IRELAND INC.
Form 424B3
August 09, 2013

PROSPECTUS SUPPLEMENT NO. 3
To Prospectus dated May 1, 2013

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-186039

PROSPECTUS

17,793,802 Shares of Common Stock

This Prospectus Supplement supplements the Prospectus dated May 1, 2013 (the Prospectus), relating to the offer and sale by the selling security holders identified in the Prospectus of up to 17,793,802 shares of common stock of Ireland Inc. (the Company).

This Prospectus Supplement includes the Company s Form 10-Q filed with the Securities and Exchange Commission on August 8, 2013.

The information contained in the report included in this Prospectus Supplement is dated as of the period of such report. This Prospectus Supplement should be read in conjunction with the Prospectus dated May 1, 2013. This Prospectus Supplement is qualified by reference to the Prospectus except to the extent that the information in this Prospectus Supplement updates and supersedes the information contained in the Prospectus dated May 1, 2013.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.

This Prospectus Supplement No. 3 is Dated August 8, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2013**

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to ________

COMMISSION FILE NUMBER **000-50033**

IRELAND INC.

(Exact name of registrant as specified in its charter)

NEVADA	**91-2147049**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2441 West Horizon Ridge Parkway, Suite 100 Henderson, Nevada	**89052**
(Address of principal executive offices)	(Zip Code)

(702) 932-0353
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
[X] **Yes** [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
[X] **Yes** [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting

company in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ]	**Smaller reporting company [X]**
(Do not check if a smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
[ ] Yes [X] **No**

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
As of August 7, 2013, the Registrant had 146,159,542 shares of common stock outstanding.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X, and, therefore, do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the three and six months ended June 30, 2013 are not necessarily indicative of the results that can be expected for the year ending December 31, 2013.

As used in this Quarterly Report, the terms we, us, our, Ireland, and the Company mean Ireland Inc. a subsidiaries, unless otherwise indicated. All dollar amounts in this Quarterly Report are expressed in U.S. dollars, unless otherwise indicated.

IRELAND INC.
(AN EXPLORATION STAGE ENTERPRISE)
CONSOLIDATED BALANCE SHEETS

	(Unaudited) June 30, 2013	December 31, 2012
ASSETS		
Current assets		
Cash	$ 3,199,886	$ 5,636,638
Other receivables	6,380	10,523
Prepaid expenses	139,780	335,485
Total current assets	3,346,046	5,982,646
Property and equipment, net	2,599,916	2,963,625
Mineral properties	32,128,133	32,128,133
Restricted investments held for reclamation bonds	1,179,941	1,186,681
Reclamation bonds	39,719	40,000
Deposits	2,200	2,200
Total non-current assets	35,949,909	36,320,639
Total assets	$ 39,295,955	$ 42,303,285
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 58,531	$ 97,568
Accounts payable - related party	13,707	48,651
Accrued payroll and related taxes	75,296	67,166
Due to related party	23,290	23,290
Total current liabilities	170,824	236,675
Long-term liabilities		
Accrued reclamation and remediation costs	672,338	672,338
Deferred income taxes	-	616,695
Total long-term liabilities	672,338	1,289,033
Total liabilities	843,162	1,525,708
Commitments and contingencies - Note 8	-	-
Stockholders' equity		
Common stock, $0.001 par value; 400,000,000 shares authorized, 146,059,542 and 146,059,542 shares, respectively, issued and outstanding	146,058	146,058
Additional paid-in capital	63,731,461	63,269,641

Accumulated other comprehensive income		15,627		20,356
Accumulated deficit during exploration stage		(25,440,353)		(22,658,478)
Total stockholders' equity		38,452,793		40,777,577
Total liabilities and stockholders' equity	$	39,295,955	$	42,303,285

See Accompanying Notes to these Consolidated Financial Statements

IRELAND INC.
(AN EXPLORATION STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

	For the Three Months Ended		For the Six Months Ended		For the period from February 20, 2001 (date of inception) through
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013
Revenue	$ -	$ -	$ -	$ -	$ -
Operating expenses					
Mineral exploration and evaluation expenses	652,333	640,061	1,383,151	1,177,290	16,008,907
Mineral exploration and evaluation expenses - related party	110,656	112,378	222,762	232,837	3,809,721
General and administrative	667,304	609,042	1,250,170	980,761	12,317,727
General and administrative - related party	19,125	-	38,250	-	135,669
Depreciation	234,375	227,787	467,028	437,372	2,809,242
Loss on asset disposal	-	-	-	-	12,165
Mineral and property holding costs	24,000	23,750	48,000	47,500	691,500
Mineral and property holding costs - reimbursed to related party	-	-	-	-	295,000
Write-off of mineral rights	-	-	-	-	14,000
Total operating expenses	1,707,793	1,613,018	3,409,361	2,875,760	36,093,931
Loss from operations	(1,707,793)	(1,613,018)	(3,409,361)	(2,875,760)	(36,093,931)

Other income (expense)									
Interest income		7,366		7,732		15,520		13,404	394,468
Interest expense		(743)		(344)		(2,182)		(664)	(10,498)
Total other income (expense)		6,623		7,388		13,338		12,740	383,970
Loss before income taxes		(1,701,170)		(1,605,630)		(3,396,023)		(2,863,020)	(35,709,961)
Income tax benefit		20,990		546,448		614,148		984,431	10,269,608
Net loss	$	(1,680,180)	$	(1,059,182)	$	(2,781,875)	$	(1,878,589)	$ (25,440,353)
Loss per common share - basic and diluted	$	(0.01)	$	(0.01)	$	(0.02)	$	(0.01)	
Weighted average common shares outstanding - basic and diluted		146,059,542		137,012,641		146,059,542		133,866,157	
Consolidated Statements of Comprehensive Loss									
Net loss	$	(1,680,180)	$	(1,059,182)	$	(2,781,875)	$	(1,878,589)	$ (25,440,353)
Other comprehensive (loss) income									
Unrealized (loss) income on investments, net of deferred tax		(3,301)		1,583		(4,729)		(3,057)	15,627
Total comprehensive loss	$	(1,683,481)	$	(1,057,599)	$	(2,786,604)	$	(1,881,646)	$ (25,424,726)

See Accompanying Notes to these Consolidated Financial Statements

IRELAND INC.
(AN EXPLORATION STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	Common Stock		Additional	Accumulated Other Comprehensive	Accumulated Deficit During Exploration	Total Stockholders'
	Shares	Amount	Paid-in Capital	Income (Loss)	Stage	Equity
Balance, December 31, 2011	127,452,641	$ 127,452	$ 52,233,054	$ 25,173	$ (18,485,711)	$ 33,899,968
Stock-based compensation	-	-	311,879	-	-	311,879
Sale of shares for cash, net	9,560,000	9,560	4,728,174	-	-	4,737,734
Unrealized loss on investments, net of $1,648 deferred tax	-	-	-	(3,057)	-	(3,057)
Net loss, June 30, 2012	-	-	-	-	(1,878,589)	(1,878,589)
Balance, June 30, 2012	137,012,641	$ 137,012	$ 57,273,107	$ 22,116	$ (20,364,300)	$ 37,067,935
Balance, December 31, 2012	146,059,542	$ 146,058	$ 63,269,641	$ 20,356	$ (22,658,478)	$ 40,777,577
Stock-based compensation	-	-	377,895	-	-	377,895
Warrant modification	-	-	83,925	-	-	83,925
Unrealized loss on investments, net of $2,547 deferred tax	-	-	-	(4,729)	-	(4,729)
Net loss, June 30, 2013	-	-	-	-	(2,781,875)	(2,781,875)
Balance, June 30, 2013	146,059,542	$ 146,058	$ 63,731,461	$ 15,627	$ (25,440,353)	$ 38,452,793

See Accompanying Notes to these Consolidated Financial Statements

IRELAND INC.
(AN EXPLORATION STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Six Months Ended June 30, 2013	For the Six Months Ended June 30, 2012	For the period from February 20, 2001 (date of inception) through June 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$ (2,781,875)	$ (1,878,589)	$ (25,440,353)
Adjustments to reconcile loss from operations to net cash used in operating activities:			
Depreciation	467,028	437,372	2,809,242
Loss on asset disposal	-	-	12,165
Write-off of mineral rights	-	-	14,000
Stock-based compensation	377,895	311,879	5,338,104
Stock-based expenses	83,925	-	83,925
Deferred income taxes	(614,148)	(984,431)	(10,269,608)
Changes in operating assets and liabilities:			
Other receivables	4,143	102	(6,380)
Prepaid expenses and deposits	195,705	97,625	(534,853)
Reclamation bonds and other deposits	281	-	(10,659)
Accounts payable and accrued liabilities	(65,851)	(74,494)	43,932
Accrued reclamation and remediation costs	-	50,000	672,338
Net cash used in operating activities	(2,332,897)	(2,040,536)	(27,288,147)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment, net of refunds	(103,319)	(166,180)	(5,050,477)
Purchase of mineral claims	-	-	(180,080)
Purchase of restricted investments held for reclamation bonds	(536)	(260)	(1,155,901)
Net cash used in investing activities	(103,855)	(166,440)	(6,386,458)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from stock issuance	-	4,780,000	37,866,205
Stock issuance costs	-	(42,266)	(1,000,004)
Proceeds from borrowings - related party	-	-	8,290
Net cash provided by financing activities	-	4,737,734	36,874,491

NET CHANGE IN CASH		(2,436,752)		2,530,758		3,199,886
CASH AT BEGINNING OF PERIOD		5,636,638		521,660		-
CASH AT END OF PERIOD	$	3,199,886	$	3,052,418	$	3,199,886
		-				
SUPPLEMENTAL INFORMATION						
Interest paid	$	2,182	$	664	$	10,498
Income taxes paid	$	-	$	-	$	-
Non-cash investing and financing activities:						
Assets acquired for common stock and warrants issued for mineral properties	$	-	$	-	$	21,584,351
Net deferred tax liability assumed	$	-	$	-	$	10,261,194

See Accompanying Notes to these Consolidated Financial Statements

IRELAND INC.
(AN EXPLORATION STAGE ENTERPRISE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. DESCRIPTION OF BUSINESS, HISTORY AND SUMMARY OF SIGNIFICANT POLICIES

Description of business - Ireland Inc. (the Company) is considered an exploration stage company since its formation and the Company has not yet realized any revenues from its planned operations. The Company is primarily focused on the acquisition and exploration of mining properties. Upon identification of commercially minable reserves, the Company expects to actively prepare the site for its extraction and enter the development stage.

History - The Company was incorporated on February 20, 2001 under the laws of the State of Nevada under the name Merritt Ventures Corp. On December 19, 2005, the Company changed its name to Ireland Inc.

Basis of presentation - The financial statements present the consolidated balance sheets, statements of operations and comprehensive loss, stockholders equity, and cash flows of the Company. These consolidated financial statements have been prepared without audit in accordance with the rules and regulations of the Securities and Exchange Commission (SEC). In the opinion of management, all adjustments and disclosures necessary for the fair presentation of these interim statements have been included. All such adjustments are, in the opinion of management, of a normal recurring nature. The results reported in these interim consolidated financial statements are not necessarily indicative of the results that may be reported for the entire year. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2012, filed with the SEC on April 15, 2013.

Going concern - The accompanying financial statements have been prepared assuming the Company will continue as a going concern.

Since its formation, the Company has incurred comprehensive cumulative net losses of $25,424,726 as of June 30, 2013. This amount is comprised of net loss from operations of $25,440,353 and other comprehensive income of $15,627. The Company has not commenced its commercial mining and mineral processing operations; rather, it is still in the exploration stage, raising substantial doubt about the Company s ability to continue as a going concern. The Company will seek additional sources of capital through the issuance of debt or equity financing, but there can be no assurance the Company will be successful in accomplishing its objectives.

The ability of the Company to continue as a going concern is dependent on additional sources of capital and the success of the Company s plan. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Principles of consolidation - The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Columbus Minerals Inc. (CMI) (including its wholly- owned single-member LLC subsidiary Columbus Salt Marsh LLC (CSM)) and Rand Metals LLC (Rand). Intercompany accounts and transactions have been eliminated.

IRELAND INC.
(AN EXPLORATION STAGE ENTERPRISE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. DESCRIPTION OF BUSINESS, HISTORY AND SUMMARY OF SIGNIFICANT POLICIES (continued)

Use of estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Significant areas requiring management s estimates and assumptions include the valuation of stock-based compensation, impairment analysis of long-lived assets, accrued reclamation and remediation costs and the realizability of deferred tax assets. Actual results could differ from those estimates.

Fair value of financial instruments - Fair value accounting establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company s financial instruments consist of restricted investments in U.S. Treasury Notes and certificates of deposit. These investments are classified within Level 1 of the fair value hierarchy as their fair value is determined using quoted prices in active markets.

Restricted investments held for reclamation bonds - Restricted investments serve as collateral for reclamation bonding. The investments are classified as available for sale and are recorded at fair value based on quoted market prices with the unrealized gains and losses reflected in accumulated other comprehensive income (loss) until realized. Realized gains and losses are determined on a specific identification method and are recognized in the consolidated statement of operations.

The Company evaluates unrealized losses, if any, in its investment securities for other-than temporary impairment using both qualitative and quantitative criteria. In the event that an investment is determined to be other-than-temporarily impaired, the Company recognizes the loss in the consolidated statement of operations.

Mineral properties - Costs of acquiring mineral properties are capitalized upon acquisition. Exploration costs and costs to maintain mineral properties are expensed as incurred while the project is in the exploration stage. Development costs and costs to maintain mineral properties are capitalized as incurred while the property is in the development stage. When a property reaches the production stage, the related capitalized costs are amortized using the units-of-production basis over the proven and probable reserves.

Mineral exploration and development costs - Exploration expenditures incurred prior to entering the development stage are expensed and included in mineral exploration and evaluation expenses.

IRELAND INC.
(AN EXPLORATION STAGE ENTERPRISE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. DESCRIPTION OF BUSINESS, HISTORY AND SUMMARY OF SIGNIFICANT POLICIES (continued)

Property and equipment - Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets, which range from 3 to 39 years. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the consolidated statement of operations.

Impairment of long-lived assets **-** The Company reviews and evaluates its long-lived assets for impairment at each balance sheet date due to its planned exploration stage losses and documents such impairment testing. Mineral properties in the exploration stage are monitored for impairment based on factors such as the Company s continued right to explore the property, exploration reports, drill results, technical reports and continued plans to fund exploration programs on the property. To date, no such impairments have been identified.

The tests for long-lived assets in the exploration, development or producing stage that have a value beyond proven and probable reserves will be monitored for impairment based on factors such as current market value of the mineral property and results of exploration, future asset utilization, business climate, mineral prices and future undiscounted cash flows expected to result from the use of the related assets. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated future net undiscounted cash flows expected to be generated by the asset, including evaluating its reserves beyond proven and probable amounts.

The Company's policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable either by impairment or by abandonment of the property. The impairment loss is calculated as the amount by which the carrying amount of the assets exceeds its fair value. While the Company incurred losses from operations, these losses have not been in excess of planned expenditures on the specific mineral properties in order to ultimately realize their value.

Reclamation and remediation costs (asset retirement obligation) - For its exploration stage properties, the Company accrues the estimated costs associated with environmental remediation obligations in the period in which the liability is incurred or becomes determinable. Until such time that a project life is established, the Company records the corresponding cost as an exploration stage expense. The costs of future expenditures for environmental remediation are not discounted to their present value unless subject to a contractually obligated fixed payment schedule. As reclamation work is performed or liabilities are otherwise settled, the recorded amount of the liability will be reduced.

Future reclamation and environmental-related expenditures are difficult to estimate in many circumstances due to the early stage nature of the exploration project, the uncertainties associated with defining the nature and extent of environmental disturbance, the application of laws and regulations by regulatory authorities and changes in reclamation or remediation technology. The Company periodically reviews accrued liabilities for such reclamation and remediation costs as evidence indicating that the liabilities have potentially changed becomes available. Changes in estimates are reflected in the consolidated statement of operations in the period an estimate is revised.

The Company is in the exploration stage and is unable to determine the estimated timing of expenditures relating to reclamation accruals. It is reasonably possible that the ultimate cost of reclamation and remediation could change in the future and that changes to these estimates could have a material effect on future operating results as new information becomes known.

IRELAND INC.
(AN EXPLORATION STAGE ENTERPRISE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. DESCRIPTION OF BUSINESS, HISTORY AND SUMMARY OF SIGNIFICANT POLICIES (continued)

Per share amounts - Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding. In computing diluted earnings per share, the weighted average number of shares outstanding is adjusted to reflect the effect of potentially dilutive securities, such as stock options and warrants. Potentially dilutive shares are excluded from the calculation when their inclusion would be anti-dilutive, such as periods when a net loss is reported or when the exercise price of the instrument exceeds the fair market value. At June 30, 2013 and 2012, 59,379,025 and 54,343,555 stock options and warrants were outstanding, respectively, but were not considered in the computation of diluted earnings per share as their inclusion would be anti- dilutive.

Stock-based compensation - Stock-based compensation awards are recognized in the financial statements based on the grant date fair value of the award which is estimated using the Binomial Lattice option pricing model. The Company believes that this model provides the best estimate of fair value due to its ability to incorporate inputs that change over time, such as volatility and interest rates, and to allow for the actual exercise behavior of option holders. The compensation cost is recognized over the requisite service period which is generally equal to the vesting period. Upon exercise, shares issued will be newly issued shares from authorized common stock.

The fair value of performance-based stock option grants is determined on their grant date through use of the Binomial Lattice option pricing model. The total value of the award is recognized over the requisite service period only if management has determined that achievement of the performance condition is probable. The requisite service period is based on management s estimate of when the performance condition will be met. Changes in the requisite service period or the estimated probability of achievement can materially affect the amount of stock-based compensation recognized in the financial statements.

The fair value of market-based stock option grants is determined on their grant date through use of an option pricing model which uses a combination of Monte Carlo simulation and a Trinomial Lattice function. The requisite service period for market-based awards is derived from the model. Achievement of the market condition earlier than estimated can materially affect the amount of stock- based compensation recognized in the financial statements.

Income taxes - The Company follows the liability method of accounting for income taxes. This method recognizes certain temporary differences between the financial reporting basis of liabilities and assets and the related income tax basis for such liabilities and assets. This method generates either a net deferred income tax liability or asset as measured by the statutory tax rates in effect. The effect of a change in tax rates is recognized in operations in the period that includes the enactment date. The Company records a valuation allowance against any portion of those deferred income tax assets when it believes, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

For acquired properties that do not constitute a business, a deferred income tax liability is recorded on GAAP basis over income tax basis using statutory federal and state rates. The resulting estimated future income tax liability associated with the temporary difference between the acquisition consideration and the tax basis is computed in accordance with Accounting Standards Codification (ASC) 740-10-25-51, *Acquired Temporary Differences in Certain Purchase Transactions that Are Not Accounted for as Business Combinations*, and is reflected as an increase in the total purchase price which is then applied to the underlying acquired assets in the absence of there being a goodwill component associated with the acquisition transactions.

IRELAND INC.
(AN EXPLORATION STAGE ENTERPRISE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. DESCRIPTION OF BUSINESS, HISTORY AND SUMMARY OF SIGNIFICANT POLICIES (continued)

Recent accounting standards - From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) that are adopted by the Company as of the specified effective date. The Company has evaluated all the recent accounting pronouncements and unless otherwise discussed, believes they will not have a material effect on the financial statements.

In February 2013, the FASB issued Accounting Standards Update (ASU) No. 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income to improve the transparency of reporting these reclassifications. This update is effective for reporting periods beginning after December 15, 2012. Other comprehensive income includes gains and losses that are initially excluded from net income for an accounting period. Those gains and losses are later reclassified out of accumulated other comprehensive income into net income. The amendments in this ASU do not change the current requirements for reporting net income or other comprehensive income in financial statements. All of the information that this ASU requires already is required to be disclosed elsewhere in the financial statements GAAP. The new amendments will require an organization to present (either on the face of the statement where net income is presented or in the notes) the effects on the line items of net income of significant amounts reclassified out of accumulated other comprehensive income. Additionally, the new amendments require cross-referencing to other disclosures currently required under GAAP for other reclassification items (that are not required under GAAP) to be reclassified directly to net income in their entirety in the same reporting period. The Company adopted this ASU in the first quarter of 2013. Adoption had no impact on the Company s financial condition, results of operation, or cash flows.

In July 2013, the FASB issued ASU No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (ASU 2013-11), which provides guidance on the presentation of unrecognized tax benefits when net operating loss carryforwards, similar tax losses, or tax credit carryforwards exist. The amendments in this update are effective for fiscal years (and interim periods within those years) beginning after December 15, 2013. Early adoption is permitted. The amendments should be applied prospectively to all unrecognized tax benefits that exist at the effective date. Retrospective application is permitted. The Company does not expect ASU 2013-11 to have a material effect on its financial condition, results of operation, or cash flows.

IRELAND INC.
(AN EXPLORATION STAGE ENTERPRISE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	June 30, 2013			December 31, 2012		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Furniture and fixtures	$ 20,854	$ (11,824)	$ 9,030	$ 20,854	$ (10,334)	$ 10,520
Computers and equipment	28,075	(11,598)	16,477	15,171	(10,129)	5,042
Land	30,000	-	30,000	30,000	-	30,000
Site improvements	2,925,731	(1,732,742)	1,192,989	2,925,731	(1,459,137)	1,466,594
Site equipment	1,826,617	(816,864)	1,009,753	1,736,202	(653,759)	1,082,443
Vehicles	23,595	(23,595)	-	23,595	(21,236)	2,359
Building	500,000	(158,333)	341,667	500,000	(133,333)	366,667
	$ 5,354,872	$ (2,754,956)	$ 2,599,916	$ 5,251,553	$ (2,287,928)	$ 2,963,625

Depreciation expense was $234,375 and $227,787 for quarters ended June 30, 2013 and 2012, respectively and $467,028 and $437,372 for the six month periods ended June 30, 2013 and 2012 respectively.

IRELAND INC.
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3. MINERAL PROPERTIES

Columbus Project - On February 20, 2008, the Company, through its wholly-owned subsidiary CMI, acquired a 100% interest in the Columbus Project, including an option for additional mining claims, by way of merger with the owner of the Columbus Project, Columbus Brine Inc. (CBI). Prior to the merger, the Company held a 15% interest in the Columbus Project by satisfying its option agreement requirements. The Company believes that the acquisition of the Columbus Project was beneficial because it provides for 100% ownership of the properties and fosters greater opportunity to finance and further develop the project. This merger was treated as a statutory merger for tax purposes whereby CMI was the surviving merger entity.

Under the terms of the Merger Agreement, the Company issued an aggregate of 10,440,087 shares of its common stock and 5,220,059 share purchase warrants to the former shareholders of CBI. All of the purchase warrants expired on February 20, 2013.

The Company determined that the acquisition of the Columbus Project did not constitute an acquisition of a business and therefore the Company recorded the acquisition as a purchase of assets.

The purchase price was allocated to the assets acquired and liabilities assumed based on their respective fair values at the date of acquisition. The purchase price allocated to the real properties was based on fair market values determined using an independent real estate appraisal firm (Arden Salvage Company), and the fair value of the remaining assets acquired and liabilities assumed were based on management s best estimates taking into account all available information at the time. The fair value of warrants was calculated using the Binomial Lattice pricing model.

Pursuant to the original option assignment agreement, as amended August 8, 2007, the Company granted and continues to have a 5% net smelter return royalty to NMC, one of the principal stockholders of the Company.

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3. MINERAL PROPERTIES (continued)

The following table reflects the recorded purchase consideration for the Columbus Project:

Purchase price:		
Common stock issued	$	20,000,000
Fair value of warrants issued		1,359,351
Acquisition costs		600,000
Total purchase price		21,959,351
Net deferred income tax liability assumed		10,261,194
Total	$	32,220,545

The following table reflects the components of the Columbus Project:

Allocation of acquisition cost:		
Mineral properties (including deferred tax liability assumed of $10,261,194)	$	31,948,053
Property, plant and equipment		202,430
Deposits		44,720
Cash		6,570
Prepaid expenses		24,925
Accounts payable		(6,153)
Total	$	32,220,545

Red Mountain Project On July 20, 2011, the Company entered into an Amended and Restated Option Agreement (the Amendment) on the Red Mountain Project. The Amendment acknowledged that the Company had earned an undivided 30.6% interest in the original Red Mountain Claims and amended the terms of the original Letter Agreement as follows:

a) To maintain the buyout option, the Company is required to pay $8,000 per month effective July 1, 2011 until December 31, 2016 and spend an aggregate of $600,000 in additional qualifying expenditures by December 31, 2016. For each $2,000 in qualifying expenditures, the Company will earn a 0.1% interest in in the Red Mountain Claims, up to a maximum of an additional 29.4% interest.

b) The Company may at any time during the life of the Red Mountain Project earn a 100% interest by paying $200,000 and by issuing shares with an aggregate value of $3,800,000. The share price will be equal to the volume weighted average trading price during the 20 trading days immediately prior to the date of the notice of exercise.

Pursuant to the option assignment agreement the Company granted a 5% net smelter return royalty to NMC.

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3. MINERAL PROPERTIES (continued)

DDB Claims - The Company, through its subsidiary CMI, had a lease agreement for mining claims with DDB Syndicate. Douglas D.G. Birnie, the Company s CEO, is the indirect owner of a 1/8 interest in the DDB Syndicate, as is Lawrence E. Chizmar, a former member of our Board of Directors and a former director of CBI. The remaining members of the DDB Syndicate are made up of former officers and directors, and relatives of former officers and directors, of CBI, and affiliates of NMC. The DDB Claims were located in 2007, prior to Mr. Birnie s, NMC s, or Mr. Chizmar s involvement with our Company.

The mining lease agreement provided the Company with an option to purchase the DDB Claims by paying a purchase price of $400,000, less any rental payments made prior to exercising the option, or paying the DDB Syndicate $10, plus the grant of a 2% royalty of net smelter returns on the DDB Claims. During the lease period, the Company paid $220,000 in lease payments. On November 20, 2012, the Company exercised their option to purchase the DDB Claims by paying the adjusted purchase price of $180,000 plus fees of $80. The total purchase price of $180,080 was included in mineral properties.

Reclamation bonds - The Company maintains required reclamation bonding with the Bureau of Land Management (BLM). Reclamation bonding consists of cash bonding held with the BLM and restricted investments held by the Company. Restricted investments consist of U.S. Treasury Notes and certificates of deposit. At June 30, 2013 and December 31, 2012, obligations under cash bonding amounted to $39,719 and $40,000, respectively. At June 30, 2013 and December 31, 2012, restricted investments amounted to $1,179,941 and $1,186,681 respectively, and exceeded bonding requirements by $29,941 and $36,681, respectively. The Company anticipates using the excess amount for future collateral requirements.

The following is a summary of restricted investments held for reclamation bonds:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Estimated Fair Value
June 30, 2013				
US Treasury Notes	$ 879,553	$ 24,041	$ -	$ 903,594
Certificates of deposit	276,347	-	-	276,347
Total available-for-sale securities	$ 1,155,900	$ 24,041	$ -	$ 1,179,941
December 31, 2012				
US Treasury Notes	$ 879,553	$ 31,317	$ -	$ 910,870
Certificates of deposit	275,811	-	-	275,811
Total available-for-sale securities	$ 1,155,364	$ 31,317	$ -	$ 1,186,681

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3. MINERAL PROPERTIES (continued)

Unrealized gains and losses on available-for-sale securities are included as a component of other comprehensive (loss) income. Unrealized (losses) gains were $(5,079) and $2,433 for the quarters ended June 30, 2013 and 2012, respectively and $(7,276) and $(4,705) for the six month periods ended June 30, 2013 and 2012, respectively.

The US Treasury Notes mature in July 2015. The Company has two certificates of deposit maturing in April 2016 and June 2014, respectively. Each certificate is set up for automatic renewal for one year periods until the Company or the financial institution elect not to renew.

Reclamation and remediation activities   Accrued reclamation and remediation costs relate to the Columbus Project and amounted to $672,338 as of June 30, 2013 and December 31, 2012, respectively.

4. STOCKHOLDERS   EQUITY

During the six month period ended June 30, 2013, stockholders   equity activity consisted of the following:

1. On May 30, 2013, the Company   s Board of Directors unilaterally determined, without any negotiations with the warrant holders, to amend the private placement warrants in connection with the 2007, 2009 and 2010 private placement offerings, and certain additional warrants issued to consultants in 2009 and 2010 (collectively, the   Expiring Warrants   ). The expiration date of the warrants was extended from June 30, 2013 to November 30, 2013. In all other respects, the terms and conditions of the Expiring Warrants remain the same. The Company calculated the fair value of the warrants at $83,925 using the Binomial Lattice model with the following assumptions:

Risk-free interest rate	0.07%
Expected volatility	70.33%

The expected life of the warrants, which is an output of the model, was 0.40 years.

During the six month period ended June 30, 2012, stockholders   equity activity consisted of the following:

1. On March 15, 2012, the Company issued an aggregate of 4,030,000 units at a price of $0.50 per unit in private placement offerings for aggregate proceeds of $2,015,000. All units were issued to US persons pursuant to the provisions of Rule 506 of Regulation D of the Securities Act. Each unit is comprised of one share of common stock and one share purchase warrant with each warrant entitling the holder to purchase an additional share of common stock at an exercise price of $0.80 per share for a period expiring March 31, 2015. After September 30, 2012, the Company may accelerate the expiration date of the warrants if the volume weighted average price for our common stock exceeds $2.40 per share for 20 consecutive trading days.

   The Company paid a finder   s fee of $8,000 in cash and 16,000 share purchase warrants related to the private placement. The finder is a registered broker dealer pursuant to Section 15 of the Securities Exchange Act of 1934, as amended.

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4. STOCKHOLDERS EQUITY (continued)

2. On February 23, 2012, the Company issued an aggregate of 5,530,000 units at a price of $0.50 per unit in separate concurrent private placement offerings for aggregate proceeds of $2,765,000, as described below. Each unit is comprised of one share of common stock and one share purchase warrant, with each warrant entitling the holder to purchase an additional share of common stock at an exercise price of $0.80 per share for a period expiring March 31, 2015. After September 30, 2012, the Company may accelerate the expiration date of the warrants if the volume weighted average price for our common stock exceeds $2.40 per share for 20 consecutive trading days.

US Private Placement - The Company issued 5,230,000 Units to U.S. persons for gross proceeds of $2,615,000 pursuant to the provisions of Rule 506 of Regulation D of the United States Securities Act of 1933, as amended (the Securities Act). Each U.S. subscriber represented that they were an accredited investor as defined under Regulation D of the Securities Act.

Offshore Private Placement - The Company issued 300,000 Units to non-U.S. persons for gross proceeds of $150,000 pursuant to the provisions of Regulation S of the Securities Act. Each of the subscribers represented that they were not US persons as defined in Regulation S of the Securities Act and that they were not acquiring the shares for the account or benefit of a US person.

The Company paid a finder s fee of $6,000 in cash and 12,000 share purchase warrants related to the Offshore Private Placement. In addition, the Company will pay the finder an additional cash fee of 4% of the exercise price of any warrants exercised by subscribers introduced by the finder. The finder is a registered broker dealer pursuant to Section 15 of the Securities Exchange Act of 1934, as amended. There were no finder s fees paid in respect of the U.S. Private Placement.

Filing and legal fees related to these issuances were $28,266. Total fees, including finder s fees, filing and legal fees amounted to $42,266.

Private Placement Warrants - A summary of investor warrant activity for the quarter ended June 30, 2013 was as follows:

	Number of Shares	Exercise Price	Weighted Average Remaining Contractual Life (Years)
Outstanding and exercisable, December 31, 2012	49,065,768	$ 0.75 - 2.39	1.47
Granted	-	-	-
Forfeited/expired	(5,498,940)	0.75 - 2.39	-
Outstanding and exercisable, June 30, 2013	43,566,828	$ 0.75 0.95	1.36

The table above does not include warrants issued to employees, non-employee directors and consultants as they are included under Stock-Based Compensation in Note 5.

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5. STOCK-BASED COMPENSATION

Stock-based compensation includes grants of stock options and purchase warrants to eligible directors, employees and consultants as determined by the Board of Directors.

Stock option plans - On March 27, 2007, the Board of Directors adopted the 2007 Stock Incentive Plan (the Plan). Under the terms of the Plan, options to purchase up to 6,000,000 shares of the common stock, subject to an increase each quarter equal to 15% of the increase in the total number of outstanding shares during the previous quarter, may be granted to officers, directors, employees and eligible consultants. As of June 30, 2013, the Company had granted 11,966,916 options under the Plan with a weighted average exercise price of $0.52 per option. As of June 30, 2013, 11,012,197 options were outstanding.

Stock warrants - Upon approval of the Board of Directors, the Company grants stock warrants to consultants for services performed.

Valuation of awards - At June 30, 2013, the Company had options outstanding that vest on three different types of vesting schedules:

1. Service-based;

2. Performance-based; and

3. Market-based.

For service-based and performance-based stock option grants the Company utilizes the Binomial Lattice pricing model to estimate the fair values of options and warrants granted in exchange for services. For market-based stock option grants the Company utilizes a combination of a Monte Carlo simulation and a Trinomial Lattice function to estimate the fair values of options in exchange for services. The Company used the following assumptions to estimate the fair value of the options granted for the six month period ended June 30, 2013. No grants were awarded for the six month period ended June 30, 2012.

	2013
Dividend yield	-
Expected volatility	71.20% - 78.77%
Risk-free interest rate	0.71% - 2.01%
Expected life (years)	4.25 6.84

Inputs used in these models are determined as follows:

1. The expected life represents the weighted-average period the awards are expected to remain outstanding and is a derived output of the option pricing models. The expected life is impacted by all of the underlying assumptions and calibration of the Company s models.

2. The requisite service period for market-based stock option awards is a derived output of the hybrid Monte Carlo-Trinomial Lattice model.

3. Volatility is based on the average historical volatility levels of a representative peer group.

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5. STOCK-BASED COMPENSATION (continued)

4. The risk-free interest rate is based on the implied yield available on U.S. Treasury zero- coupon issues over the equivalent contractual lives of the options.

During the six month period ended June 30, 2013, the Company stock based awards as follows:

a) On April 16, 2013, the Company granted non-qualified stock options to an independent director upon his appointment to the Board of Directors. The options were granted under the Plan for 225,000 shares of common stock at an exercise price of $0.41 per option. The options vest 75,000 each on June 30, 2013, September 30, 2013 and December 31, 2013. The options expire on the fifth anniversary of the date that they vest.

b) On February 15, 2013, the Company granted non-qualified stock options to certain executive officers under the Plan for an aggregate of 325,000 shares of common stock at an exercise price of $0.57 per option. The options vest upon completion of defined events and milestones. The options expire on the fifth anniversary of the date that they vest, but in no event later than the tenth anniversary of the agreement. Each of the options will automatically vest and become exercisable upon the occurrence of a change in control.

   On the grant date, the Company determined that achievement of the performance conditions was probable. The Company s best estimate of the requisite service period was determined to be ten months from the grant date. The Company reviewed and confirmed these determinations at June 30, 2013.

c) On February 15, 2013, the Company granted non-qualified stock options to certain executive officers under the Plan for an aggregate of 325,000 shares of common stock at an exercise price of $0.57 per option. The options vest upon the Company s stock price achieving defined targets. The options expire on the fifth anniversary of the date that they vest, but in no event later than the tenth anniversary of the agreement. Each of the options will automatically vest and become exercisable upon the occurrence of a change in control.

d) On February 15, 2013, the Company granted non-qualified stock options to the Company s independent director and certain executive officers under the Plan for an aggregate of 950,000 shares of common stock at an exercise price of $0.57 per option. The options vest 25% each on March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013. The options expire on the fifth anniversary of the date that they vest. The options will automatically vest and become exercisable upon the occurrence of a change in control.

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5. STOCK-BASED COMPENSATION (continued)

During the six month period ended June 30, 2012, the Company granted stock options as follows:

a) On April 23, 2012, the Company granted non-qualified stock options to certain executive officers under the 2007 Stock Incentive Plan for an aggregate of 800,000 shares of common stock at an exercise price of $0.90 per option. The options vest upon completion of defined events and milestones. The options expire on the fifth anniversary of the date that they vest, but in no event later than the tenth anniversary of the agreement. Each of the options will automatically vest and become exercisable upon the occurrence of a change in control.

   On the grant date, the Company determined that achievement of the performance conditions was probable. The Company s best estimate of the requisite service periods were determined to be fourteen months from the grant date. The Company reviewed and confirmed these determinations at June 30, 2012.

b) On April 23, 2012, the Company granted non-qualified stock options to certain executive officers under the 2007 Stock Incentive Plan for an aggregate of 800,000 shares of common stock at an exercise price of $0.90 per option. The options vest upon the Company s stock price achieving defined targets. The options expire on the fifth anniversary of the date that they vest, but in no event later than the tenth anniversary of the agreement. Each of the options will automatically vest and become exercisable upon the occurrence of a change in control.

c) On April 23, 2012, the Company granted non-qualified stock options to Company s independent director under the 2007 Stock Incentive Plan for an aggregate of 200,000 shares of common stock at an exercise price of $0.90 per option. The options vest upon completion of defined events and milestones. The options expire on the fifth anniversary of the date that they vest, but in no event later than the tenth anniversary of the agreement. The options will automatically vest and become exercisable upon the occurrence of a change in control.

   On the grant date, the Company determined that achievement of the performance conditions was probable. The Company s best estimate of the requisite service periods were determined to be fourteen months from the grant date. The Company reviewed and confirmed these determinations at June 30, 2012.

d) On April 23, 2012, the Company granted 200,000 options exercisable at $0.90 per share to the Company s independent director. 25% of the options were immediately vested and the remaining options vest at a rate of 25% per fiscal quarter, beginning June 30, 2012 and ending December 31, 2012. The options expire five years after the date that they vest.

e) On April 23, 2012, the Company granted 37,500 options exercisable at $0.90 per share to an employee. 25% of the options were immediately vested and the remaining options vest at a rate of 25% per fiscal quarter, beginning June 30, 2012 and ending December 31, 2012. The options expire five years after the date that they vest.

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5. STOCK-BASED COMPENSATION (continued)

f) On April 23, 2012, the Company granted 400,000 options and 100,000 options exercisable at $0.90 per share to consultants. 25% of the options were immediately vested and the remaining options vest at a rate of 25% per fiscal quarter, beginning June 30, 2012 and ending December 31, 2012. The options expire five years after the date that they vest.

The total expense for the quarters ended June 30, 2013 and 2012 related to the granting, vesting and modification of all stock-based compensation awards was $223,698 and $287,465, respectively and $377,895 and $311,879 for the six month periods ended, respectively. Such expenses are included in general and administrative expense and mineral exploration and evaluation expense.

The following table summarizes the Company s stock-based compensation activity for the six month period ended June 30, 2013:

	Number of Shares	Weighted Average Grant Date Fair Value	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding, December 31, 2012	13,987,197	$ 0.37	$ 0.60	3.58	
Options/warrants granted	1,825,000	0.22	0.55	6.75	
Options/warrants exercised	-	-	-	-	
Options/warrants expired	-	-	-	-	
Options/warrants cancelled	-	-	-	-	
Outstanding, June 30, 2013	15,812,197	$ 0.35	$ 0.60	3.61	$ 1,042,000
Exercisable, June 30, 2013	12,037,197	$ 0.36	$ 0.55	2.49	$ 1,042,000

Aggregate intrinsic value represents the value of the Company s closing stock price on the last trading day of the quarter ended in excess of the weighted-average exercise price multiplied by the number of options outstanding or exercisable.

The following table summarizes the changes of the Company s stock-based compensation awards subject to vesting for the six month period ended June 30, 2013:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested, December 31, 2012	2,600,000	$ 0.39
Granted	1,825,000	0.22
Vested	(650,000)	0.33
Forfeited	-	-

Unvested, June 30, 2013	3,775,000	$	0.31

For the six month period ended June 30, 2013 and 2012, the total fair value of shares vested was $393,453 and $222,370, respectively. As of June 30, 2013, there was $528,150 of total unrecognized compensation cost related to unvested stock-based compensation awards. The weighted average period over which this cost will be recognized was 0.85 years as of June 30, 2013.

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6. WARRANTS AND OPTIONS

The following table summarizes all of the Company s stock option and warrant activity for the six month period ended June 30, 2013, including private placement warrants and stock options and warrants granted for compensation:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance, December 31, 2012	63,052,965	$ 0.89	1.94
Options/warrants granted	1,825,000	0.55	6.75
Options/warrants cancelled	-	-	-
Options/warrants expired	(5,498,940)	2.31	-
Balance, June 30, 2013	59,379,025	$ 0.75	1.96

7. INCOME TAXES

The Company is a Nevada corporation and is subject to federal income taxes. Nevada does not impose a corporate income tax.

Significant components of the Company s net deferred income tax assets and liabilities at June 30, 2013 and December 31, 2012 were as follows:

	June 30, 2013	December 31, 2012
Deferred income tax assets:		
Net operating loss carryforward	$ 9,261,034	$ 8,327,426
Option compensation	1,762,403	1,630,140
Property, plant & equipment	530,480	423,904
Exploration costs	557,454	570,719
Reclamation and remediation costs	235,318	235,318
Gross deferred income tax assets	12,346,689	11,187,507
Less: valuation allowance	(1,271,084)	(726,050)
Net deferred income tax assets	11,075,605	10,461,457
Deferred income tax liabilities:		
Unrealized gains on investments	(8,414)	(10,961)

Acquisition related liabilities		(11,067,191)		(11,067,191)
Net deferred income tax liabilities	$	-	$	(616,695)

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7. INCOME TAXES (continued)

A valuation allowance was established for deferred tax assets related to certain option compensation and accrued reclamation, remediation costs and net operating loss carryforwards due to the uncertainty of realizing these deferred tax assets based on conditions existing at June 30, 2013 and December 31, 2012, respectively.

The realizability of deferred tax assets are reviewed at each balance sheet date. The majority of the Company s deferred tax liabilities are depletable. Such depletion will begin with the processing of mineralized material once production has commenced. Therefore, the deferred tax liabilities will reverse in similar time periods as the deferred tax assets. The Company assesses both positive and negative evidence to determine whether it is more likely than not that such reversal will occur to realize the deferred tax assets prior to their exploration. The reversal of the deferred tax liabilities is sufficient to support the net deferred tax assets.

The acquisition related liabilities are a result of the estimated future federal income tax liability associated with the temporary difference between the acquisition consideration and the tax basis. The deferred tax liabilities were reflected as an increase to the total purchase price which has been applied to the underlying mineral and Columbus project assets in the absence of there being a goodwill component associated with the acquisition transactions.

A reconciliation of the tax benefit for the quarters ended June 30, 2013 and 2012 at US federal tax rates to the actual tax provision recorded in the financial statements consisted of the following components:

	June 30, 2013	June 30, 2012

Income tax benefit based on statutory tax rate	$	595,410	$	561,971
Reconciling items:				
Non-deductible items		(29,384)		(44)
Change in valuation allowance		(545,036)		(15,479)
Income tax benefit	$	20,990	$	546,448

A reconciliation of the tax benefit for the six month periods ended June 30, 2013 and 2012 at US federal tax rates to the actual tax provision recorded in the financial statements consisted of the following components:

		June 30, 2013		June 30, 2012
Income tax benefit based on statutory tax rate	$	1,188,607	$	1,002,057
Reconciling items:				
Non-deductible items		(29,425)		(126)
Change in valuation allowance		(545,034)		(17,500)
Income tax benefit	$	614,148	$	984,431

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7. INCOME TAXES (continued)

The Company had cumulative net operating losses of approximately $26,460,101 as of June 30, 2013 for federal income tax purposes. Cumulative net operating losses from December 31, 2006 and previous years are effectively nil due to the annual limitation imposed by the Internal Revenue Code of 1986 as a result of the ownership percentage change limitations. The net operating loss carryforwards will expire between 2027 and 2033.

The Company and its subsidiary file income tax returns in the United States. These tax returns are subject to examination by taxation authorities provided the years remain open under the relevant statutes of limitations, which may result in the payment of income taxes and/or a decrease in the net operating losses available for carryforwards. The Company is no longer subject to income tax examinations by US federal tax authorities for years prior to 2008. While the Company believes that its tax filings do not include uncertain tax positions, the results of potential examinations or the effect of changes in tax law cannot be ascertained at this time. The Company currently has no tax years under examination.

8. COMMITMENTS AND CONTINGENCIES

Lease obligations The Company rents office space in Henderson, Nevada on month-to-month terms. Rental expense for office space was $17,925 and $13,800 for the quarters ended June 30, 2013 and 2012, respectively and $36,675 and $27,600 for the six month periods ended June 30, 2013 and 2012, respectively. During the quarter and six month period ended June 30, 2013, $4,125 and $8,250, respectively, of rent expense was paid to DOSA Consulting, LLC (DOSA) which is a consulting firm owned by the Company s CEO. No rent expense was paid to DOSA during the six month period ended June 30, 2012.

The Company has signed a lease agreement for office space. The four year lease requires monthly payments of $3,999 increasing 4% annually. The lease also requires monthly payment of approximately $748 for operating expenses. The lease is expected to commence in the third quarter of 2013. As of June 30, 2013, a $20,473 deposit was paid and included in prepaid expenses.

Columbus Project Pursuant to the option assignment agreement dated March 30, 2007, as amended August 8, 2007, the Company granted a 5% net smelter return royalty to NMC, one of the principal stockholders of the Company. The Columbus Project is further discussed in Note 3.

Red Mountain Project Pursuant to the option assignment agreement the Company granted a 5% net smelter return royalty to NMC, one of the principal stockholders of the Company. The Red Mountain Project is further discussed in Note 3.

Stand-by letter of credit In June 2011, a financial institution issued a stand-by letter of credit to the BLM for up to $175,000 on behalf of the Company. The stand-by letter of credit was issued to guarantee the Company s compliance with reclamation bonding requirements. The letter of credit expires on June 24, 2014 and will be automatically renewed for one year periods unless either party elects not to renew. The Company is required to maintain a $175,000 certificate of deposit with the financial institution which is included in restricted investments held for reclamation bonds on the balance sheet. The Company is also required to pay an annual fee of 2% of the total value of the letter of credit. As of June 30, 2013, no draws have been made on the letter of credit.

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8. COMMITMENTS AND CONTINGENCIES (continued)

Consultant bonus In April 2012, the Company entered into an Agreement for Services (the Agreement) with a consulting firm. The Company agreed to pay the firm at their standard rates in exchange for services provided. In addition, the Company agreed to pay bonuses to the firm upon completion of milestones as defined in the Agreement. The bonuses consist of cash payments up to $400,000 and issuance of up to 3,000,000 warrants at a price of $0.90 per share and expiring March 31, 2017. The Agreement does not contain any performance commitments; therefore, the fair value of the warrants will be measured and recognized on the dates that the milestones are reached. As of June 30, 2013, no milestones have been reached for which a bonus was due or paid.

Registration Rights Agreement - In connection with the November 30, 2012 private placement, the Company entered into a Registration Rights Agreement (RRA) with the purchasers. Pursuant to the RRA, the Company agreed to certain demand registration rights. These rights include the requirement that the Company file certain registration statements within a specified time period and to have these registration statements declared effective within a specified time period. If the registration statement is not effective six months after the closing date, the warrants may be exercised by means of a cashless exercise. If the Company is not able to comply with these registration requirements, the Company will be required to pay cash penalties equal to 1.0% of the subscription proceeds on the date of such failure, and each month thereafter, up to a maximum of 6% of the subscription proceeds. The maximum penalty amounts to $346,979. As of June 30, 2013, the Company has incurred cumulative penalties of $5,757.

9. CONCENTRATIONS

Concentration of credit risk - The Company maintains its cash accounts in financial institutions. Cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000 per financial institution. The Company has never experienced a material loss or lack of access to its cash accounts; however, no assurance can be provided that access to the Company s cash accounts will not be impacted by adverse conditions in the financial markets. At June 30, 2013, the Company had $2,288,666 in excess of FDIC insured limits.

Concentration of activity - The Company currently utilizes a metallurgical consulting firm to perform significant portions of its exploration work programs. A change in the lead metallurgical consulting firm could cause a delay in the progress of the Company s exploration programs and would cause the Company to incur significant transition expense and may affect operating results adversely.

IRELAND INC.
(AN EXPLORATION STAGE ENTERPRISE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

10. COMPREHENSIVE LOSS

The tax effects of each component of comprehensive loss for the quarters ended June 30, 2013 and 2012 were as follows:

	June 30, 2013	June 30, 2012
Unrealized holding (losses) gains	$ (5,079)	$ 2,433
Income tax benefit (expense)	1,778	(850)
Total unrealized (loss) gain, net of tax	$ (3,301)	$ 1,583

The tax effects of each component of comprehensive loss for the six month periods ended June 30, 2013 and 2012 were as follows:

	June 30, 2013	June 30, 2012
Unrealized holding losses	$ (7,276)	$ (4,705)
Income tax benefit	2,547	1,648
Total unrealized loss, net of tax	$ (4,729)	$ (3,057)

11. RELATED PARTY TRANSACTIONS

DOSA DOSA is a consulting firm owned by the Company s CEO. DOSA provides the Company with use of its employees and office space. Services provided by NMC are also at times coordinated for the Company by DOSA. No management fees are billed to the Company for these services. Details of these transactions are provided below. The CEO s salary and reimbursable expenses are also paid to DOSA.

The following table provides details of transactions between the Company and DOSA for the three and six month periods ended June 30, 2013 and 2012.

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Wage and rent reimbursements	$ 4,125	$ 20,262	$ 8,250	$ 20,262

No amounts were due to DOSA at June 30, 2013 or December 31, 2012 for wage or rent reimbursements.

NMC - Pursuant to option assignment agreements related to both the Columbus and Red Mountain projects, the Company granted a 5% net smelter return royalty to NMC. NMC is the Company s largest shareholder. NMC and its affiliates own approximately 29% of the Company s outstanding common stock. The Columbus Project and the Red Mountain Project are further discussed in Note 3.

The Company utilizes the services of NMC to provide technical assistance and financing related activities. These services related primarily to the Columbus Project and the Red Mountain Project. In addition to the above services, NMC provided dedicated use of its laboratory, instrumentation, milling equipment and research facilities. NMC provided invoices for these fees plus expenses.

IRELAND INC.
(AN EXPLORATION STAGE ENTERPRISE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

11. RELATED PARTY TRANSACTIONS (continued)

The following table provides details of transactions between the Company and NMC for the three and six month periods ended June 30, 2013 and 2012.

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Reimbursement of expenses	$ 5,656	$ 7,378	$ 12,762	$ 22,837
Consulting services provided	105,000	105,000	210,000	210,000
Mineral and exploration expense related party	$ 110,656	$ 112,378	$ 222,762	$ 232,837
Equipment purchases	-	50,000	25,000	50,000

For the six month period ended June 30 2013 all NMC transactions were invoiced by DOSA. For the six month period ended June 30, 2012, $112,378 of the NMC fees and reimbursements were invoiced by DOSA. At June 30, 2013, the Company owed DOSA $1,207 for NMC reimbursements. At December 31, 2012, the Company owed DOSA $36,151 for NMC fees and reimbursements.

McNeil Consulting Group, LLC (MCG) MCG is a consulting firm owned by an affiliate of NMC. MGC provides the Company with management advisory services. The Company incurred total fees to MCG of $15,000 and $30,000 during the three and six month periods ended June 30, 2013, respectively. At June 30, 2013, the Company owed MCG $12,500. No consulting fees were incurred from MGC for the six month period ended June 30, 2012. At December 31, 2012, the Company owed MCG $12,500.

Former Officers - Due to related parties includes amounts due to former officers of the Company. At June 30, 2013 and 2012, the remaining amount of due to related parties was $23,290, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this Quarterly Report on Form 10-Q constitute "forward-looking statements. These statements, identified by words such as plan, "anticipate, "believe, "estimate, "should, "expect" and simila expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. These statements reflect the current views of management with respect to future events and are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from those described in the forward-looking statements. Such risks and uncertainties include those set forth under the caption "Part II, Item 1A. Risk Factors and elsewhere in this Quarterly Report on Form 10-Q. We advise you to carefully review the reports and documents we file from time to time with the United States Securities and Exchange Commission (the SEC), particularly our periodic reports filed with the SEC pursuant to the Securities Exchange Act of 1934 (the Exchange Act).

OVERVIEW

We were incorporated on February 20, 2001 under the laws of the State of Nevada. We are an exploration stage minerals exploration company focused on the discovery and extraction of precious metals from mineral deposits in the Southwestern United States.

In February 2008, we acquired our lead project, a prospective gold, silver and calcium carbonate property located in Esmeralda County, Nevada, that we call the Columbus Project. The Columbus Project consists of 50,538 acres of placer mineral claims, including a 380 acre Permitted Mine Area (60-acre mill site and mill facility, 266-acre mine site with 54 acres defined as undisturbed area). Our current permits allow us to mine up to 792,000 tons per year to 40 feet in depth for the purpose of extracting precious metals and calcium carbonate from the Permitted Mine Area. In addition, we own 80 acres of land in the southeast quadrant of the project. Our current exploration efforts are focused on the North and South Sand Zones of the Columbus Project.

In addition to the Columbus Project, we own the right to acquire a prospective gold, silver and tungsten property located in San Bernardino County, California, that we call the Red Mountain Project.

The discussion provided in this Quarterly Report should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2012 filed with the United States Securities and Exchange Commission (the SEC) on April 15, 2013.

RECENT CORPORATE DEVELOPMENTS

The following significant developments occurred since our fiscal quarter ended March 31, 2013:

Appointment of New Director

On April 16, 2013, our Board of Directors unanimously resolved to increase the number of our directors from three (3) directors to four (4) directors, and unanimously resolved to appoint Steven A. Klein to our Board to fill the vacancy created by the increase in the number of directors.

Mr. Klein was not appointed pursuant to any agreement, arrangement or other understanding between the Company and Mr. Klein or any other person. Mr. Klein will act on our audit committee.

Upon his appointment, we granted to Mr. Klein non-qualified stock options to purchase an aggregate of 225,000 shares of our common stock under our 2007 Stock Incentive Plan at an exercise price of $0.41 per share, vesting and expiring as follows:

Number of Options to Vest	Vesting Date	Expiration Date
75,000	June 30, 2013	June 30, 2018
75,000	September 30, 2013	September 30, 2018
75,000	December 31, 2013	December 31, 2018
225,000	**Total**	

In addition, as an independent member of our Board of Directors, Mr. Klein will be entitled to cash compensation in the amount of $4,000 per month.

Extension of 2007, 2009 and 2010 Private Placement Warrants and Consultant Warrants

On May 30, 2013, the Board of Directors of Ireland Inc. (the Company) unanimously approved an extension of the expiry date for warrants issued under the Company s 2007, 2009 and 2010 private placements, and certain additional warrants issued to consultants for services in 2009 and 2010 (collectively, the Expiring Warrants). The expiry dates for the Expiring Warrants were extended from June 30, 2013 to November 30, 2013 as follows:

Expiring Warrants	Maximum No. of Shares Issuable on Exercise	Exercise Price per Share	Previous Expiry Date	Extended Expiry Date
2007 Private Placement Warrants	10,160,650	$0.75	June 30, 2013	November 30, 2013
2009 Private Placement Warrants	6,894,677	$0.75	June 30, 2013	November 30, 2013
2010 Private Placement Warrants	5,517,500	$0.75	June 30, 2013	November 30, 2013
2009 Consultant Warrants	200,000	$0.55	June 30, 2013	November 30, 2013
2010 Consultant Warrants	3,800,000	$0.75	June 30, 2013	November 30, 2013

Directors and officers of the Company beneficially own Expiring Warrants as follows:

(a) Douglas D.G. Birnie, Chief Executive Officer, President and Director, beneficially owns 2007 Private Placement Warrants exercisable for a maximum of 50,000 shares of common stock and 2009 Private Placement Warrants exercisable for a maximum of 50,000 shares of common stock.

(b) Mark H. Brennan, Director, directly owns 2009 Private Placement Warrants exercisable for a maximum of 70,000 shares of common stock.

(c) Steven A. Klein, Director, directly owns 2009 Private Placement Warrants exercisable for a maximum of 75,000 shares of common stock and 2010 Private Placement Warrants exercisable for a maximum of 50,000 shares of common stock. In addition, as trustee for a trust, Mr. Klein exercises voting and investment power over 2009 Private Placement Warrants exercisable for a maximum of 300,000 shares of common stock and 2010 Private Placement Warrants exercisable for a maximum of 100,000 shares of common stock. Mr. Klein disclaims any pecuniary interest in the warrants over which he exercises voting and investment power as trustee for the trust.

PLAN OF OPERATIONS

During the next twelve months, we intend to proceed with our exploration program for the Columbus Project, while the Red Mountain Project is not currently active.

The Columbus Project

The technical program for the Columbus Project has two primary objectives: (a) to identify the mineral resources and (b) to determine the feasibility of mining and extracting precious metals from the project.

(a) Mineralization: Exploration work to date has identified three different host materials (sand, clay, brine) each of which could potentially contain commercial quantities of gold and silver mineralization within the project area. The sand zones outcrop on the western side of the Columbus basin and dip gently eastward. The clay zones also outcrop and overlay the sand zones. The brine zone occurs as an aquifer at some 400 feet depth underlying the sand/clay zones.

Our recent exploration efforts have focused on the sand material, specifically in an approximate 2,000 acre area of interest on the west side of our project site. Through three drill programs, we have identified The North Sand Zone and the South Sand Zone. The North Sand Zone has been the site of the source material for our recent extraction tests.

To date, 34 holes have been drilled in the 0.67 square mile (429 acres) North Sand Zone, and three holes in the 0.48 square mile (307 acres) South Sand Zone. Drilling has been completed to depths ranging from 165 feet to 400 feet in both sand zones. We have yet to drill through either sand zone with any of our drilling to date.

We have been granted the permit for our Phase Four drill program, which will consist of 31 drill holes to a depth of at least 200 feet. The drill program will cover an additional 0.48 square miles adjacent to the southern boundary of the North Sand Zone. The goal of this program is to expand the boundaries and improve the definition of the North Sand Zone. Following completion of the Phase Four drill program, we will re-evaluate the boundaries of the sand zones, the quantity of the tonnage contained therein and the quality of the mineralization estimates within these areas. It is anticipated that additional drill programs will follow.

(b) Mining and Recovery Methodology: We currently have a Water Pollution Control permit for the Columbus Project that allows for the extraction of precious metals and the production of calcium carbonate on the 380-acre site (266-acre mine site, 60-acre mill site, and 54 acres defined as undisturbed area) at a mine rate of up to 792,000 tons per year. As previously reported, our current focus is on the extraction of precious metals from the sand zone areas of the Columbus Project specifically, the North and South Sand Zones.

During 2012, we successfully installed all of the gravity concentration equipment and determined the operating parameters for the concentration components of the onsite precious metals extraction circuit. In Q4 2012, we successfully installed equipment for the leaching and metal extraction components of the onsite production circuit. As part of this process of transferring the gold and silver extraction process from the test location at AuRIC s facility in Salt Lake City to our on-site pilot plant in Nevada, in April 2013, we commenced our first series of multi-ton batch extraction tests. The extraction process consists first of a gravity concentration circuit which processes between two and five tons of head material to generate one ton of concentrates. Next, the concentrates are then leached, the result of which is filtered and then loaded onto resins at the Columbus Project s pilot plant. The resins are then ashed to determine the quantity of gold and silver recovery.

We have completed three series of tests, and are now awaiting the last results of these tests in order to determine the changes in operating parameters for the next test series. A test series consists of three to five individual tests run semi-concurrently under very similar operating parameters. We have produced small amounts of gold and silver from our testing, but recoveries are not yet to our goal recovery rate of .030 opt Au. Current work is primarily focused on the final two components of the extraction process, filtration and resin collection, to increase the amount of gold and silver recovered.

During this period, we may continue to modify the operating parameters of any component of the production circuit to improve the precious metals recovery from the circuit, and may upgrade the precious metals processing and extraction equipment as necessary to improve operating efficiencies and circuit capacity. Once these batch extraction rates have been completed to our satisfaction, we intend to begin the process of phasing in the operations of the pilot plant on a continuous basis, with a target of processing up to 20 tons of head material

per day.

We are currently focusing mining and recovery methodology efforts on commencing continuous operations for the pilot plant. This timeline will be dictated by process results, and the availability of personnel and equipment.

Readers are cautioned that, although we believe that the results of our exploration activities to date are sufficiently positive to proceed with the installation and operation of a pilot production circuit for the Columbus Project, we have not yet established any proven or probable reserves. There is no assurance that we will be able to establish that any commercially extractable ore reserves exist on the Columbus Project or that we will enter into commercial production.

We anticipate spending approximately $6,065,000 on our exploration program and $200,000 on our capital expenditures for the Columbus Project during the twelve months ending June 30, 2014.

The Red Mountain Project

Sampling and Drilling Program: Our exploration program for the Red Mountain Project currently consists of a Drilling and Sampling program. The Red Mountain Project is not currently active. We have set a budget of $196,000 for property payments and maintenance costs for the Red Mountain Project for the twelve months ending June 30, 2014. We have reallocated certain funds originally budgeted towards the Red Mountain Project in order to provide us with maximum flexibility in achieving our technical milestones at our lead project.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with United States generally accepted accounting principles requires our management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Our management routinely makes judgments and estimates about the effects of matters that are inherently uncertain.

We have identified certain accounting policies, described below, that are most important to the portrayal of our current financial condition and results of operations. Our significant accounting policies are also disclosed in the notes to our consolidated financial statements for the period ended June 30, 2013 included in this Quarterly Report on Form 10-Q.

Use of Estimates The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Significant areas requiring estimates and assumptions include the valuation of stock-based compensation, impairment analysis of long-lived assets, accrued reclamation and remediation costs and realizability of deferred tax assets. Actual results could differ from those estimates.

Mineral Rights - We capitalize acquisition and option costs of mineral property rights. The amount capitalized represents fair value at the time the mineral rights are acquired. We capitalize acquisition and option costs of mineral rights as tangible assets. Upon commencement of commercial production, the mineral rights will be amortized using the unit-of-production method over the life of the mineral rights. If we do not continue with exploration after the completion of a feasibility study, the mineral rights will be expensed at that time.

Mineral Property Acquisition Costs - Costs of acquiring mining properties are capitalized upon acquisition. Mine development costs incurred either to develop new ore deposits, expand the capacity of mines, or to develop mine areas substantially in advance of current production are also capitalized once proven and probable reserves exist and the property is a commercially mineable property. Costs incurred to maintain current production or to maintain assets on a standby basis are charged to operations. Costs of abandoned projects are charged to operations upon abandonment.

We evaluate the carrying value of capitalized mining costs and related property and equipment costs to determine if these costs are in excess of their recoverable amount whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The periodic evaluation of carrying value of capitalized costs and any related property and equipment costs are based upon expected future cash flows and/or estimated salvage value in accordance with Accounting Standards Codification (ASC) 360-10-35-15, Impairment or Disposal of Long-Lived Assets.

Mineral Exploration and Development Costs - Exploration expenditures incurred prior to entering the development stage are expensed and included in Mineral exploration and evaluation expenses .

Property and Equipment Property and equipment is stated at cost less accumulated depreciation. Depreciation is principally provided on the straight-line method over the estimated useful lives of the assets, which are generally 3 to 39 years. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

Impairment of long-lived assets We review and evaluate our long-lived assets for impairment at each balance sheet date due to our planned exploration stage losses and document such impairment testing. Mineral properties in the exploration stage are monitored for impairment based on factors such as our continued right to explore the property, exploration reports, drill results, technical reports and continued plans to fund exploration programs on the property.

Our policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable either by impairment or by abandonment of the property. The impairment loss is calculated as the amount by which the carrying amount of the assets exceeds its fair value. To date, no such impairments have been identified.

Reclamation and Remediation Costs (Asset Retirement Obligation) - For our exploration stage properties, we accrue the estimated costs associated with environmental remediation obligations in the period in which the liability is incurred or becomes determinable. Until such time that a project life is established, we record the corresponding cost as an exploration stage expense. The costs of future expenditures for environmental remediation are not discounted to their present value unless subject to a contractually obligated fixed payment schedule. As reclamation work is performed or liabilities are otherwise settled, the recorded amount of the liability will be reduced.

Future reclamation and environmental-related expenditures are difficult to estimate in many circumstances due to the early stage nature of the exploration project, the uncertainties associated with defining the nature and extent of environmental disturbance, the application of laws and regulations by regulatory authorities and changes in reclamation or remediation technology. We periodically review accrued liabilities for such reclamation and remediation costs as evidence indicating that the liabilities have potentially changed becomes available. Changes in estimates are reflected in the consolidated statement of operations in the period an estimate is revised.

We are in the exploration stage and are unable to determine the estimated timing of expenditures relating to reclamation accruals. It is reasonably possible that the ultimate cost of reclamation and remediation could change in the future and that changes to these estimates could have a material effect on future operating results as new information becomes known.

LIQUIDITY AND CAPITAL RESOURCES

Our financial position was as follows at June 30, 2013 and December 31, 2012:

	June 30, 2013		December 31, 2012	
Cash	$	3,199,886	$	5,636,638
Current liabilities	$	170,824	$	236,675
Accrued reclamation costs	$	672,338	$	672,338
Stockholders' equity	$	38,452,793	$	40,777,577

During the six months ended June 30, 2013, our liquidity position was affected by the following:

- Continued exploration stage losses of $2,781,875 for the six month period ended June 30, 2013.
- Significant non-cash expenses through this period included depreciation of $467,028, share based compensation of $377,895 and share-based expenses of $83,925.
- Significant non-cash income included the income tax benefit of $614,148.
- Purchases of new equipment in the amount of $103,319.
- Decrease in current liabilities primarily due to the timing of payments out of accounts payable.

Looking Forward

We have budgeted for the following cash expenditures for the twelve months ending June 30, 2014:

Columbus Project		
Property Payments	$	368,000
Drilling Program and Mineralization Estimates		1,573,000
Pilot Plant / Project Feasibility		1,883,000
Total for Columbus Project	**$**	**3,824,000**
Red Mountain Project		
Property Acquisition and Maintenance Costs	$	196,000
Total for Red Mountain Project	**$**	**196,000**
General and Administration		
Total for General and Administration	**$**	**2,045,000**
Total Expected Expenses	**$**	**6,065,000**
Total Expected Capital Expenditures	**$**	**200,000**
Total Expected Cash Expenditures	**$**	**6,265,000**

During the next twelve months, we will continue to focus our efforts on developing the Columbus Project, resulting in the following expectations:

- Our management anticipates that the minimum cash requirements for funding our proposed exploration programs and our continued operations through June 30, 2014 will be approximately $6,265,000. As of June 30, 2013, we had cash reserves in the amount of approximately $3,200,000. Our current financial resources are not expected to be sufficient to allow us to meet the anticipated cash expenditures for the twelve month period ending June 30, 2014. We anticipate that our current financial resources will be sufficient only to pay for the anticipated costs of our exploration activities to January 31, 2014. We will require additional financing to complete our exploration plans. If we are unable to obtain additional financing, we will adjust our operating plan depending upon our existing financial resources.
- Our twelve month budget includes capital expenditures of $200,000; however, we do not have any commitments for capital expenditures.

Certain key factors will affect our future financial and operating results. These include, but are not limited to the following:

- We have not yet earned any operational revenues since our inception. We may not generate sufficient revenues from our proposed business plan in the future to achieve profitable operations. If we are not able to achieve profitable operations at some point in the future, we eventually may have insufficient working capital to maintain our operations as we presently intend to conduct them or to fund our expansion plans. Our current financial resources may not be sufficient to allow us to meet our anticipated cash expenditures during for the next 12 months and we may require additional financing. We do not currently have any financing arrangements in place, and there are no assurances that we will be able to obtain additional financing in an amount sufficient to meet our needs or on terms that are acceptable to us.
- Obtaining additional financing is subject to a number of factors, including the market prices for base and precious metals, investor interest in our mineral projects, and the performance of equity markets in general. These factors may make the timing, amount, terms or conditions of additional financing unavailable to us. If adequate funds are not available or if they are not available on acceptable terms, our ability to fund our business plan could be significantly limited and we may be required to suspend our business operations.

For these reasons, our financial statements filed herewith include a statement that these factors raise substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern will be dependent on our raising of additional capital and the success of our business plan.

RESULTS OF OPERATIONS

Revenue

We have not earned any operational revenues since our inception and we do not anticipate earning revenues until our mineral properties enter into commercial production, of which there are no assurances. Our pilot production plant at the Columbus Project is currently being operated for pre-feasibility testing purposes only. We are currently in the exploration stage of our business and we can provide no assurances that we will be able to establish the existence of probable or proved mineral reserves on our properties, or if such reserves are established, that we will be able to enter into commercial production.

Six Month period ended June 30, 2013 and 2012. Operating Expenses increased by 18.56% to 3,409,361 during the six month period ended June 30, 2013 from $2,875,760 during the six month period ended June 30, 2012. Operating expenses increased primarily as a result of higher mineral exploration and evaluation expenses and higher general and administrative expenses.

Mineral exploration and evaluation expenses increased by 17.50% to $1,383,151 during the six month period ended June 30, 2013 from $1,177,290 during the six month period ended June 30, 2012. The increase was due to continued bulk testing, renewal of the water pollution control permit, claim fee increases, and salary increases.

Mineral exploration and evaluation expenses related party decreased by 4.33% to $222,762 for the six month period ended June 30, 2013 from $232,837 during the six month period ended June 30, 2012. These amounts represent fees and reimbursement of expenses to Nanominerals Corp. related to exploration work conducted on the Columbus and Red Mountain Projects. Nanominerals Corp. is our largest shareholder. The decrease is due to a reduction in the reimbursable expenses during the period.

General and administrative expenses increased 27.50% to $1,250,170 during the six month period ended June 30, 2013 from $980,761 during the six month period ended June 30, 2012. General and administrative expenses increased primarily as a result of the additional vesting expense for Q1 and Q2 2013 grants, the extension of private placements warrants, as well as the expense related to new director options.

General and administrative expenses related party increased to $38,250 during the six month period ended June 30, 2013 from $0 during the six month period ended June 30 2012. The increase was due to management advisory services paid to the McNeil Consulting Group ($30,000), a consulting firm owned by an affiliate of Nanominerals Corp and office rent reimbursement paid to DOSA Consulting ($8,250), a consulting firm owned by the Company s CEO.

Other Income and Expenses

Total other income and expenses increased by 4.69% to $13,338 during the six month period ended June 30, 2013 from $12,740 during the six month period ended June 30, 2012. The increase was a result of higher principal balances in interest bearing accounts.

Income Tax Benefit

Income tax benefit decreased by 37.61% to $614,148 during the six month period ended June 30, 2013 from $984,431 during the six month period ended June 30, 2012. The decrease was due to increasing the valuation allowance on net deferred tax assets.

Net Loss

The aforementioned factors resulted in a net loss of $2,781,875, or $0.02 per common share, for the six month period ended June 30, 2013, as compared with a net loss of $1,878,589, or $0.02 per common share, for the six month period ended June 30, 2012.

Three Month period ended June 30, 2013 and 2012. Operating Expenses increased by 5.88% to 1,707,793 during the three month period ended June 30, 2013 from $1,613,018 during the three month period ended June 30, 2012. Operating expenses increased primarily as a result of higher general and administrative expenses.

Mineral exploration and evaluation expenses increased by 1.92% to $652,333 during the quarter ended June 30, 2013 from $640,061 during the quarter ended June 30, 2012. The increase was due to the expenses associated with the renewal of the water pollution control permit.

Mineral exploration and evaluation expenses related party decreased by 1.53% to $110,656 for the quarter ended June 30, 2013 from $112,378 during the quarter ended June 30, 2012. These amounts represent fees and reimbursement of expenses to Nanominerals Corp. related to exploration work conducted on the Columbus and Red Mountain Projects. Nanominerals Corp. is our largest shareholder. The decrease is due to a reduction in the reimbursable expenses during Q2 2013 compared with Q2 2012.

General and administrative expenses increased 9.57% to $667,304 during the quarter ended June 30, 2013 from $609,042 during the quarter ended June 30, 2012. General and administrative expenses increased primarily as a result of the extension of private placements warrants as well as the expense related to new director options; partially offset by reductions in legal and accounting expenses in relation to Q2 2012.

General and administrative expenses related party increased to $19,125 during the quarter ended June 30, 2013 from $0 during the quarter ended June 30 2012. The increase was due to management advisory services paid to the McNeil Consulting Group ($15,000), a consulting firm owned by an affiliate of Nanominerals Corp and office rent reimbursement paid to DOSA Consulting ($4,125), a consulting firm owned by the Company s CEO.

Other Income and Expenses

Total other income and expenses decreased by 10.35% to $6,623 during the quarter ended June 30, 2013 from $7,388 during the quarter ended June 30, 2012. The decrease was a result of lessening principal balances in interest bearing accounts.

Income Tax Benefit

Income tax benefit decreased by 96.16% to $20,990 during the quarter ended June 30, 2013 from $546,448 during the quarter ended June 30, 2012. The decrease was due to increasing the valuation allowance on net deferred tax assets.

Net Loss

The aforementioned factors resulted in a net loss of $1,680,180, or $0.01 per common share, for the quarter ended June 30, 2013, as compared with a net loss of $1,059,182, or $0.01 per common share, for the quarter ended June 30, 2012.

OFF-BALANCE SHEET ARRANGEMENTS

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

RECENT ACCOUNTING PRONOUNCEMENTS

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (the FASB) that are adopted by us, as of the specified effective date. Unless otherwise discussed, management believes that the impact of recently issued standards did not or will not have a material impact on our consolidated financial statements upon adoption.

In February 2013, the FASB issued Accounting Standards Update (ASU) No. 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income to improve the transparency of reporting these reclassifications. This update is effective for reporting periods beginning after December 15, 2012. Other comprehensive income includes gains and losses that are initially excluded from net income for an accounting period. Those gains and losses are later reclassified out of accumulated other comprehensive income into net income. The amendments in this ASU do not change the current requirements for reporting net income or other comprehensive income in financial statements. All of the information that this ASU requires already is required to be disclosed elsewhere in the financial statements GAAP. The new amendments will require an organization to present (either on the face of the statement where net income is presented or in the notes) the effects on the line items of net income of significant amounts reclassified out of accumulated other comprehensive income. Additionally, the new amendments require cross-referencing to other disclosures currently required under GAAP for other reclassification items (that are not required under GAAP) to be reclassified directly to net income in their entirety in the same reporting period. We adopted this ASU in the first quarter of 2013. Adoption had no impact on our financial condition, results of operation, or cash flows.

In July 2013, the FASB issued ASU No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (ASU 2013-11), which provides guidance on the presentation of unrecognized tax benefits when net operating loss carryforwards, similar tax losses, or tax credit carryforwards exist. The amendments in this update are effective for fiscal years (and interim periods within those years) beginning after December 15, 2013. Early adoption is permitted. The amendments should be applied prospectively to all unrecognized tax benefits that exist at the effective date. Retrospective application is permitted. We do not expect ASU 2013-11 to have a material effect on our financial condition, results of operation, or cash flows.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES.

As of June 30, 2013, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of

the design and operation of our disclosure controls and procedures. These controls and procedures are based on the definition of disclosure controls and procedures in Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934.

Based on that evaluation as of June 30, 2013, our management, including the CEO and CFO, concluded that our disclosure controls and procedures were effective to ensure that the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Management, including our CEO and CFO, have concluded that our disclosure controls and procedures provide reasonable assurance that the controls and procedures will meet their desired control objectives. In designing and evaluating our control system, management recognized that any control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. Further, the design of a control system must reflect the fact that there are resource constraints, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, that may affect our operations have been detected. These inherent limitations include the realities that judgments in decision -making can be faulty and that breakdowns can occur because of simple error or mistake.

During the fiscal quarter ended June 30, 2013, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

The following are some of the important factors that could affect our financial performance or could cause actual results to differ materially from estimates contained in our forward-looking statements. We may encounter risks in addition to those described below. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, may also impair or adversely affect our business, financial condition or results of operation.

We will require additional financing to complete our exploration programs for our mineral projects.

We expect to spend approximately $6,265,000 during the twelve months ending June 30, 2014 on the exploration of our Columbus and Red Mountain Projects and the general costs of operating and maintaining our business and mineral properties. We do not currently have sufficient financial resources to pay for our anticipated expenditures for that period. We anticipate that our existing financial resources are sufficient only to pay for the anticipated costs of our exploration programs until January 31, 2014. We will require additional financing to complete our exploration plans. In addition, actual costs of completing our exploration plans could be greater than anticipated and we may need additional financing sooner than anticipated. If we are unable to obtain sufficient financing to complete our exploration plans, we will scale back our plans depending upon our existing financial resources.

Our ability to obtain future financing will be subject to a number of factors, including the variability of market prices for gold and silver, investor interest in our mineral projects, and the performance of equity markets in general. These factors may make the timing, amount, terms or conditions of additional financing unavailable to us. If we are not able to obtain financing when needed or in an amount sufficient to enable us to complete our programs, we may be required to scale back our exploration programs.

If we complete additional financings through the sale of our common stock, our existing stockholders will experience dilution.

The most likely source of future financing presently available to us is through the sale of shares of our common stock. The only other anticipated alternative for the financing of further exploration would be the offering by us of an interest in our mineral properties to be earned by another party or parties carrying out further exploration thereof, which is not presently contemplated. In addition, if our management decides to exercise the right to acquire a 100% interest in the Red Mountain Project, we will be required to issue significantly more shares of our common stock. Issuing shares of our common stock, for financing purposes or otherwise, will dilute the interests of our existing stockholders.

In order to maintain the rights to our mineral properties, we will be required to make annual filings with federal and state regulatory agencies and/or be required to complete assessment work or pay fees in respect of those properties.

In order to maintain the rights to our mineral projects, we will be required to make annual filings and pay fees with federal and state regulatory authorities. On June 16, 2011, the Governor of Nevada approved Senate Bill 493 (SB 493), which repealed a one-time tiered fee hike on mining claims in Nevada. SB 493 also eliminated a number of tax deductions that had previously been available for companies with mining operations in Nevada. We are currently an exploration stage company and do not have significant mineral extraction activities or any revenues from mining operations and do not expect the elimination of these tax deductions to have a significant impact on our current exploration activities or financial prospects. However, if we do, in the future engage in significant mineral extraction

operations, of which there is no assurance, the elimination of these tax deductions could affect our future financial results.

There has been an increase in claim maintenance fees related to association placer claims. Previously, we paid $140 per year per placer claim. Claims can be up to 160 acres in size each. The new regulations require placer claimants to pay a fee of $140 for each twenty acres of a placer claim.

In addition to claim maintenance fees, we may be required by federal and/or state legislation or regulations to complete minimum annual amounts of mineral exploration work on our mineral properties. A failure by us to meet the annual maintenance requirements under federal and state laws could cause our mineral rights to lapse.

Because we are an exploration stage company, we face a high risk of business failure.

To date, our primary business activities have involved the acquisition of mineral claims and the exploration of these claims. We have not earned any revenues as of the date of this report. Potential investors should be aware of the difficulties normally encountered by exploration stage companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that we plan to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates.

Because we anticipate that our operating expenses will increase prior to earning revenues, we may never achieve profitability.

Prior to exiting the exploration stage, we anticipate that we will incur increased operating expenses without realizing any revenues. We therefore expect to incur significant losses into the foreseeable future. We recognize that if we are unable to generate significant revenues from the exploration of our mineral claims and the production of minerals thereon, if any, we will not be able to earn profits or continue operations. There is no history upon which to base any assumption as to the likelihood that we will prove successful, and we may not be able to ever generate any operating revenues or achieve profitable operations. If we are unsuccessful in addressing these risks, our business will most likely fail.

Because of the inherent dangers involved in mineral exploration, there is a risk that we may incur liability or damages if and when conducting mineral exploration activities.

The search for valuable minerals involves numerous hazards. As a result, when conducting exploration activities we may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which we cannot insure or against which we may elect not to insure. The payment of such liabilities may have a material adverse effect on our financial position.

Because of the speculative nature of exploration of mining properties, there is substantial risk that no commercially exploitable minerals will be found.

We have not yet established proved or probable reserves on the Columbus Project or on our other mineral properties. The search for valuable minerals as a business is extremely risky. Although we have been encouraged by the results of the exploration work conducted by us to date, further exploration work is required before proven or probable reserves can be established, and there are no assurances that we will be able to establish any proven or probable reserves. Exploration for minerals is a speculative venture, necessarily involving substantial risk. The expenditures to be made by us may not result in the discovery of commercial quantities of ore. Problems such as unusual or unexpected formations and other conditions are involved in mineral exploration and often result in unsuccessful exploration efforts. We intend to report the results of our exploration activities promptly after those results have been received and analysed. However, there is no assurance that the test results reported by us will be indicative of extraction rates throughout our mineral properties.

As a result of the public s lack of familiarity with the assaying methods used by us to analyze samples taken from the sand and clay zones of the Columbus Project, we may occasionally encounter resistance to the reliability of our grade estimates for the Columbus Project. Although we use proven assaying methods, only report extracted and weighed gold and silver and have instituted rigorous testing to ensure the reliability of our exploration results, we may face resistance in the future, which could negatively impact our business, our ability to obtain future financing, and our stock price.

Contrary to popular belief, pyrometallurgical and hydrometallurgical tests on a rock sample do not determine the amount of gold or silver present in a sample. Instead, these tests report the amount of gold or silver that is *extracted* from the sample by the analytical method used. We have engaged in extensive research and testing to determine the best pyrometallurgical and hydrometallurgical methods for extracting gold and silver from the sands and clays present at the Columbus Project. Our research has indicated that caustic fusion (head ore, concentrates) and thiosulphate or cyanide leaching (concentrates) are the best pyrometallurgical and hydrometallurgical methods for extracting gold and silver from the Columbus Project. The pyrometallurgical and hydrometallurgical methods that were chosen by us result in the actual physical extraction of gold and silver from the tested samples.

Caustic fusion is a standard pyrometallurgical method that uses fluxes melted at low temperature to dissolve the sample rock and liberate the contained minerals or metals for subsequent extraction and analysis. Caustic fusion was developed in South Africa over 100 years ago and was first used to liberate diamonds from their refractory kimberlites. It has since been used to quantify other minerals/metals in rocks by analyzing the fused product. Caustic fusion has proven to be a very effective method for extracting gold and silver from the refractory minerals (organics, silicates) in the sand and clay at Columbus, and has been confirmed by extracting comparable precious metal values from bulk leach tests (+/- 1 ton samples).

Fire assaying is the most common pyrometallurgical method used for extracting gold and silver from rock. Fire assaying relies on the use of standardized chemical fluxes to reduce the melting point of the minerals entombing the gold and silver so that they can be liberated and then collected in a lead button and examined. Although this process works well for extracting gold entombed in sulfides (e.g. pyrite) and silica, such as that found in Carlin-type gold deposits, the chemical fluxes used in fire assaying methods are ineffective at liberating the gold and silver from refractory minerals (organics and silicates (Fe-Mg-Al-Si-Ox)) as are found at the Columbus Project. As a result, in our tests, fire assaying has shown to be ineffective at extracting commercial values of gold and silver from the sand and clay from the Columbus Project. Similarly, aqua regia digestion has also proven to be ineffective at extracting gold and silver from the sands and clays at Columbus.

To ensure the reliability of our results, we have instituted rigorous QA/QC protocols, including blind random sampling, and the inclusion of blanks, standards and duplicates. To further ensure reliability, we measure only the actual amount of gold and silver physically extracted from our test samples when reporting assay results. We also have extracted gold and silver from large samples (+/- 200-3000 lbs.) by thiosulphate leaching, with the extraction results being comparable to caustic fusion assay results on the same samples, thereby confirming the reliability of the caustic fusion process. However, because caustic fusion is not commonly used and understood for gold and silver assaying, and because gold and silver in the sands and clays at Columbus cannot be confirmed by metal-in-hand extraction using fire assay or aqua regia digestion, we may encounter some resistance to our analytical methods and assay results, which could negatively impact our business, our ability to obtain additional financing, and our stock price.

Even if we establish proven or probable reserves on our mineral claims, we may not be able to successfully reach commercial production.

We anticipate using a low cost, high volume surface dredge operation to mine the Columbus Project. Our pre-feasibility program for the Columbus Project is designed to test and optimize our planned mining process for the Columbus Project. There is no assurance that this pre-feasibility program will result in a decision to enter into commercial production.

In addition, expanding our production facilities to accommodate commercial operations is expected to require substantially more financial resources than what we currently have available to us. There is a risk that we will not be able to obtain such financing if and when needed.

Although we have installed the leach circuit of the onsite pilot production module for the Columbus Project, there is no assurance that this project is commercially feasible.

We have begun testing and optimizing the onsite pilot production module at the Columbus Project. This pilot production module is part of our pre-feasibility study for the Columbus Project and is designed to evaluate the commercial viability of the Columbus Project. There is no assurance that the results of our pre-feasibility program will result in a decision to enter into commercial production.

Even if we can successfully reach commercial production, any change to mining laws or regulations or levy of additional taxes in the future may make our planned production process nonviable economically.

Several bills have been introduced by the US federal government that would levy resource taxes on mineral exploration companies. Any levy of additional taxes would have an adverse effect on our business. In addition, laws and regulations governing the exploration of mineral properties and the mining process are subject to change. Changes to mining laws and regulations that would have the effect of increasing the cost of mineral exploration and mining activities would adversely impact our business.

We are subject to compliance with government regulations. The costs of complying with these regulations may change without notice, and may increase the anticipated cost of our exploration programs.

There are several government regulations that materially restrict the exploration of minerals. We will be required to obtain work permits, post bonds and perform remediation work for any physical disturbance to the land in order to comply with these laws. While our planned exploration program budgets for regulatory compliance, there is a risk that new regulations could increase our costs of doing business and prevent us from carrying out our exploration program.

In addition, if our applications for permits from the relevant regulatory bodies are denied, we may not be able to proceed with our exploration programs.

If we decide to pursue commercial production, we may be subject to an environmental review process that may delay or prohibit commercial production.

Our planned method for mining the Columbus Project is not expected to generate any significant long term environmental impact. However, we have not yet had a comprehensive environmental review conducted on our planned mining operations for the Columbus Project.

Compliance with an environmental review process may be costly and may delay commercial production. Furthermore, there is the possibility that we would not be able to proceed with commercial production upon completion of the environmental review process if government authorities do not approve our mine or if the costs of compliance with government regulation adversely affected the commercial viability of the proposed mine.

The market for our common stock is limited and investors may have difficulty selling their stock.

Our shares are currently traded on the over the counter market, with quotations entered for our common stock on the OTCQB under the symbol IRLD. However, the volume of trading in our common stock is currently limited. As a result, holders of our common stock may have difficulty selling their shares.

Because our common stock is a penny stock, stockholders may be further limited in their ability to sell their shares.

Our shares constitute a penny stock under the Securities Exchange Act of 1934, as amended (the Exchange Act) and are expected to remain classified as a penny stock for the foreseeable future. Classification as a penny stock makes it more difficult for a broker-dealer to sell the stock into a secondary market, which makes it more difficult for a purchaser to liquidate his or her investment. Any broker-dealer engaged by the purchaser for the purpose of selling his or her shares will be subject to Rules 15g-2 through 15g-9 of the Exchange Act. Rather than having to comply with these rules, some broker-dealers will refuse to attempt to sell a penny stock.

No assurance that forward looking assessments will be realized.

Our ability to accomplish our objectives and whether or not we are financially successful is dependent upon numerous factors, each of which could have a material effect on the results obtained. Some of these factors are in the discretion and control of management and others are beyond management s control. The assumptions and hypotheses used in preparing any forward-looking assessments contained herein are considered reasonable by management. There can be no assurance, however, that any projections or assessments contained herein or otherwise made by management will be realized or achieved at any level.

If we are, or were, a U.S. real property holding corporation, non-U.S. holders of our common stock or other security convertible into our common stock could be subject to U.S. federal income tax on the gain from the sale, exchange or other disposition of such security.

If we are or ever have been a U.S. real property holding corporation (a USRPHC) under the Foreign Investment Real Property Tax Act of 1980, as amended (FIRPTA) and applicable United States Treasury regulations (collectively, the FIRPTA Rules), unless an exception applies, certain non-U.S. investors in our common stock (or options or warrants for our common stock) would be subject to U.S. federal income tax on the gain from the sale, exchange or other disposition of shares of our common stock (or such options or warrants), and such non-U.S. investor would be required to file a United States federal income tax return. In addition, the purchaser of such common stock, option or warrant would be required to withhold from the purchase price an amount equal to 10% of the purchase price and remit such amount to the U.S. Internal Revenue Service.

We have not conducted a formal analysis of whether we are or have ever been a USRPHC. However, we believe that we may be a USRPHC. In general, under the FIRPTA Rules, a company is a USRPHC if its interests in U.S. real property comprise at least 50% of the fair market value of its assets. If we are or were a USRPHC, so long as our common stock is regularly traded on an established securities market (as defined under the FIRPTA Rules), a non-U.S. holder who, actually or constructively, holds or held no more than 5% of our common stock is not subject to U.S. federal income tax on the gain from the sale, exchange or other disposition of our common stock under FIRPTA. In addition, other interests in equity of a USRPHC may qualify for this exception if, on the date such interest was acquired, such interests had a fair market value no greater than the fair market value on that date of 5% of our common stock. Any of our common stockholders (or owners of options or warrants for our common stock) that are non-U.S. persons should consult their tax advisors to determine the consequences of investing in our common stock (or options or warrants).

We have not held an annual meeting for the election of directors since our incorporation.

Pursuant to the provisions of the Nevada Revised Statutes (the NRS), directors are to be elected at the annual meeting of the stockholders. Pursuant to the NRS and our bylaws, our board of directors is granted the authority to fix the date, time and place for annual stockholder meetings. We expect to hold an annual stockholder meeting in 2013; however, no date, time or place has yet been fixed by our board for the holding of an annual stockholder meeting. Pursuant to the NRS and our bylaws, each of our directors holds office after the expiration of his term until a successor is elected and qualified, or until the director resigns or is removed. Under the provisions of the NRS, if an election of our directors has not been made by our stockholders within 18 months of the last such election, then an application may be made to the Nevada district court by stockholders holding a minimum of 15% of our outstanding stockholder voting power for an order for the election of directors in the manner provided in the NRS.

FOR ALL OF THE AFORESAID REASONS AND OTHERS SET-FORTH AND NOT SET-FORTH HEREIN, AN INVESTMENT IN OUR SECURITIES INVOLVES A CERTAIN DEGREE OF RISK. ANY PERSON CONSIDERING TO INVEST IN OUR SECURITIES SHOULD BE AWARE OF THESE AND OTHER FACTORS SET-FORTH IN THIS REPORT AND IN THE OTHER REPORTS AND DOCUMENTS THAT WE FILE FROM TIME TO TIME WITH THE SEC AND SHOULD CONSULT WITH HIS/HER LEGAL, TAX AND FINANCIAL ADVISORS PRIOR TO MAKING AN INVESTMENT IN OUR SECURITIES. AN INVESTMENT IN OUR SECURITIES SHOULD ONLY BE ACQUIRED BY PERSONS WHO CAN AFFORD TO LOSE THEIR TOTAL INVESTMENT.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95-1 to this report on Form 10-Q.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

The following exhibits are either provided with this Quarterly Report or are incorporated herein by reference:

Exhibit Number	Description of Exhibit
3.1	Articles of Incorporation.(1)
3.2	Certificate of Amendment to Articles - Name Change from Merritt Ventures Corp. to Ireland Inc.(2)
3.3	Certificate of Change 4-for-1 Stock Split.(3)
3.4	Bylaws.(1)
4.1	Form of Warrant.(15)
10.1	2007 Stock Incentive Plan.(4)
10.2	Consulting Agreement between the Company and RJ Falkner & Company, Inc., dated for reference as of November 5, 2007.(5)
10.3	Consultant Non-Qualified Stock Option Agreement between the Company and R. Jerry Falkner, dated effective as of November 5, 2007.(5)
10.4	Mining Lease Agreement dated November 30, 2007 between DDB Syndicate and Columbus S.M., LLC.(7)
10.5	Management Employment Agreement for David Z. Strickler.(14)
10.6	Non-Qualified Stock Option Agreement for Douglas D.G. Birnie.(9)
10.7	Non-Qualified Stock Option Agreement for Robert D. McDougal.(9)
10.8	Non-Qualified Stock Option Agreement for Michael A. Steele.(9)
10.9	Non-Qualified Stock Option Agreement for Mark H. Brennan.(9)
10.10	Non-Qualified Stock Option Agreement for David Z. Strickler, Jr.(10)
10.11	Non-Qualified Stock Option Agreement dated April 8, 2011 for Mark H. Brennan.(11)
10.12	Amended and Restated Option Agreement dated July 20, 2011 between Sierra Mineral Management Inc. and Ireland Inc.(12)
10.13	Non-Qualified Stock Option Agreement for Douglas D.G. Birnie.(13)
10.14	Non-Qualified Stock Option Agreement for Robert D. McDougal.(13)
10.15	Non-Qualified Stock Option Agreement for David Z. Strickler, Jr.(13)
10.16	Form of Securities Purchase Agreement.(15)
10.17	Form of Registration Rights Agreement.(15)
10.18	Non-Qualified Stock Option Agreement effective February 15, 2013 for Douglas D.G. Birnie.(17)
10.19	Non-Qualified Stock Option Agreement effective February 15, 2013 for Robert D. McDougal.(17)
10.20	Non-Qualified Stock Option Agreement effective February 15, 2013 for David Z. Strickler, Jr.(17)
10.21	Non-Qualified Stock Option Agreement effective February 15, 2013 for Mark H. Brennan.(17)
10.22	Non-Qualified Stock Option Agreement effective April 16, 2013 for Steven A. Klein.(18)
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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Exhibit Number	Description of Exhibit
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
95.1	Mine Safety Disclosures.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

Notes:

(1) Filed as an exhibit to our Registration Statement on Form SB-2 originally filed April 18, 2002, as amended.
(2) Filed as an exhibit to our Annual Report on Form 10-KSB for the year ended December 31, 2005 filed April 12, 2006.
(3) Filed as an exhibit to our Current Report on Form 8-K filed April 30, 2007.
(4) Filed as an exhibit to our Annual Report on Form 10-KSB for the year ended December 31, 2006 filed April 5, 2007.
(5) Filed as an exhibit to our Current Report on Form 8-K filed November 9, 2007.
(6) Filed as an exhibit to our Annual Report on Form 10-KSB for the year ended December 31, 2003 filed September 28, 2004.
(7) Filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2007 filed March 31, 2008.
(8) Filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2009 filed April 15, 2010.
(9) Filed as an exhibit to our Current Report on Form 8-K filed July 28, 2010.
(10) Filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2010 filed March 30, 2011.
(11) Filed as an exhibit to our Current Report on Form 8-K filed April 13, 2011.
(12) Filed as an exhibit to our Quarterly Report on Form 10-Q for the period ended June 30, 2011 filed August 19, 2011.
(13) Filed as an exhibit to our Current Report on Form 8-K filed August 26, 2011.
(14) Filed as an exhibit to our original Annual Report on Form 10-K for the year ended December 31, 2011 filed March 30, 2012.
(15) Filed as an exhibit to our Current Report on Form 8-K filed December 6, 2012.
(16) Filed as an exhibit to our Amendment No. 1 on Form 10-K/A for the year ended December 31, 2011 filed January 11, 2013.
(17) Filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2012, filed April 15, 2013.
(18) Filed as an exhibit to our Post-Effective Amendment No. 1 on Form S-1/A filed April 19, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IRELAND INC.

Date: August 7, 2013 By: */s/ Douglas D.G. Birnie*
DOUGLAS D.G. BIRNIE
Chief Executive Officer, President and Secretary
(Principal Executive Officer)

Date: August 7, 2013 By: */s/ Robert D. McDougal*
ROBERT D. MCDOUGAL
Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal
Accounting
Officer)

CERTIFICATIONS

I, Douglas D.G. Birnie, certify that;

(1) I have reviewed this Quarterly Report on Form 10-Q of Ireland Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant s internal control over financial reporting that occurred during the registrant s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting; and

Date: August 7, 2013

/s/ Douglas D.G. Birnie
By: Douglas D.G. Birnie
Title: President, Secretary and Chief Executive Officer

CERTIFICATIONS

I, Robert D. McDougal, certify that;

(1) I have reviewed this Quarterly Report on Form 10-Q of Ireland Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant s internal control over financial reporting that occurred during the registrant s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting; and

Date: August 7, 2013

/s/ Robert D. McDougal
By: Robert D. McDougal
Title: Chief Financial Officer and Treasurer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Douglas D.G. Birnie, the Chief Executive Officer of Ireland Inc. (the Company), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(i) the Quarterly Report on Form 10-Q of the Company, for the fiscal quarter ended June 30, 2013, and to which this certification is attached as Exhibit 32.1 (the Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ Douglas D.G. Birnie*

Name: DOUGLAS D.G. BIRNIE

Title: Chief Executive Officer

Date: August 7, 2013

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert D. McDougal, the Chief Financial Officer of Ireland Inc. (the Company), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(i) the Quarterly Report on Form 10-Q of the Company, for the fiscal quarter ended June 30, 2013, and to which this certification is attached as Exhibit 32.2 (the Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ Robert D. McDougal*

Name: ROBERT D. MCDOUGAL

Title: Chief Financial Officer and Treasurer

Date: August 7, 2013

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

MINE SAFETY DISCLOSURES

Our activities at the Permitted Mine Area of the Columbus Project are subject to regulation by the Federal Mine Safety and Health Administration (MSHA) and the Federal Mine Safety and Health Act of 1977 (the Mine Act). Our wholly owned subsidiary, Columbus S.M., LLC (Columbus SM) is the operator for our activities at the Permitted Mine Area.

The following disclosure is provided pursuant to Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 104 of Regulation S-K.

Citations, Notices, Orders, Fatalities and Assessments Under the Mine Act

	Quarter Ended June 30, 2013								
Mine / MSHA ID Number	Total # of Significant and Substantial Violations Under s.104	Total # of Orders Issued Under s.104(b)	Total # of Citations and Orders Under s.104(d)	Total # of Flagrant Violations Under s.110(b)(2)	Total # of Imminent Danger Orders Under s.107(a)	Total $ Value of Proposed MSHA Assessments Under Mine Act	Total Number of Mining Related Fatalities	Received Notice of Patterns of Violations Under s.104(e) (Yes/No)	Received Notice of Potential Patterns of Violations Under s.104(e) (Yes/No)
Columbus Project (Mine ID: 601674)	1	0	0	0	0	$700[1]	0	No	No

1. We received a total of 7 citations from MSHA for the quarter ended June 30, 2013. Only one citation indicated that it was for a violation that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Federal Mine Safety and Health Act of 1977. Total value of proposed assessments reflects total proposed assessments for all 7 citations.

Pending Legal Actions Before the Federal Mine Safety and Health Review Commission (the FMSHRC)

	Quarter Ended June 30, 2013		
Mine / MSHA ID Number	Total # of Legal Actions Pending as of Last Day of Period	Total # of Legal Actions Instituted During Period	Total # of Legal Actions Resolved During Period
Columbus Project (Mine ID: 601674)	0	0	0