

IronRidge RESOURCES

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

ANNUAL REPORT 2014

CONTENTS

DIRECTORS' REPORT	3
AUDITORS INDEPENDENCE DECLARATION.....	18
INTEREST IN TENEMENTS.....	19
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	20
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	21
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	22
CONSOLIDATED STATEMENT OF CASH FLOWS	23
NOTES TO THE FINANCIAL STATEMENTS.....	24
DIRECTORS' DECLARATION	46
INDEPENDENT AUDITORS' REPORT	47

DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2014.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Nicholas Mather
Vincent Mascolo
Geoffrey (Stuart) Crow

Nicholas Mather -Non Executive Chairman *BSc (Hons,Geol), MAusIMM*

Nick Mather's special area of experience and expertise is the generation of and entry into undervalued or unrecognised resource exploration opportunities. He has been involved in the junior resource sector at all levels for more than 25 years. In that time he has been instrumental in the delivery of major resource projects that have delivered significant gains to shareholders. As an investor, securing projects and financiers, leading exploration campaigns and managing emerging resource companies Mr Mather brings a wealth of valuable experience.

During the past three years Mr Mather has also served as a director of the following listed companies:

- DGR Global Limited
- Orbis Gold Limited
- Aus Tin Mining Limited
- Navaho Gold Limited
- Bow Energy Limited (resigned 11 January 2012)
- Armour Energy Limited
- Lakes Oil NL (appointed 7 February 2012)
- SolGold plc, which is listed on the London Stock Exchange (AIM)

Vincent Mascolo -Executive Director *BEng Mining, MAusIMM, MEI Aust*

Mr Mascolo is a qualified mining engineer with extensive experience in a variety of fields including, gold and coal mining, quarrying, civil-works, bridge-works, water and sewage treatment and estimating.

Mr Mascolo has completed his assignment in the Civil and Construction Industry, including construction and project management, engineering, quality control and environment and safety management. He is also a member of both the Australian Institute of Mining and Metallurgy and the Institute of Engineers of Australia.

During the past three years Mr Mascolo has also served as a director of the following listed companies:

- DGR Global Limited

Stuart Crow -Non Executive Director

Mr Crow has more than 27 years' experience in all aspects of corporate finance and investor relations in Australia and international markets, and has owned and operated his own businesses in these areas for the last nineteen years. He brings extensive working knowledge of global capital markets and investor relations to the Board.

Throughout his career, Stuart has served on a number of boards of public and unlisted companies and has assisted in raising funds for companies of varying size in Australia and International capital markets whilst working for his own firm and before that some of the world's largest broking firms.

During the past three years Mr Crow has also served as a director of the following listed companies:

- TNG Limited

Directors' Report (continued)

As at the date of this report, the interest of the directors in the shares and options of IronRidge Resources Limited were:

	Number of ordinary shares	Number of options over ordinary shares
Nicholas Mather	1,303,703	1,500,000
Vince Mascolo	8,310,291	3,000,000
Stuart Crow	1,000,000	1,500,000

Company secretary

Karl Schlobohm - Company Secretary
B.Comm, B.Econ, M.Tax, CA, AICD

Karl Schlobohm is a Chartered Accountant with over 20 years' experience across a wide range of industries and businesses. He has extensive experience with financial accounting, corporate governance, company secretarial duties and board reporting. Over the past 5 years, Mr Schlobohm has contracted into roles as CFO and/or Company Secretary for a number of ASX-listed resource companies including Linc Energy, Discovery Metals and Meridian Minerals.

He currently acts as the Company Secretary for ASX-listed DGR Global Limited, Navaho Gold Limited (also acts as non-executive director), Aus Tin Mining Limited, Armour Energy Limited and LSE(AIM)-listed SolGold Plc.

Corporate structure

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

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 financial year.

Dividends

No dividends were declared or paid during the financial year.

Directors' Report (continued)

Review of Operations and Future Developments

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 (Three granted Permis de Recherche for Iron ore)

- Exploration has commenced and initial sample assay results very encouraging
- An additional 1400km² of tenure at Tchibanga was granted.
- Falcon Data interpretation identifies some 100km of strike zones and multiple drill targets at Tchibanga
- Proposed drilling program to confirm extent of mineralization.
- Exploration target of 1.2 Bt, with initial DSO option already indicated
- SRK estimates upto 500mt of DSO at Mont Pele alone on 2km of strike

DRC (Exploitation Permit prospective for iron ore)

- 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 of Operations and Future Developments (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 of Operations and Future Developments (continued)

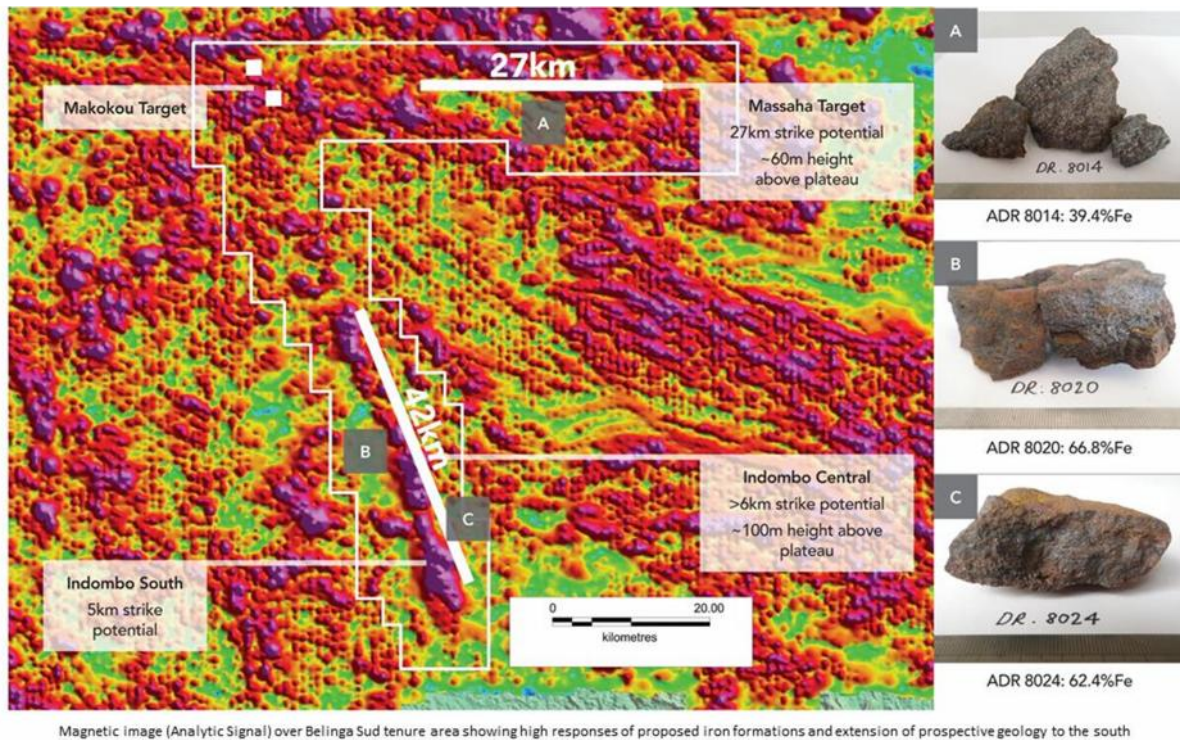


Figure 2: Belinga Sud Project, Gabon, West Africa

The two Tchibanga Permis de Recherche (see Figure 3) covers 3,377km² 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.

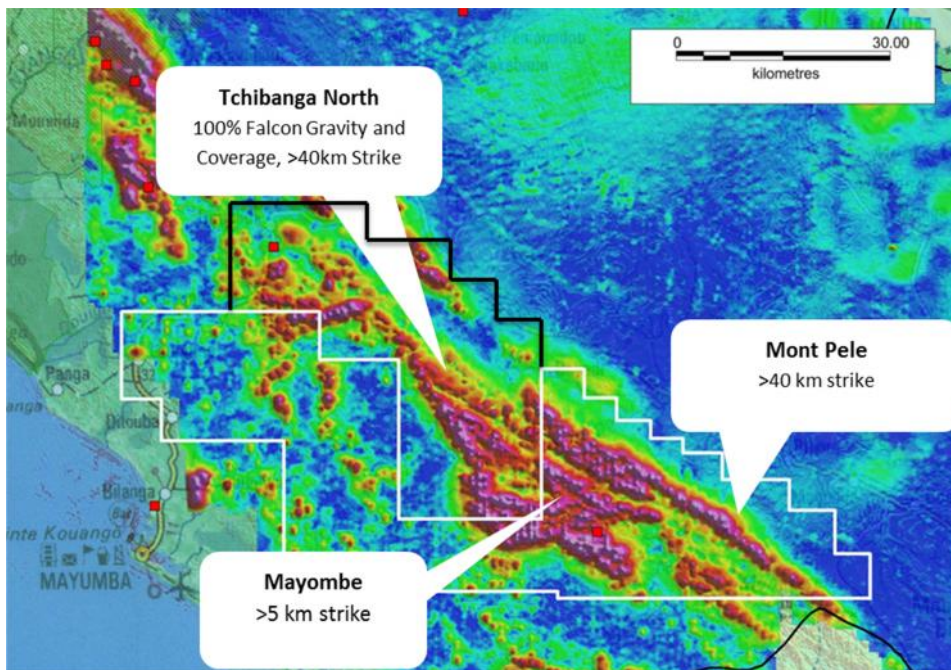


Figure 3: Tchibanga Project, Gabon, West Africa

Directors' Report (continued)

Review of Operations and Future Developments (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 lodged and was granted an additional 1,400 km² of tenure 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 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) over a conservative strike length of 10km.

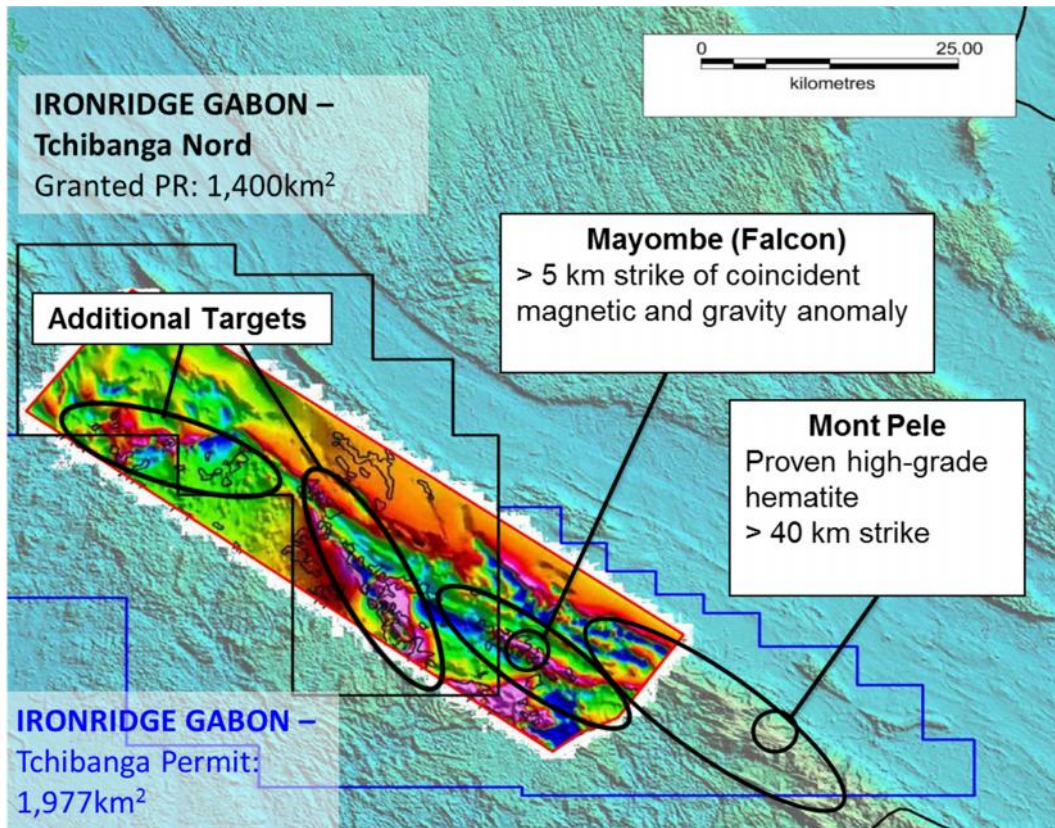


Figure 4: Tchibanga - New Exploration Permit and Falcon Gravity Data Coverage Identifying Multiple Drill Targets

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 on and around Monogorilby which 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 of Operations and Future Developments (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.

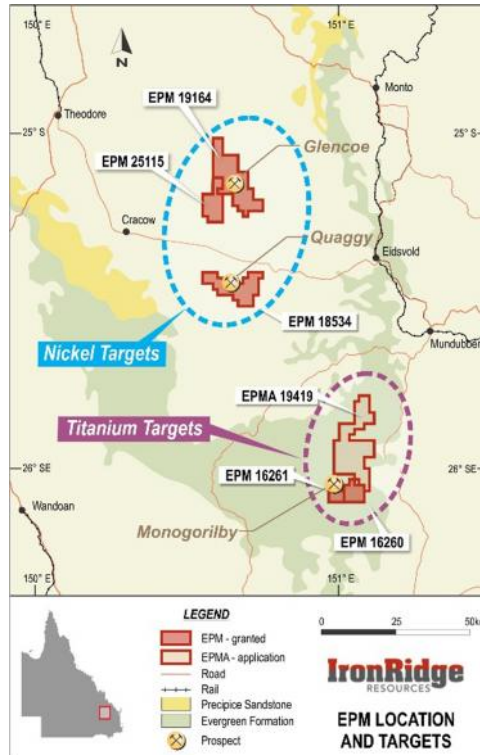


Figure 5: IronRidge Resources EPMS and Projects in Queensland

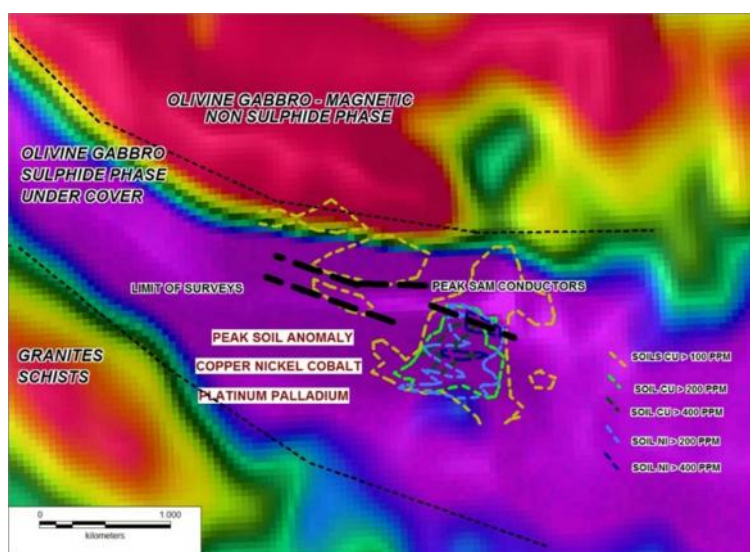


Figure 6: Peak SAM conductors and soil geochemistry at Quaggy (shown over magnetic image)

The loss after income tax for the Group for the year ended 30 June 2014 was \$2,425,279.

Directors' Report (continued)

Significant changes in the state of affairs

During the financial year ended 30 June 2014, issued capital increased to \$6,661,258 from \$4,391,686 as a result of seed capital raisings totaling \$1,334,423, net of share issue costs of \$41,015, the issue of shares to DGR Global Limited as a result of a partial debt conversion of \$100,000, the issue of bonus shares to executives of \$617,950 and the issue of shares as a result of other debt conversions totaling \$217,200.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or the financial statements of the Group for the financial year.

Environmental regulations and performance

The Directors have put in place strategies and procedures to ensure that the Group manages its compliance with environmental regulations. The Directors are not aware of any breaches of any applicable environmental regulations.

Proceedings on behalf of company

No person has applied to the Court under section 237 of *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to 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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Remuneration report (audited)

This remuneration report for the year ended 30 June 2014 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* (the "Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company, and includes the executive team.

The remuneration report is presented under the following sections:

1. Individual key management personnel disclosures
2. Remuneration policy
3. Non-executive director remuneration arrangements
4. Executive remuneration arrangements
5. Company performance and the link to remuneration
6. Executive contractual arrangements
7. Equity instruments disclosures

1. Individual key management personnel disclosures

Key management personnel

(i) Directors

Nicholas Mather	Executive Chairman
Vince Mascolo	Executive Director
Stuart Crow	Non-executive Director

(ii) Executives

Karl Schlobohm*	Company Secretary
Priy Jayasuriya*	Chief Financial Officer
Barry Stoffell	Chief Geologist, New Opportunities Group
Amanda Geard	Business Generation, New Opportunities Group

* Karl Schlobohm, Priy Jayasuriya, Barry Stoffell and Amanda Geard are currently remunerated by DGR Global Limited.

There were no changes to KMP after reporting date and before the date the financial report was authorized for issue.

Directors' Report (continued)

Remuneration report (continued)

2. Remuneration policy

IronRidge Resources Limited's remuneration strategy is designed to attract, motivate and retain employees and NEDs by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Group.

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 remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the retention of a high quality Board and Executive team. Such officers are given the opportunity to receive their base remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company. Further details on the remuneration of Directors and Executives are set out in this Remuneration Report.

The Company aims to reward the Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company. The Board's policy is to align Executive objectives with shareholder and business objective by providing a fixed remuneration component and offering long-term incentives.

In accordance with best practice corporate governance, the structure of NED and executive remuneration is separate and distinct.

3. Non-executive director remuneration arrangements

The board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest caliber, whilst incurring a cost that is acceptable to shareholders. The Company's specific policy for determining the nature and amount of remuneration of Board members of the Company is as follows:

The Constitution of the Company provides that the NEDs are entitled to remuneration as determined by the Company in a general meeting to be apportioned among them in such manner as the Directors agree, and, in default of agreement, equally. The aggregate remuneration per annum will be determined at the next annual general meeting. Additionally, NEDs are entitled to be reimbursed for properly incurred expenses.

If a NED performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. However, no payment can be made if the effect would be to exceed the maximum aggregate amount payable to NEDs. A NED is entitled to be paid travelling and other expenses properly incurred by them in attending Director's or general meetings of the Company or otherwise in connection with the business of the Company.

All Directors have the opportunity to qualify for participation in the Company's Employee Share Option Plan ("ESOP"), subject to the approval of shareholders.

The remuneration of NEDs for the year ended 30 June 2014 is detailed in this Remuneration Report.

4. Executive remuneration arrangements

The Company aims to reward the Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- align the interests of the Executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of Executives may from time to time be fixed by the Board. The remuneration will comprise a fixed remuneration component and also may include offering specific short and long-term incentives, in the form of:

- performance based salary increases and/or bonuses; and/or
- the issue of options.

The remuneration of the Executives employed on a full-time basis by the Company for the year ending 30 June 2014 is detailed in this Remuneration Report.

Directors' Report (continued)

Remuneration report (continued)

5. Company performance and the link to remuneration

During the financial year, the Company has generated losses as its principal activity was mineral exploration. During the year ended 30 June 2014 the Company's ordinary shares were not traded on any exchange and there were no dividends paid during the year.

As the Company is still in the exploration and development stage, the link between remuneration, Company performance and shareholder wealth is tenuous. Share prices are subject to the influence of metals prices and market sentiment toward the sector, and as such increases or decreases may occur quite independent of Executive performance or remuneration.

6. Executive contractual arrangements

It is the Board's policy that employment agreements are entered into with all Executives.

The current service agreement with the Executive Director has a notice period of three (3) months. All other employment agreements have one month (or less) notice periods. Executives are entitled to their statutory entitlements of accrued annual leave and long service leave together with any superannuation on termination. No other termination payments are payable.

The terms of appointment for NEDs are set out in the letters of appointment.

Executive Director

The Company has a three (3) year Executive Service Agreement with Alberona Pty Ltd an entity associated with Mr Vincent Mascolo, which took effect on 9 January 2012 for the provision of certain consultancy services. Alberona Pty Ltd will provide Mr Vincent Mascolo as Executive Director of IronRidge Resources Limited. Under the terms of the agreement:

- Alberona Pty Ltd is entitled to a base fee for the services of Mr Mascolo of \$180,000 per annum, increasing to \$250,000 per annum on the date the Company's shares are admitted to quotation on the ASX and increasing to \$350,000 from the day the company has a market capitalisation of equal to or greater than \$100 million.
- Both the Company and Alberona Pty Ltd are entitled to terminate the contract upon giving three (3) months written notice;
- The Company is entitled to terminate the agreement immediately upon the happening of certain events in respect of Alberona Pty Ltd's solvency or certain acts of misconduct;
- Mr Mascolo is entitled to a short-term incentive equal to 100% of the base fee over the lifetime of the Executive Service Agreement with Alberona Pty Ltd on meeting the following key performance indicators
 - a) 10% - Compliance with statutory requirements and board reporting;
 - b) 25% - Share price re-rating;
 - c) 25% - Project advancement and or value adding acquisition;
 - d) 30% - Promotional achievement, capital management & successful cash raisings; and
 - e) 10% - No lost time injury and adherence to OHES policies.
- Mr Mascolo is entitled to a long-term Incentive equal to a maximum of 4% interest in the share capital of the company upon meeting certain key performance indicators as set by the board.

Other Executives

Employment contracts entered into with Executives contain the following key terms:

Event	Company Policy
Performance based salary increases and/or bonuses	Board discretion
Short and long-term incentives, such as options	Board discretion
Resignation/ notice period	1 month
Serious misconduct	Company may terminate at any time
Payouts upon resignation or termination, outside industrial regulations (i.e. 'golden handshakes')	None

Directors' Report (continued)
Remuneration report (continued)
Remuneration of Directors and Other Key Management Personnel

Directors	Short term benefits	Post-employment	Share based payments		Total	% Consisting of options
	Salary & fees	Superannuation	Options	Equity settled Shares		
	\$	\$	\$	\$	\$	
Stephen Everett ¹						
- 2014	-	-	-	-	-	-
- 2013	11,667	-	-	-	11,667	-
Nicholas Mather						
- 2014	50,000	-	19,409	-	69,409	28%
- 2013	79,167	-	-	-	79,167	-
Vince Mascolo						
- 2014	180,000	-	38,820	215,200	434,020	9%
- 2013	179,275	-	-	-	179,275	-
Stuart Crow ²						
- 2014	52,500	-	19,409	-	71,909	27%
- 2013	20,833	-	-	-	20,833	-
Total remuneration						
- 2014	282,500	-	77,638	215,200	575,338	
- 2013	290,942	-	-	-	290,942	

¹ Stephen Everett resigned 21 November 2012

² Stuart Crow was appointed 1 February 2013

Other Key Management Personnel	Short term benefits	Post-employment	Share based payments		Total	% Consisting of options
	Salary & fees	Superannuation	Options	Equity settled Shares		
	\$	\$	\$	\$	\$	
Peter Williams ¹						
- 2014	-	-	-	-	-	-
- 2013	58,498	-	-	-	58,498	-
Karl Schlobohm ²						
- 2014	-	-	6,470	-	6,470	100%
- 2013	-	-	-	-	-	-
Priy Jayasuriya ²						
- 2014	-	-	6,470	-	6,470	100%
- 2013	-	-	-	-	-	-
Barry Stoffell ²						
- 2014	-	-	34,744	201,375	236,119	15%
- 2013	-	-	-	-	-	-
Amanda Geard ²						
- 2014	-	-	34,744	201,375	236,119	15%
- 2013	-	-	-	-	-	-
Total remuneration						
- 2014	-	-	82,428	402,750	485,178	
- 2013	58,498	-	-	-	58,498	

¹ Peter Williams resigned 21 November 2012.

² Karl Schlobohm, Priy Jayasuriya, Barry Stoffell and Amanda Geard are remunerated by DGR Global Ltd.

There were no other executives employed or remunerated by the Company or the Group during the years ended 30 June 2014 and 2013.

Performance income as a proportion of total remuneration

There was no performance based remuneration during the year.

Directors' Report (continued)
Remuneration report (continued)
7. Equity instruments disclosures
Shares and Options issued as part of remuneration for the year ended 30 June 2014

Shares and options may be issued to Directors and Executives as part of their remuneration. The shares and options are not issued based on performance criteria, but are issued to the majority of Directors and Executives of the Company to align comparative shareholder return and reward for Directors and Executives.

Shares and Options granted as remuneration

Details of shares issued as part of remuneration of directors and other key management personnel in this financial year are as follows:

	Grant date	Issue price
Director shares	31/01/2014	\$0.08
Key Management Personnel shares	20/12/2013	\$0.075

The number of ordinary shares granted to directors and other key management personnel as part of compensation during the year ended 30 June 2014 are set out below:

	Number of shares granted during the year 2014
Directors	
Nicholas Mather	-
Vince Mascolo	2,690,000
Stuart Crow	-
Other Key Management Personnel	
Karl Schlobohm	-
Priy Jayasuriya	-
Amanda Geard	2,685,000
Barry Stoffell	2,685,000
Total	8,060,000

The terms and conditions of the grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follow:

	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Director Options	31/01/2014	31/01/2014	31/12/2017	£0.25	£0.007
Key Management Personnel Options	31/01/2014	31/01/2014	31/12/2017	£0.25	£0.007

Options granted carry no dividend or voting rights. There was no amount paid or payable by the recipients

Directors' Report (continued)

Remuneration report (continued)

7. Equity instruments disclosures (continued)

The number of options over ordinary shares granted to and vested by directors and other key management personnel by as part of compensation during the year ended 30 June 2014 are set out below:

	Number of options granted during the year 2014	Number of options vested during the year 2014
Directors		
Nicholas Mather	1,500,000	1,500,000
Vince Mascolo	3,000,000	3,000,000
Stuart Crow	1,500,000	1,500,000
Other Key Management Personnel		
Karl Schlobohm	500,000	500,000
Priy Jayasuriya	500,000	500,000
Amanda Geard	2,685,000	2,685,000
Barry Stoffell	2,685,000	2,685,000
Total	12,370,000	12,370,000

Shares issued on exercise of remuneration options

There were no options exercised during the year that were previously granted as remuneration (2013: nil).

Additional disclosures relating to key management personnel

Shareholdings

	Balance 1 July 2013	Granted as Compensation	Options Exercised	Net Change Other	Balance 30 June 2014
Directors					
Nicholas Mather	-	-	-	1,303,703	1,303,703
Vincent Mascolo	3,317,000	2,690,000	-	2,303,291	8,310,291
Stuart Crow	400,000	-	-	600,000	1,000,000
Other Key Management Personnel					
Karl Schlobohm	200,000	-	-	92,500	292,500
Priy Jayasuriya	-	-	-	-	-
Barry Stoffell	-	2,685,000	-	-	2,685,000
Amanda Geard	-	2,685,000	-	-	2,685,000
Total	3,917,000	8,060,000	-	4,299,494	16,276,494

"Net Change Other" above includes the balance of shares held on appointment / resignation, and shares acquired for cash.

There were no shares held nominally at 30 June 2014 (2013: nil).

Directors' Report (continued)

Remuneration report (continued)

Option holdings

Current Year	Balance 1 July 2013	Granted	Exercised	Other	Balance 30 June 2014	Vested at the end of the year	Vested and exercisable at the end of the year	Vested and unexercisable at the end of the year
Directors								
Nicholas Mather	-	1,500,000	-	-	1,500,000	1,500,000	1,500,000	-
Vincent Mascolo	-	3,000,000	-	-	3,000,000	3,000,000	3,000,000	-
Stuart Crow	-	1,500,000	-	-	1,500,000	1,500,000	1,500,000	-
Other Key Management Personnel								
Karl Schlobohm	-	500,000	-	-	500,000	500,000	500,000	-
Priy Jayasuriya	-	500,000	-	-	500,000	500,000	500,000	-
Barry Stoffell	-	2,685,000	-	-	2,685,000	2,685,000	2,685,000	-
Amanda Geard	-	2,685,000	-	-	2,685,000	2,685,000	2,685,000	-
Total	-	12,370,000	-	-	12,370,000	12,370,000	12,370,000	-

There were no options held nominally at 30 June 2014 (2013: nil).

Loans to Key Management Personnel

There were no loans to Directors or other key management personnel during the year.

Other Transactions with Key Management Personnel

There were no other transactions or balances with key management personnel during the period.

(End of Remuneration Report)

Directors' Report (continued)**Directors' Meetings**

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

	Number of meetings held while in office	Meetings attended
Nicholas Mather	6	6
Vince Mascolo	6	6
Stuart Crow ¹	6	6

Significant Events after the Balance Date

The Directors are not aware of any significant changes in the state of affairs of the Company after the balance date that is not covered in this report.

Indemnification and insurance of Directors, Officers and Auditor

Each of the Directors and Secretary of the Company has entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those Directors. The Company has insured all of the Directors. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances.

The Company has not indemnified or insured its auditor.

Non-audit Services

BDO Audit Pty Ltd did not provide any non-audit services during the year.

Auditor's Independence Declaration

The Auditor's Independence Declaration forms part of the Directors' Report and can be found on page 18.

Signed in accordance with a resolution of Directors:



Vincent Mascolo
Director

Brisbane

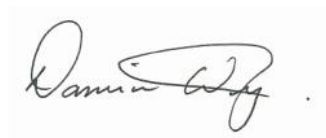
Date: 31 October 2014

DECLARATION OF INDEPENDENCE BY DAMIAN WRIGHT TO THE DIRECTORS OF IRONRIDGE RESOURCES LIMITED

As lead auditor of IronRidge Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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



D P Wright

Director

BDO Audit Pty Ltd

Brisbane, 31 October 2014

INTEREST IN TENEMENTS

As at the date of this report, the Group has an interest in the following tenements.

Tenement	% Interest	Grant Date	Application Date	Expiry Date	Term
EPM 16260	100%	12.06.08		11.06.15	7 years
EPM 16261*	100%	28.05.08		27.05.15*	5 years
EPM 18534	100%	12.10.10		11.10.14*	4 years
EPMA 19164	100%	30.09.13		29.09.15	2 years
EPMA 19419	100%	26.08.14		25.08.17	3 years
EPMA 25115	100%	08.04.14		07.04.17	3 years
Authorisation de prospection G6-525	100%	07.06.12		27.06.16	4 years
Authorisation de prospection G6-526	100%	07.06.12		27.06.16	4 years
Authorisation de prospection G5-533	100%	05.12.13		04.12.16	3 years

*A renewal application has been lodged in respect of this Exploration Permit.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 For the year ended 30 June 2014

	Notes	2014 \$	2013 \$
Revenue	2	2,221	1,811
Administration and consulting expenses		(1,079,918)	(731,752)
Depreciation		(4,384)	(4,377)
Employee benefits expenses		-	(52,524)
Exploration costs written-off		(10,073)	(331,058)
Legal expenses		(25,000)	(17,445)
Interest expense		(11)	(1,018)
Listing costs expensed		(518,453)	-
Share based payments	16	(789,661)	-
(Loss) before income tax	3	(2,425,279)	(1,136,363)
Income tax expense	4	-	-
(Loss) for the year		(2,425,279)	(1,136,363)
Other comprehensive income		-	-
Total comprehensive income for the year attributable to the owners of IronRidge Resources Limited		(2,425,279)	(1,136,363)

Earnings per share		Cents / share	Cents / share
Basic earnings per share	8	(2.0)	(1.2)
Diluted earnings per share	8	(2.0)	(1.2)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at 30 June 2014

	Notes	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	9	27,600	29,661
Trade and other receivables	10	29,424	24,525
Prepaid IPO costs		386,476	-
Total current assets		443,500	54,186
Non-current assets			
Other financial assets	11	63,103	68,103
Property, plant and equipment	12	11,010	15,394
Exploration and evaluation assets	13	1,590,815	1,021,370
Total non-current assets		1,664,928	1,104,867
Total assets		2,108,428	1,159,053
Current liabilities			
Trade and other payables	14	1,293,831	349,529
Non-Interest-bearing loans	19(e)	9,205	20,136
Total current liabilities		1,303,036	369,665
Total liabilities		1,303,036	369,665
Net assets		805,392	789,388
Equity			
Issued capital	15	6,661,258	4,391,686
Reserves		171,711	-
Accumulated losses	16	(6,027,577)	(3,602,298)
Total equity attributable to owners of IronRidge Resources Limited		805,392	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 year ended 30 June 2014

	Issued Capital	Accumulated Losses	Share based payments reserve	Total Equity
	\$	\$	\$	\$
Balance at 30 June 2012	3,131,190	(2,465,935)	-	665,255
Loss for the year	-	(1,136,363)	-	(1,136,363)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(1,136,363)	-	(1,136,363)
Shares issued during the year	1,275,769	-	-	1,275,769
Share issue costs, net of tax	(15,273)	-	-	(15,273)
Balance at 30 June 2013	4,391,686	(3,602,298)	-	789,388
Loss for the year	-	(2,425,279)	-	(2,425,279)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(2,425,279)	-	(2,425,279)
Shares issued during the year	2,310,586	-	-	2,310,586
Share issue costs, net of tax	(41,014)	-	-	(41,014)
Share based payments	-	-	171,711	171,711
Balance at 30 June 2014	6,661,258	(6,027,577)	171,711	805,392

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

CONSOLIDATED STATEMENT OF CASH FLOWS
 For the year ended 30 June 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers (including GST)		114,810	69,435
Payments to suppliers and employees (including GST)		(798,468)	(314,669)
Interest received		2,221	1,811
Interest paid		(11)	(1,018)
Net cash flows from operating activities	18	(681,448)	(244,441)
Cash flows from investing activities			
Payments for security deposits	11	(5,000)	(27,166)
Refund of security deposits		10,000	
Payments for investments in available for sale securities	11	-	-
Purchase of property, plant and equipment	12	-	-
Payments for exploration and evaluation assets		(477,461)	(449,116)
Net cash flows from investing activities		(472,461)	(476,282)
Cash flows from financing activities			
Proceeds from the issue of shares	15	1,375,438	622,750
Transactions costs on the issue of shares		(25,313)	(10,275)
Prepayment of IPO costs		(203,846)	
Proceeds from borrowings		14,115	106,379
Repayment of borrowings	19(e)	(8,546)	(182,600)
Net cash flows from financing activities		1,151,848	536,254
Net increase / (decrease) in cash and cash equivalents		(2,061)	(184,469)
Cash and cash equivalents at the beginning of the year		29,661	214,130
Cash and cash equivalents at the end of the year	9	27,600	29,661

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies

Corporate Information

The consolidated financial report of IronRidge Resources Limited for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 31 October 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 46% of the ordinary shares. The Group's registered office is located at Level 27 One One One, 111 Eagle Street, Brisbane, QLD 4000.

The nature of the operations and principal activities of the Group are described in the director's report.

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is considered a for-profit entity for the purpose of Australian Accounting Standards.

The financial report covers the Group comprising of IronRidge Resources Limited and its subsidiaries and is presented in Australian dollars.

Compliance with IFRS

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of IronRidge Resources Limited comply with International Financial Reporting Standards (IFRS).

Going concern

The financial statements have 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 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 addition it is dependent upon the majority of the trade creditors agreeing to deferred payment terms. The Directors have an expectation that the closure of its initial public offering will be successful. If market conditions do not lend itself to the completion of an initial public offering, the Directors will have several other strategic and funding opportunities that they will review.

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 with the result that the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial statements. No adjustments for such circumstances have been made in the financial statements.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)

Accounting Policies

(a) New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Company has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2013:

Reference	Title	Application date of standard	Application date for the Company
AASB 10	Consolidated Financial Statements	1 January 2013	1 July 2013
AASB 11	Joint Arrangements	1 January 2013	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	1 January 2013	1 July 2013
AASB 13	Fair Value Measurements	1 January 2013	1 July 2013
AASB 2011-8	Amendments to Australian Accounting Standards arising from AASB 13	1 January 2013	1 July 2013
AASB 119	Employee Benefits (September 2011)	1 January 2013	1 July 2013
AASB 2011-10	Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	1 January 2013	1 July 2013
AASB 127	Separate Financial Statements (Revised)	1 January 2013	1 July 2013
AASB 128	Investments in Associates and Joint Ventures (Reissued)	1 January 2013	1 July 2013
AASB 2011-7	Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	1 January 2013	1 July 2013
AASB 2012-2	Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013	1 July 2013
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	1 January 2013	1 July 2013
AASB 2012-10	Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments	1 January 2013	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement	1 January 2013	1 July 2013

The adoption of the above standards and interpretations did not have any material impact on the current or any prior period and is not likely to materially affect future periods.

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ending 30 June 2014. None of these is expected to have a significant effect on the financial statements.

The Company anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information of new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below.

Reference	Title	Application date of standard	Application date for the Company
AASB 9	Financial Instruments	1 January 2017	1 July 2017
AASB 2012-3	Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	1 January 2014	1 July 2014
AASB 2013-3	Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014	1 July 2014
AASB 2013-4	Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014	1 July 2014
AASB 2013-5	Amendments to Australian Accounting Standards - Investment Entities	1 January 2014	1 July 2014

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)**Accounting Policies (continued)****(b) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of IronRidge Resources Limited and its subsidiaries as at and for the period ended 30 June each year (the "Group").

Subsidiaries

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by IronRidge Resources Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues by the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

A change in ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)**Accounting Policies (continued)****(b) Basis of Consolidation (continued)**Joint Arrangements*Joint Operations*

The proportionate interests in the assets, liabilities and expenses of a joint operation activity have been incorporated in the financial statements under the appropriate headings.

Joint Ventures

Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends receivable from joint venture entities reduces the carrying amount of the investment.

Changes in Ownership Interests

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

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

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

(c) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred, and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value through profit and loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)**Accounting Policies (continued)****(d) Operating Segments**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This may include start-up operations which are yet to earn revenues.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(e) Cash and Cash Equivalents

For the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Trade and other receivables

Receivables generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(g) Financial Instruments*Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

- (i) **Loans and receivables**
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.
- (ii) **Financial liabilities**
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.
- (iii) **Available-for-sale financial assets**
Available for sale financial assets comprise investments in listed entities. These investments are recorded at cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(g) Financial Instruments (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognized where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit of loss.

(h) Property, Plant & Equipment

Property, plant & equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant & equipment constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Depreciation

The depreciable amount of all property, plant & equipment is depreciated over their useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

<i>Class of Property, plant & equipment</i>	<i>Depreciation</i>
Plant & Equipment	10% - 15% Straight line
Office Equipment	33.3% Straight line

(h) Property, Plant & Equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(i) Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular 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 which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)**Accounting Policies (continued)****(i) Exploration and Evaluation Assets (continued)**

A provision is raised against exploration and evaluation expenditure where the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. 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.

Costs of site restoration are provided over the life of the area from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structure, waste removal, and rehabilitation of the site in accordance with clauses of mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that restoration will be completed within one year of abandoning the site.

(j) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible 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 asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

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

(k) Trade and Other Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30-60 days of recognition.

(l) Provisions and Employee Benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)**Accounting Policies (continued)****(l) Provisions and Employee Benefits (continued)***Employee benefits**(i) Wages, salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses 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 is recognised and 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 wages 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 currencies that match, as closely as possible, the estimated future cash outflows.

(m) Leases

Leases of property, plant & equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(n) Share Capital

Ordinary shares are classified as equity at the time that they are issued. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

(o) Share-Based Payments

The Group may provide benefits to Directors, employees or consultants in the form of share-based payment transactions, whereby services may be undertaken in exchange for shares or options over shares ("equity-settled transactions").

The fair value of options granted to Directors, employees and consultants is recognised as an employee benefit expense with a corresponding increase in equity (share option reserve). The fair value is measured at grant date and recognised over the period during which the recipients become unconditionally entitled to the options. Fair value is determined using a Black-Scholes option pricing model. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)**Accounting Policies (continued)****(o) Share-Based Payments (continued)**

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the profit or loss. If new options are substituted for the cancelled options and designated as a replacement, the combined impact of the cancellation and replacement options are treated as if they were a modification.

(p) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Interest revenue is recognized as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

(q) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income rate for each jurisdiction adjusted by changes in deferred tax assets liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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 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 expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the statement of comprehensive income except where it relates to items that may be recognised directly in 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 group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)**Accounting Policies (continued)****(r) GST**

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(s) Earnings per Share

Basic earnings per share is calculated as net profit (loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Comparatives

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

(u) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(v) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates - impairment

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

Key judgments - exploration & evaluation assets

The Group performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 2014, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for an impairment as noted in Accounting Standard AASB 6 "Exploration for and Evaluation of Mineral Resources".

Exploration and evaluation assets at 30 June 2014 were \$1,590,815 (2013: \$1,021,370).

	2014 \$	2013 \$
Note 2. Revenue		
- Interest received	2,221	1,811
- Other revenue	-	-
Total Revenue	2,221	1,811
(a) Interest revenue from:		
- At call deposits held with financial institutions	2,221	1,811
Total Interest Revenue	2,221	1,811

Note 3. Profit / (Loss)

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

Depreciation

- Office equipment	800	799
- Plant & equipment	3,584	3,578

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

	2014 \$	2013 \$
Note 4. Income Tax		
(a) Components of income tax expense (benefit)		
Income tax expense (benefit) is made up of:		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) The prima facie tax on profit / (loss) before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on profit / (loss) before income tax at 30% (2013: 30%)	(731,230)	(340,909)
Add tax effect of:		
Permanent differences	237,032	-
Current tax loss not recognised	494,198	237,769
Current year temporary difference not recognised	-	-
Deferred tax not recognised	-	-
Other items	-	103,140
Income tax expense	-	-
Deferred Tax Asset (at 30%)		
Recognised temporary differences	21,870	8,320
Recognised Unused tax losses	185,958	365,095
Total deferred tax assets recognised	207,828	373,415
Deferred Tax Liability		
Recognised timing differences	(207,828)	(373,415)
Net deferred tax recognised	-	-
Unrecognised deferred tax assets comprised of:		
Deferred tax assets: Net unrecognised tax losses	1,704,630	965,545
Deferred tax assets: Gross unrecognised tax losses	5,682,100	3,218,482

In order to recoup carried forward losses in future periods, either the Continuity of Ownership Test (COT) or Same Business Test must be passed. The majority of losses are carried forward at 30 June 2014 under COT.

Deferred tax assets which have not been recognised as an asset, will only be obtained if:

- (i) the Company derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;
- (ii) the Company continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the Company in realising the losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 5. Key Management Personnel

Key Management Personnel Compensation

The total remuneration of Key Management Personnel for the Group for the year was as follows:

	2014 \$	2013 \$
Short term employee benefits	282,500	349,440
Post-employment benefits	-	-
Share based payments	778,016	-
Total	1,060,516	349,440

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel.

Note 6. Dividends and Franking Credits

There were no dividends paid or recommended during the year or since the end of the year. There are no franking credits available to shareholders of the Company.

	2014 \$	2013 \$
Note 7. Auditors Remuneration		
Audit and review of the financial reports of the Group	29,000	15,000
Taxation services	-	3,500
	29,000	18,500

Note 8. Earnings per Share (EPS)

(a) Earnings

Earnings used to calculate basic and diluted EPS	(2,425,279)	(1,136,363)
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(b) Weighted average number of shares and options

	Number of Shares	Number of Shares
Weighted average number of ordinary shares outstanding during the year, used in calculating basic earnings per share	121,978,246	91,385,693
Weighted average number of dilutive options outstanding during the year	-	-
Weighted average number of ordinary shares and potential ordinary shares outstanding during the year, used in calculating diluted earnings per share	121,978,246	91,385,693

	2014 \$	2013 \$
Note 9. Cash and Cash Equivalents		
Cash at bank	27,600	29,661
	27,600	29,661

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

	2014 \$	2013 \$
Note 10. Trade and Other Receivables		
GST refundable	29,424	24,525
	29,424	24,525

Receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No impairment loss has been recorded for the current and previous financial year.

Due to the short term nature of these receivables, their carrying value is assumed to approximate fair value. The maximum exposure to credit risk is the carrying value of receivables. Collateral is not held as security.

The receivables are not exposed to foreign exchange risk. No receivables were past due or impaired at 30 June 2014 (2013: nil).

	2014 \$	2013 \$
Note 11. Other Financial Assets -Non-current		
Security deposits	59,103	64,103
Investment in shares at cost	4,000	4,000
	63,103	68,103

Note 12. Property, Plant and Equipment

Plant & Equipment - at cost	32,815	32,815
Accumulated depreciation	(22,521)	(18,937)
Written down value	10,294	13,878
Office equipment - at cost	2,401	2,401
Accumulated depreciation	(1,685)	(885)
Written down value	716	1,516
Total written down value	11,010	15,394

Reconciliation of carrying amounts at the beginning and of the year

	Plant & Equipment \$	Office Equipment \$	Total \$
Year ended 30 June 2014			
At 1 July 2013 net of accumulated depreciation	13,878	1,516	15,394
Additions	-	-	-
Disposals	-	-	-
Depreciation charge for the year	(3,584)	(800)	(4,384)
At 30 June 2014 net of accumulated depreciation	10,294	716	11,010
Year ended 30 June 2013			
At 1 July 2012 net of accumulated depreciation	17,456	2,315	19,771
Additions	-	-	-
Disposals	-	-	-
Depreciation charge for the year	(3,578)	(799)	(4,377)
At 30 June 2013 net of accumulated depreciation	13,878	1,516	15,394

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

	2014 \$	2013 \$
Note 13. Exploration and Evaluation Assets		
Exploration and evaluation assets	1,590,815	1,021,370
Movements in carrying amounts		
Balance at the beginning of the year	1,021,370	910,496
Additions	579,518	441,932
Written-off during the year	(10,073)	(331,058)
Balance at the end of the year	1,590,815	1,021,370

The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or alternatively, sale of the respective areas of interest.

	2014 \$	2013 \$
Note 14. Trade and Other Payables		
Trade creditors	1,262,164	172,029
Accrued expenses	31,667	177,500
	1,293,831	349,529

Trade and other payables are non-interest bearing and are generally on 30-60 day terms.

Due to the short term nature of these payables, their carrying value is assumed to approximate fair value.

	2014 \$	2013 \$
Note 15. Issued Capital		
(a) Issued and paid up capital		
135,907,155 (2013: 105,934,013) ordinary shares fully paid	6,732,547	4,421,961
Share issue costs	(71,289)	(30,275)
	6,661,258	4,391,686

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. 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.

(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
Share 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
Bonus shares issued (\$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	322,379
Bonus shares issued (\$0.08 per share - 31/01/14)	2,690,000	215,200
Shares issued for cash (\$0.08 per share - 31/01/14 net of issue costs)	809,167	51,576
Shares issued for cash (\$0.08 per share - 04/03/14)	3,893,333	311,467
At 30 June 2014	135,907,155	6,661,258

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 15. Issued Capital (continued)

(c) Options

As at 30 June 2014, there were 13,270,000 unissued ordinary shares of IronRidge Resources Limited under option held as follows:

- 13,270,000 unlisted options to take up one ordinary share in IronRidge Resources Ltd at an exercise price of £0.25. The options vested immediately and expire 31 December 2017.

(d) Capital Risk Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure to ensure the lowest costs of capital available to the Group.

The Group's capital comprises equity as shown in the statement of financial position. The Group is not exposed to externally imposed capital requirements.

Note 16 Share Based Payments

The expense recognised for share based payments received during the year is shown in the table below:

	2014 \$	2013 \$
Expense arising from equity settled share-based payment transactions	789,661	-

Bonus share issues

During the year ended 30 June 2014, IronRidge Resources, issued 8,060,000 shares to directors and key management personnel totaling \$617,950. No such share issues occurred during the year ended 30 June 2013.

Employee share option plan (ESOP)

Share options are granted to employees. The employee share option plan is designed to align participants' interests with those of shareholders by increasing the value of the Company's shares.

When a participant ceases employment after the vesting of their share options, the share options are forfeited after 90 days unless cessation of employment is due to termination for cause, whereupon they are forfeited immediately or death. The Company prohibits KMP from entering into arrangements to protect the value of unvested ESOP awards.

Each option can be exercised from vesting date to expiry date for one share with the exercise price payable in cash.

Options granted

On 31 January 2014, 13,270,000 IronRidge Resources Ltd share options were granted to Directors and employees under the Employee Share Option Plan. The options are to take up one ordinary share in IronRidge Resources at a price of 25 pence. The options vested immediately and are due to expire on 31 December 2017. The following table illustrates the number (no.) and weighted average exercise prices (WAEP) of, and movements in, share based payment share options granted during the year:

	2014 No.	2014 WAEP	2013 No.	2013 WAEP
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	13,270,000	£0.25	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	13,270,000	£0.25	-	-
Exercisable at the end of the year	13,270,000	£0.25	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 16 Share Based Payments (continued)

A value of \$171,711 was calculated using the Black Scholes valuation methodology (refer below).

	IronRidge Resources Ltd ESOP
Weighted average exercise price	£0.25
Weighted average life of the option	3.92 years
Underlying share price	£0.042
Expected share price volatility	72.736%
Risk free interest rate	1.78%
Number of options issued	13,270,000
Fair value (black-scholes) per option	£0.007
Total value of options issued	\$171,711

	2014 \$	2013 \$
Note 17. Accumulated Losses		
Accumulated losses at the beginning of the year	(3,602,298)	(2,465,935)
Losses after income tax expense	(2,425,279)	(1,136,363)
Accumulated losses attributable to members of IronRidge Resources Limited at the end of the year	(6,027,577)	(3,602,298)

	2014 \$	2013 \$
Note 18. Information relating to IronRidge Resources Limited ("the parent entity")		
Current assets	523,171	50,868
Total assets	3,178,340	2,240,053
Current liabilities	1,539,772	321,720
Total liabilities	1,539,772	625,281
Net Assets	1,638,568	1,614,772
Issued capital	6,661,258	4,391,686
Share based payment reserve	171,711	-
Accumulated losses	(5,194,401)	(2,776,914)
Loss of the parent entity	(2,417,487)	(1,129,849)
Total comprehensive loss of the parent entity	(2,417,487)	(1,129,849)

The parent does not have any guarantees in relation to the debts of its subsidiaries, contingent liabilities or contractual obligations to purchase fixed assets at 30 June 2014 (2013: nil).

Note 19. Cash Flow Reconciliation

Loss after income tax	(2,425,279)	(1,136,363)
Non-cash operating items		
- Write back of exploration expenditure	10,073	331,058
- Depreciation	4,383	4,377
- Share based payments	789,661	-
- IPO costs expensed	518,453	-
Changes in operating assets and liabilities*		
(Increase) decrease in trade and other receivables	(4,899)	(24,525)
(Increase) decrease in other current assets	(386,476)	-
Increase (decrease) in trade and other payables*	812,636	581,012
Net cash flows from operating activities	(681,448)	(244,441)

* Net of amounts relating to exploration and evaluation assets.

Non-cash investing and financing activities

During the year \$100,000 (2013: \$500,000) of the loan owing by IronRidge Resources Limited to parent entity DGR Global Limited was converted to equity in IronRidge (refer note 15).

During the year a further \$217,200 (2013: \$148,019) of liabilities were settled by issue of equity (refer note 15).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 20. Related Party Disclosures

(a) Subsidiaries

The consolidated financial statements include the financial statements of IronRidge Resources Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	Equity interest (%)	
		2014	2013
Eastern Exploration Pty Ltd	Australia	100	100
Quiver Coal Pty Ltd	Australia	100	100
IronRidge Botswana Pty Ltd	Botswana	100	100
IronRidge Gabon SA	Gabon	100	100

(b) Ultimate parent

DGR Global Limited is the ultimate parent, which is incorporated in Australia and owns 46% of IronRidge Resources Limited.

(c) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in the directors report and note 5.

(d) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

Related party		Sales to related parties	Purchases from related parties	Other transactions with related parties
DGR Global Limited (i)	2014	-	288,000	-
	2013	-	300,000	-
Hopgood Ganim Lawyers (ii)	2014	-	260,185	-
	2013	-	17,445	-

(i) The Company has a commercial arrangement with DGR Global Limited for the provision of various services, whereby DGR Global Limited provides resources and services including the provision of its administration and exploration staff, its premises (for the purposes of conducting the Company's business operations), use of existing office furniture, equipment and certain stationery, together with general telephone, reception and other office facilities ("Services"). In consideration for the provision of the Services, the Group pays DGR Global Limited a monthly management fee. For the year ended 30 June 2014 \$288,000 was paid or payable to DGR Global Limited (2013: \$300,000) for the provision of the Services. The total amount outstanding at year end was \$72,000 (2013: \$32,924).

(ii) Mr Brian Moller (a Director of ultimate parent entity DGR Global Ltd), is a partner in the Australian firm Hopgood Ganim lawyers. For the year ended 30 June 2014, Hopgood Ganim were paid \$260,185 (2013: \$17,445) for the provision of legal services to the Group. The services were based on normal commercial terms and conditions. The total amount outstanding at year end was \$257,639 (2013: \$40,000).

The outstanding balances at each relevant year end are unsecured, interest free and settlement occurs in cash. All outstanding amounts payable comprise current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 20. Related Party Disclosures (continued)

(e) Loans from related parties

During the year a loan of \$97,615 (2013: \$365,126) was advanced from DGR Global Limited to IronRidge Resources Limited. During the year \$8,546 was repaid in cash (2013: \$182,600) and \$100,000 was converted to equity (2013: \$500,000) resulting in a \$9,205 balance owing at year end (2013: \$20,136). The loan is unsecured and payable at call however DGR Global Limited have provided a letter of comfort to the Group acknowledging that the loan will only be payable on the earlier of IronRidge Limited obtaining sufficient working capital to warrant repayment, DGR Global Limited and IronRidge Resources Limited agreeing to convert some or all of the loan to equity in the Group or the expiry of twelve months from the balance date.

Note 21. Capital Commitments

Future Exploration Commitments

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group. The commitments are as follows:

	2014	2013
	\$	\$
Less than 12 months	7,696,990	3,216,188
Between 12 months and 5 years	9,876,000	4,935,836
	17,572,990	8,152,024

To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Group has the option to negotiate new terms or relinquish the tenements. The Group also has the ability to meet expenditure requirements by joint venture or farm-in agreements.

Note 22. Financial Risk Management

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

The Group's financial instruments consist mainly of deposits with banks, receivables and payables.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 22. Financial Risk Management (continued)

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group. The Group's objective is to minimise the risk of loss from credit risk exposure.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk is reviewed regularly by the Board. It arises from exposure to receivables as well as through deposits with financial institutions and available-for-sale financial assets.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group and at balance date.

The Group's cash at bank is wholly held with Macquarie Bank Limited.

(c) Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions.

Liquidity risk is reviewed regularly by the Board.

The Group manages liquidity risk by monitoring forecast cash flows and liquidity ratios such as working capital. The Group did not have any financing facilities available at balance date.

(d) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The Group does not have any material exposure to market risk other than interest rate risk.

Interest rate risk

Interest rate risk arises principally from cash and cash equivalents. The objective of interest rate risk management is to manage and control interest rate risk exposures within acceptable parameters while optimising the return.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 22. Financial Risk Management (continued)

Interest rate risk is managed with a mixture of fixed and floating rate debt. For further details on interest rate risk refer to the tables below:

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2014 \$	2014 \$	2014 \$	2014 \$	2014 %
(i) Financial assets					
Cash and cash equivalents	27,600	-	-	27,600	0.01%
Trade and other receivables	-	-	29,424	29,424	-
Other financial assets	-	-	63,103	63,103	-
Total financial assets	27,600	-	92,527	120,127	
(ii) Financial liabilities					
Trade and other payables	-	-	1,293,831	1,293,831	-
Non-interest-bearing loans	-	-	9,205	9,205	-
Total financial liabilities			1,303,036	1,303,036	

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2013 \$	2013 \$	2013 \$	2013 \$	2013 %
(i) Financial assets					
Cash and cash equivalents	29,661	-	-	29,661	0.3%
Trade and other receivables	-	-	24,525	24,525	-
Other financial assets	-	-	68,103	68,103	-
Total financial assets	29,661	-	92,628	122,289	
(ii) Financial liabilities					
Trade and other payables	-	-	349,529	349,529	-
Non-interest-bearing loans	-	-	20,136	20,136	-
Total financial liabilities			369,665	369,665	

Note 23. Operating Segments

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. The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Queensland, and Gabon. 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 year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2014

Note 24. Asset Acquisition of Quiver Coal Pty Ltd

On 25 July 2012, IronRidge Resources Limited acquired 100% of the net assets of Quiver Coal Pty Ltd, from DGR Global Limited for consideration of \$2. The fair value of the net asset of Quiver Coal on acquisition was \$2.

Note 25. Subsequent Events

The Directors are not aware of any significant changes in the state of affairs of the Group or events after the balance date that would have a material impact on the consolidated financial statements.

Note 26. Contingent Assets and Liabilities

There are no contingent assets and liabilities at 30 June 2014 (2013: none).

DIRECTORS' DECLARATION

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

1. In the opinion of the Directors:
 - (a) The financial statements and notes of IronRidge Resources Limited for the financial year ended 30 June 2014 are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of its financial position as at 30 June 2014 and performance
 - (ii) Complying with the Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*
 - (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1
 - (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable
 - (d) The remuneration disclosures contained in the Remuneration Report comply with s300A of the *Corporations Act 2001*.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2014.

On behalf of the board



Vincent Mascolo
Director

Brisbane
Date: 31 October 2014

INDEPENDENT AUDITORS' REPORT

To the members of IronRidge Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of IronRidge Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*,

which has been given to the directors of IronRidge Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of IronRidge Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon a number of matters including 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. These conditions, along with other matters set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt on 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.


Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of IronRidge Resources Limited for the year ended 30 June 2014 complies with section 300A of the Corporations Act 2001.

BDO Audit Pty Ltd

BDO


D P Wright

Director

Brisbane, 31 October 2014