



**IRONRIDGE RESOURCES LIMITED
AND CONTROLLED ENTITIES
ACN 121 572 192**

FINANCIAL REPORT

**FOR THE HALF-YEAR
ENDED 31 DECEMBER 2013**

Registered Office & Principal Place of Business:

**Level 27
111 Eagle Street
Brisbane QLD 4000**

DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2013.

DIRECTORS

The names of the directors in office during the financial period and up to the date of this report are:-

Nicholas Mather
Vincent Mascolo
Geoffrey (Stuart) Crow

CORPORATE STRUCTURE

IronRidge Resources Limited ("IronRidge") is a company limited by shares that is incorporated and domiciled in Australia. It was converted to a public company on 22 August 2011.

IronRidge Resources Limited's registered office is at Level 27, 111 Eagle Street, Brisbane.

PRINCIPAL ACTIVITIES

IronRidge was originally established to explore for uranium in southern Queensland and over a number of years the Company accumulated a sizeable package of Exploration Permits for Minerals (EPM) and an Exploration Permit for Coal (EPC), focussed mainly in the Surat Basin, in Queensland, Australia.

In late 2011 the Company sought to expand its strategy of "Early Mover Advantage" into regions of Africa prospective for iron ore and an experienced team of ex-Rio Tinto geologists engaged to identify and secure a portfolio of assets with the potential to be world class. There was no significant change in the nature of the activities of the Group during the half-year period ended 31 December 2013.

SIGNIFICANT EVENTS AFTER BALANCE DATE

There have been no events since the end of the half year that impact the financial report as at 31 December 2013.

REVIEW AND RESULTS OF OPERATIONS

IronRidge is focused on exploration for and development of large scale bulk commodities. The company is assembling a suite of assets in prospective, under-developed regions -

Gabon (two granted Permis de Recherche for Iron ore and Gold)

- Exploration has commenced and initial sample assay results very encouraging
- Proposed drilling program to confirm extent of mineralisation prior to IPO
- Exploration target 1.2 Bt, with initial DSO option already indicated

DRC (Negotiating an Exploitation Permit prospective for iron ore)

- Negotiating a MoU for 63.5% farm-in for Kasumbalesa Project
- Exploration target 65 - 260 Mt, with DSO potential

Australia (Granted EPMs prospective for Ni/Co and TiO₂/Fe/Al₂O₃)

- Extensive auger drilling program undertaken on titanium area in late 2012
- Significant exploration upside remains

Directors' Report (continued)

REVIEW AND RESULTS OF OPERATIONS (continued)

The IronRidge projects in **Gabon**, West Africa, are shown in the following Figure 1. Gabon is one of the richest nations in Africa, with an economy largely based on oil. It is however a recognised region for hosting iron ore, and the stable Gabonese Government is promoting mining investment. The country already has substantial rail and port infrastructure in place

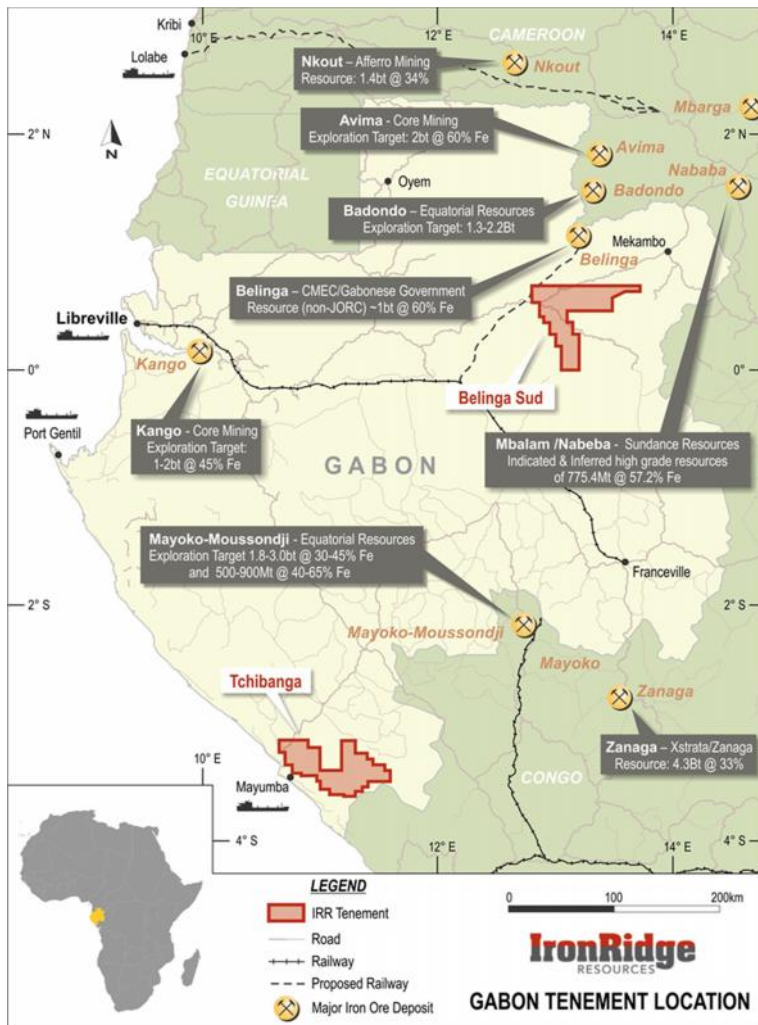


Figure 1: IronRidge Resources Gabon Tenement Locations

The **Belinga Sud** Permis de Recherche (see Figure 2) covers 1,976 km² and hosts hematite in conventional Banded Iron Formations (BIF). It is directly south of the Belinga Iron Ore Deposit (860 Mt @ 63% Fe), and 150 km from the Trans-Gabonese rail line. The tenement contains several exploration targets evident from magnetic anomalies and preliminary exploration, and the potential for an initial direct shipping (DSO) project.

Directors' Report (continued)

REVIEW AND RESULTS OF OPERATIONS (continued)

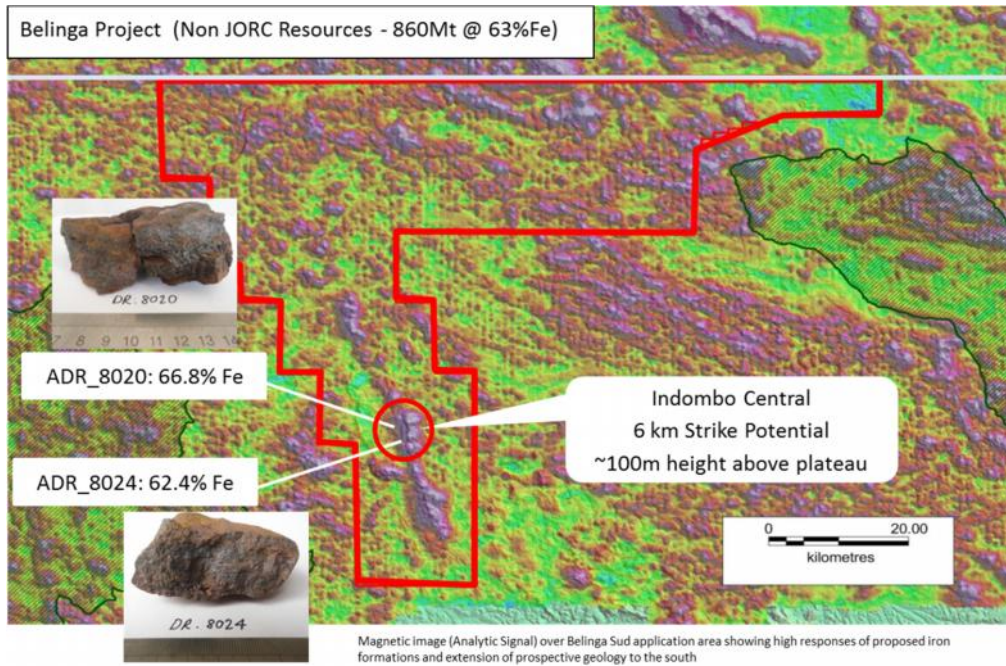
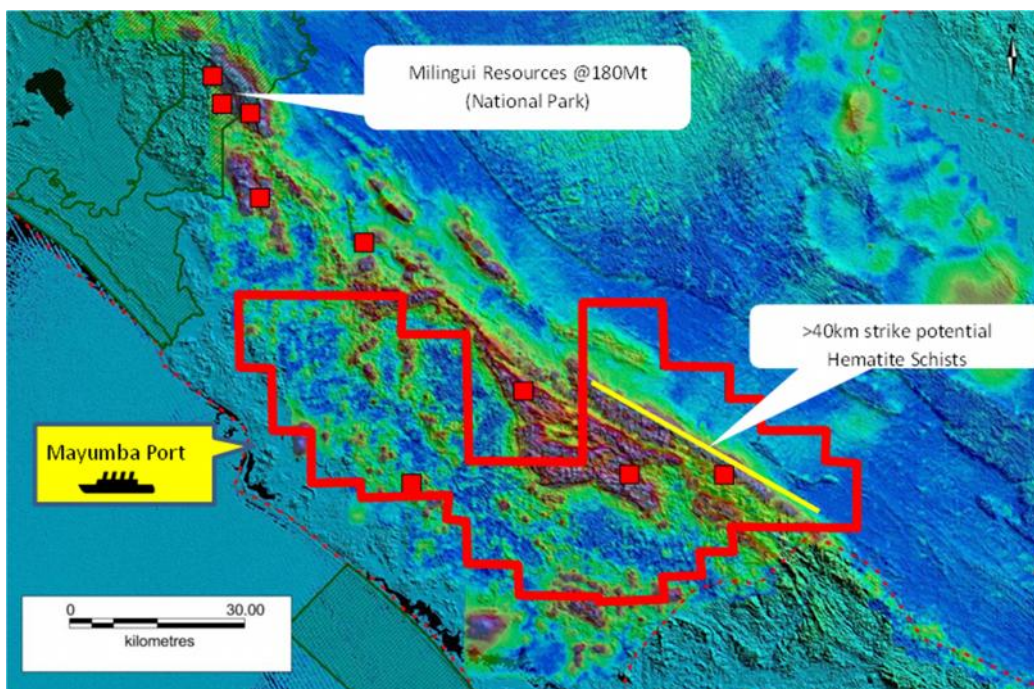


Figure 2: Belinga Sud Project, Gabon, West Africa

The Tchibanga Permis de Recherche (see Figure 3) covers 1,977km² and is along strike from known iron occurrences. The area has not been subject to any “modern era” exploration. The tenement is proximate to the port of Mayumba.



■ BRGM / Sysmin Fe-occurrence

Figure 3: Tchibanga Project, Gabon, West Africa

Directors' Report (continued)

REVIEW AND RESULTS OF OPERATIONS (continued)

IronRidge recently acquired Falcon Gravity Data in the Tchibanga area. Sampling and mapping has confirmed a correlation of the characteristic signatures provided by magnetics, gravity and topography data, including the ability to differentiate between hematite and magnetite resources. Based on the Falcon data IronRidge has lodged an additional 1,400 km² exploration licence application giving 100% tenure over the gravity data area (see Figure 4). Noting a strong magnetic and gravity response similar to the known Milingui Iron Ore deposit to the north west of the Tchibanga Permit, IronRidge has just completed an initial field exploration program in the Mont Pele area in the south eastern sector of the Tchibanga Permit. This has confirmed the presence of hematite grading up to 62% in banded iron formations (BIF) and the establishment of an exploration target at Mont Pele of 600Mt of contained Fe (based on a conservative 10 km strike length).

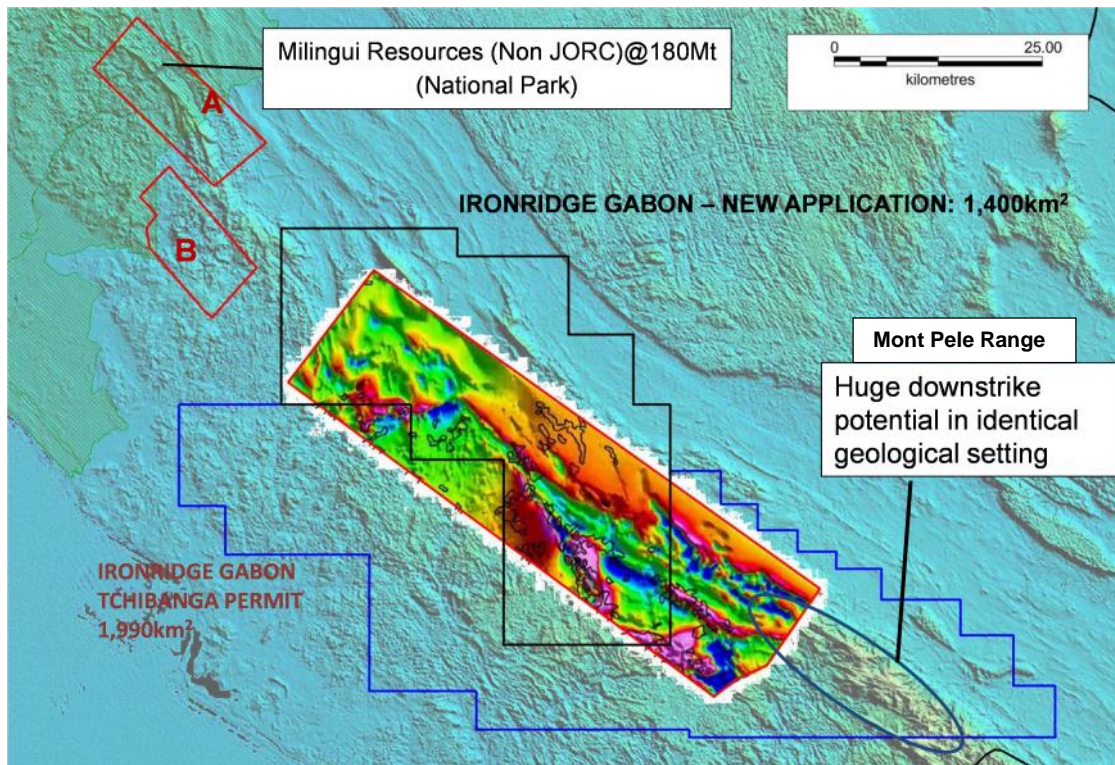


Figure 4: Tchibanga - New Exploration Permit Application and Falcon Gravity Data Coverage

IronRidge Resources Ltd exploration tenements in Australia are shown in Figure 5. They are clustered in two groups in the area west of Mundubbera in Queensland.

The southern group centered around Monogorilby is prospective for TiO₂, with accompanying Fe and Al₂O₃. A drilling program undertaken in late 2011 at Monogorilby revealed that the top 11 metres of the deposit is extensive and homogeneous, averaging >4.5% TiO₂ (max value 13.8%). X-Ray Diffraction (XRD) analysis indicates the mineralogy of the titanium to be rutile and titanium associated with goethite, and preliminary metallurgical test results produced an intermediate product that may be suitable for hydrometallurgical processing.

In late 2012 an extensive auger drilling program confirmed a much larger and thicker quantity of titanium rich tuff underlay the harder laterite material tested in the 2011 drilling program. A resource estimate "in house" indicates over 1.1 Bt assaying +3.2% TiO₂. A program to test metallurgical recovery of the titanium is now being commenced.

Directors' Report (continued)

REVIEW AND RESULTS OF OPERATIONS (continued)

A review of earlier work on the Quaggy Prospect during the past year has led to a change in exploration focus and the application for two additional exploration tenements further north at Glencoe. Quaggy presents a strong magnetic feature that can be traced under the overlying laterite and alluvial cover. Soil cover (derived from the underlying gabbro) to the east is strongly anomalous in copper, nickel, cobalt and associated platinum group metals. As shown in Figure 6, these sit over SAM conductors which are stronger to the west at the limit of the survey. The combination of geology, soil geochemistry and underlying conductors demonstrates a potential for a new nickel district similar to that recently discovered by Sirius Resources NL (Nova Prospect) in Western Australia. The Glencoe prospect (under application) to the north of Quaggy presents an even stronger magnetic layered gabbro feature with known Cu, Ni and PGMs than at Quaggy.

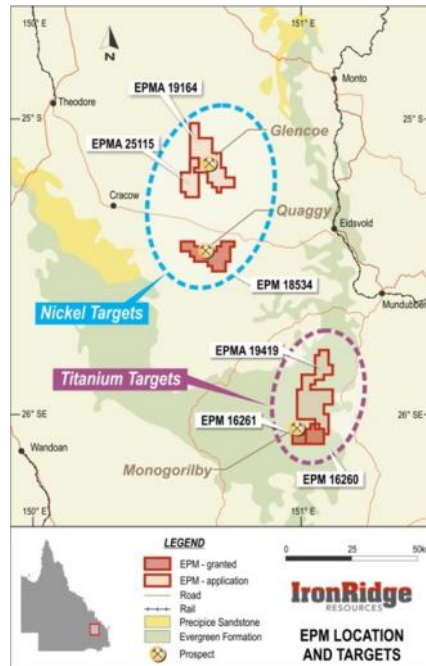


Figure 5: IronRidge Resources EPMA and Projects in Queensland

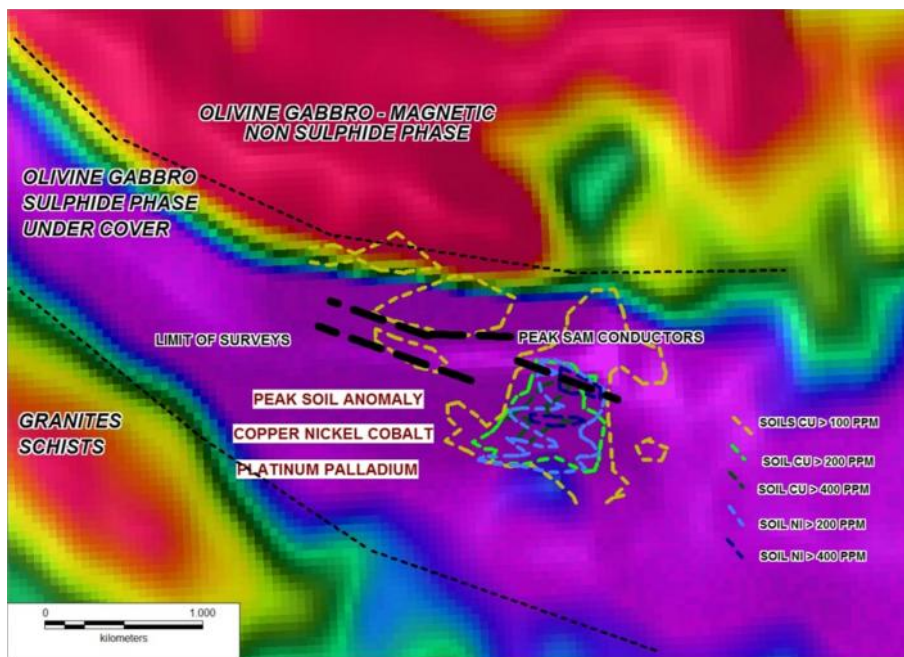


Figure 6: Peak SAM conductors and soil geochemistry at Quaggy (shown over magnetic image)

Directors' Report (continued)**REVIEW AND RESULTS OF OPERATIONS (continued)**

Finally, the Company has carried out a significant level of work in finalising its Initial Public Offer (IPO) in 2014.

The loss after income tax for the Group for the half-year ended 31 December 2013 was \$940,025 (31 December 2012 loss of \$501,360).

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration forms part of the Directors' Report and can be found on page 5.

Signed in accordance with a resolution of the Board of Directors:



Vincent Mascolo
Director
Brisbane
Date: 7 February 2014

**DECLARATION OF INDEPENDENCE BY TIM KENDALL TO THE DIRECTORS OF IRONRIDGE
RESOURCES LIMITED**

As lead auditor for the review of IronRidge Resources Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of IronRidge Resources Limited and the entities it controlled during the period.



T J Kendall
Director

BDO Audit Pty Ltd

Brisbane, 7 February 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 December 2013

| | Notes | 31 December 2013 \$ | 31 December 2012 \$ |
|--|-------|------------------------|------------------------|
| Revenue | 3 | 1,836 | 583 |
| Administration and consulting expenses | | 920,815 | 250,893 |
| Depreciation | | 2,209 | 2,204 |
| Employee benefits expense | | - | 79,941 |
| Exploration costs written off | | 6,569 | 156,123 |
| Legal expenses | | 12,268 | 12,783 |
| (Loss) before income tax | 4 | (940,025) | (501,360) |
| Income tax expense | | - | - |
| (Loss) for the period | | (940,025) | (501,360) |
| Other comprehensive income | | - | - |
| Total comprehensive income for the period | | (940,025) | (501,360) |

| Earnings per share | | Cents per share | Cents per share |
|----------------------------|---|-----------------|-----------------|
| Basic earnings per share | 5 | (0.9) | (0.6) |
| Diluted earnings per share | 5 | (0.9) | (0.6) |

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

| | Notes | 31 December 2013 \$ | 30 June 2013 \$ |
|---|-------|------------------------|--------------------|
| Current assets | | | |
| Cash and cash equivalents | | 190,808 | 29,661 |
| Trade and other receivables | | 46,402 | 24,525 |
| Other current assets | | 66,340 | - |
| Total current assets | | 303,550 | 54,186 |
| Non-current assets | | | |
| Other financial assets | | 60,603 | 68,103 |
| Property, plant and equipment | | 13,184 | 15,394 |
| Exploration and evaluation assets | | 1,358,411 | 1,021,370 |
| Total non-current assets | | 1,432,198 | 1,104,867 |
| Total assets | | 1,735,748 | 1,159,053 |
| Current liabilities | | | |
| Trade and other payables | | 203,574 | 349,529 |
| Non-Interest-bearing loans | | 3,636 | 20,136 |
| Total current liabilities | | 207,210 | 369,665 |
| Total liabilities | | 207,210 | 369,665 |
| Net assets | | 1,528,538 | 789,388 |
| Equity | | | |
| Issued capital | 6 | 6,070,861 | 4,391,686 |
| Reserves | | - | - |
| Accumulated losses | | (4,542,323) | (3,602,298) |
| Total equity attributable to owners of IronRidge Resources Limited | | 1,528,538 | 789,388 |

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2013

| | Issued Capital \$ | Accumulated Losses \$ | Total Equity \$ |
|---|-------------------------|-----------------------------|-----------------------|
| Balance at 1 July 2012 | 3,131,190 | (2,465,935) | 665,255 |
| Loss for the period | - | (501,360) | (501,360) |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the period | - | (501,360) | (501,360) |
| Shares issued during the period | - | - | - |
| Balance at 31 December 2012 | 3,131,190 | (2,967,295) | 163,895 |
| Loss for the period | - | (635,003) | (635,003) |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the period | - | (635,003) | (635,003) |
| Shares issued during the period | 1,275,769 | - | 1,275,769 |
| Share issue costs | (15,273) | - | (15,273) |
| Balance at 30 June 2013 | 4,391,686 | (3,602,298) | 789,388 |
| Loss for the period | - | (940,025) | (940,025) |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the period | - | (940,025) | (940,025) |
| Shares issued during the period | 1,719,188 | - | 1,719,188 |
| Share issue costs | (40,013) | - | (40,013) |
| Balance at 31 December 2013 | 6,070,861 | (4,542,323) | 1,528,538 |

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2013

| | Notes | 31 December 2013 \$ | 31 December 2012 \$ |
|---|-------|------------------------|------------------------|
| Cash flows from operating activities | | | |
| Payments to suppliers and employees | | (503,607) | (138,522) |
| Interest received | | 1,836 | 583 |
| Interest paid | | (11) | (543) |
| Net cash flows from operating activities | | (501,782) | (138,482) |
| Cash flows from investing activities | | | |
| (Payments) / refund for security deposits | | 7,500 | (44,666) |
| Cash acquired on acquisition of subsidiary | | - | - |
| Payments for exploration and evaluation assets | | (276,737) | (53,518) |
| Net cash flows from investing activities | | (269,237) | (98,184) |
| Cash flows from financing activities | | | |
| Proceeds from the issue of shares | | 999,238 | - |
| Transactions costs on the issue of shares | | (25,313) | - |
| Prepayment of IPO costs | | (41,759) | - |
| Net cash flows from financing activities | | 932,166 | - |
| Net increase/ (decrease) in cash and cash equivalents | | 161,147 | (236,666) |
| Cash and cash equivalents at the beginning of the period | | 29,661 | 241,130 |
| Cash and cash equivalents at the end of the period | | 190,808 | (22,536) |

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2013

Note 1: Summary of Significant Accounting Policies

Corporate information

The financial report of IronRidge Resources Limited (the "Company") for the half-year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 7 February 2014. IronRidge Resources Limited (the Parent) is a public company limited by shares incorporated and domiciled in Australia. The ultimate parent of IronRidge Resources Limited is DGR Global Limited which owns 45% of the ordinary shares. The Group's registered office is located at Level 27 One One One, 111 Eagle Street, Brisbane, QLD 4000.

Basis of preparation

This half-year financial report for the period ended 31 December 2013 prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, comprises the Company and its subsidiaries (together referred to as the "Group").

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Going concern

The half year financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The Group has not generated revenues from operations. As such, the Group's ability to continue to adopt the going concern assumption will depend upon a number of matters including the successful closure of its initial public offering, its subsequent successful raisings in the future of necessary funding and the successful exploration and subsequent exploitation of the Group's tenements. In the absence of these matters being successful, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the ordinary course of business and at amounts different from those stated in the half-year financial report. No adjustment for such circumstances have been made in the half-year financial report.

Note 2: Segment Information

The Group has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the Board for the Group as a whole. The Group does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Group as having only one reportable segment, being exploration for base and precious metals. The financial results from this segment are equivalent to the financial statements of the Group. There have been no changes in the operating segments during the half-year.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2013

| | 31 December 2013 \$ | 31 December 2012 \$ |
|------------------------|------------------------|------------------------|
| Note 3: Revenue | | |
| - Interest received | 1,836 | 583 |
| Total Revenue | 1,836 | 583 |

| | | |
|--|--------------|------------|
| (a) Interest revenue from: | | |
| - Cash deposits held with financial institutions | 1,836 | 583 |
| Total Interest Revenue | 1,836 | 583 |

Note 4: Profit / (Loss)

Included in the profit / (loss) are the following specific expenses:

| | | |
|-----------------------|-------|-------|
| Depreciation | | |
| - Office equipment | 403 | 402 |
| - Plant and equipment | 1,806 | 1,802 |

Note 5: Earnings Per Share (EPS)

(a) Earnings

| | | |
|--|-----------|-----------|
| Earnings used to calculate basic and diluted EPS | (940,025) | (501,360) |
|--|-----------|-----------|

(b) Weighted average number of shares and options

Weighted average number of ordinary shares outstanding during the period, used in calculating basic earnings per share

| Number of Shares | Number of Shares |
|------------------|------------------|
| 110,222,322 | 88,923,760 |

Weighted average number of dilutive options outstanding during the period

-

Weighted average number of ordinary shares and potential ordinary shares outstanding during the period, used in calculating diluted earnings per share

| | |
|-------------|------------|
| 110,222,322 | 88,923,760 |
|-------------|------------|

Note 6: Issued Capital

(a) Issued and paid up capital

| | 31 December 2013 \$ | 30 June 2013 \$ |
|----------------------------|------------------------|--------------------|
| Ordinary shares fully paid | 6,141,149 | 4,421,961 |
| Share issue costs | (70,288) | (30,275) |
| | 6,070,861 | 4,391,686 |

Ordinary shares participate in dividends and the proceeds on winding up the Company. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2013

Note 6: Issued Capital (continued)

(b) Reconciliation of issued and paid-up capital

| | Number of Shares | \$ |
|---|--------------------|------------------|
| At 1 July 2012 | 88,923,760 | 3,131,190 |
| Shares issued for cash (\$0.075 per share - 01/05/13 net of issue costs) | 7,609,999 | 555,477 |
| Shares issued for debt conversion (\$0.075 per share - 01/05/13) | 7,083,254 | 531,244 |
| Shares issued for cash (\$0.075 per share - 30/06/13) | 760,000 | 57,000 |
| Shares issued for debt conversion (\$0.075 per share - 30/06/13) | 1,557,000 | 116,775 |
| At 30 June 2013 | 105,934,013 | 4,391,686 |
| At 1 July 2013 | 105,934,013 | 4,391,686 |
| Shares issued for cash (\$0.075 per share - 01/07/13) | 720,000 | 54,000 |
| Shares issued for cash (\$0.075 per share - 29/10/13) | 7,933,333 | 595,000 |
| Shares issued for debt conversion (\$0.075 per share - 20/12/13) | 1,333,333 | 100,000 |
| Shares issued for services in lieu of cash (\$0.075 per share - 20/12/13) | 2,700,000 | 202,500 |
| Shares issued for issue costs lieu of cash (\$0.075 per share - 20/12/13) | 196,000 | 14,700 |
| Shares issued for services in lieu of cash (\$0.075 per share - 20/12/13) | 5,370,000 | 402,750 |
| Shares issued for cash (\$0.08 per share - 20/12/13 net of issue costs) | 4,327,976 | 310,225 |
| At 31 December 2013 | 128,514,655 | 6,070,861 |

Note 7: Contingent Assets and Contingent Liabilities

The directors are not aware of any contingent assets or contingent liabilities at the date of this report.

Note 8: Financial Instruments

There are no financial assets or liabilities measured at fair value in the statement of financial position.

The carrying value of all financial assets and liabilities not measured at fair value in the statement of financial position approximate their fair value.

Note 9: Subsequent Events

There have been no events since the end of the half year that impact the financial report as at 31 December 2013.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of IronRidge Resources Limited, I state that:

In the opinion of the directors:

1. The attached half-year financial report and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (a) Giving a true and fair view of the financial position as at 31 December 2013 and the performance for the half-year ended on that date of the consolidated entity; and
 - (b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Vincent Mascolo
Director
Brisbane
Date: 7 February 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of IronRidge Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of IronRidge Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 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 IronRidge Resources 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of IronRidge Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's 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 IronRidge Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) 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) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit Pty Ltd

BDO

T J Kendall

Director

Brisbane, 7 February 2014