

12. Related Party Transactions

Consolidated Group

31.12.2007 30.06.2006

The related party loan is unsecured and repayable on demand.

Loan from related party	-	(15,157)
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During the half year Iron Mountain Mining Limited advanced 60% owned subsidiary Macquarie Marble and Lime Pty Ltd \$381,320 interest free repayable on demand.

During the half year, the company paid consulting fees to Australian Exploration Field Services Pty Ltd, which is a director related company of \$168,884 (2006: Nil)

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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 31 December 2007 and of its performance for the half-year ended on that date; and
 - (ii) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; 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.



Keith Whitehouse
Managing Director
13 March 2008
Perth, Western Australia

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INDEPENDENT AUDITORS REVIEW REPORT



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

We have reviewed the accompanying half-year financial report of Iron Mountain Mining Limited, which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Iron Mountain Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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*.

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INDEPENDENT AUDITORS REVIEW REPORT



Conclusion

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

- (a) giving a true and fair view of the disclosing entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls

A handwritten signature in black ink that reads 'C. Burton'.

Chris Burton
Director

Perth, Western Australia
Dated this 13th day of March 2008

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