

## Iron Mountain Mining Limited (ASX Code: IRM) Quarterly Report: 30 September 2015

### HIGHLIGHTS

#### **GOLDEN CAMEL (Gold)**

- Golden Camel Mining Pty Ltd progressing towards developments following approval for their Work Plan for Mining Licence 5548
- Construction and mining anticipated to commence in 2015 subject to remaining regulatory requirements and negotiations
- Potential for expedited development as a result of offsite toll treatment

#### **ROGETTA (Iron Ore)**

- Mining Lease ML1996P/M was granted on 4 June 2015 for a proposed magnetite iron ore mine at Rogetta and is currently an EPA Assessment in Progress

#### **INDICATOR (Gold)**

- Target drilling site satisfies Low Impact Exploration provisions which eliminates requirement for Work Plan assessment
- Proposal to drill up to 5 holes for a total of up to 150m to test for high grade gold mineralization beneath previous shallow ground disturbance to be evaluated

#### **CORPORATE**

- Formal contract signed for the sale of commercial property owned by the Company for \$900,000 (plus GST)
- Settlement expected to occur in December 2015

## GOLDEN CAMEL PROJECT

The sale of the Golden Camel Project tenements to Golden Camel Mining Pty Ltd (“GCM”) was completed on 27 January 2015 under the terms of a Tenement Sale and Purchase Agreement announced on 1 October. The four tenements comprising the Golden camel Project are located over the Heathcote Greenstone Belt in Central Victoria and currently host a Measured, Indicated & Inferred JORC (2012) Resource of 266,000t @ 1.7g/t Au<sup>1</sup> within MIN5548.



Figure 1 – View east on Myola Rd showing elevated Golden Camel deposit on Heathcote Greenstone Belt.

GCM received approval for their Work Plan for Mining Licence 5548 (Golden Camel) and are hoping to commence construction and mining in 2015 (ASX 27 Jul 2015). GCM received approval for their Work Plan for Mining Licence 5548 (Golden Camel) and are hoping to commence construction and mining in 2015 (ASX 27 Jul 2015). The Project is expected to run over a 12-18 month period including site preparation and rehabilitation. Proposed mining will be by traditional drill & blast, excavation and haulage methods during an anticipated six month life of mine (see Fig.1). Ore is intended to be transported to an offsite processing facility for toll treatment and the extraction of gold. Under the terms of the Tenement Sale and Purchase Agreement<sup>2</sup>, Iron Mountain is entitled to the following consideration if mining commences on or before 27 January 2018;

<sup>1</sup> Refer to announcement “Golden Camel Resource Update” (ASX 22 Oct 13) for full details.

<sup>2</sup> Refer to announcement “Agreement for Sale of Victorian Gold Tenements” (ASX 1 Oct 14) for full

<sup>2</sup> Refer to announcement “Agreement for Sale of Victorian Gold Tenements” (ASX 1 Oct 14) for full details.

- A\$100,000 one month after the commencement of mining
- A\$200,000 two months after the commencement of mining

The Agreement also includes a royalty to Iron Mountain of A\$2/t on all gold ore mined after the first 20,000oz has been produced. Further updates will be announced as provided by GCM or as identified by the Company.

## ROGETTA PROJECT

The Rogetta Project (formerly Blythe Iron Ore Project) located approximately 30km south-southwest of Burnie in Tasmania (see Fig.2). As a result of a recent transaction with former joint venture partner Red River Resources Ltd (ASX 24 Apr 2015), Iron Mountain is now entitled to 100% of the all generated milestone payments and royalty benefits subject to mining commencing at Rogetta. Mining Lease ML1996P/M was granted on 4 June 2015 for a proposed magnetite iron ore mine at Rogetta and is currently an EPA Assessment in Progress.

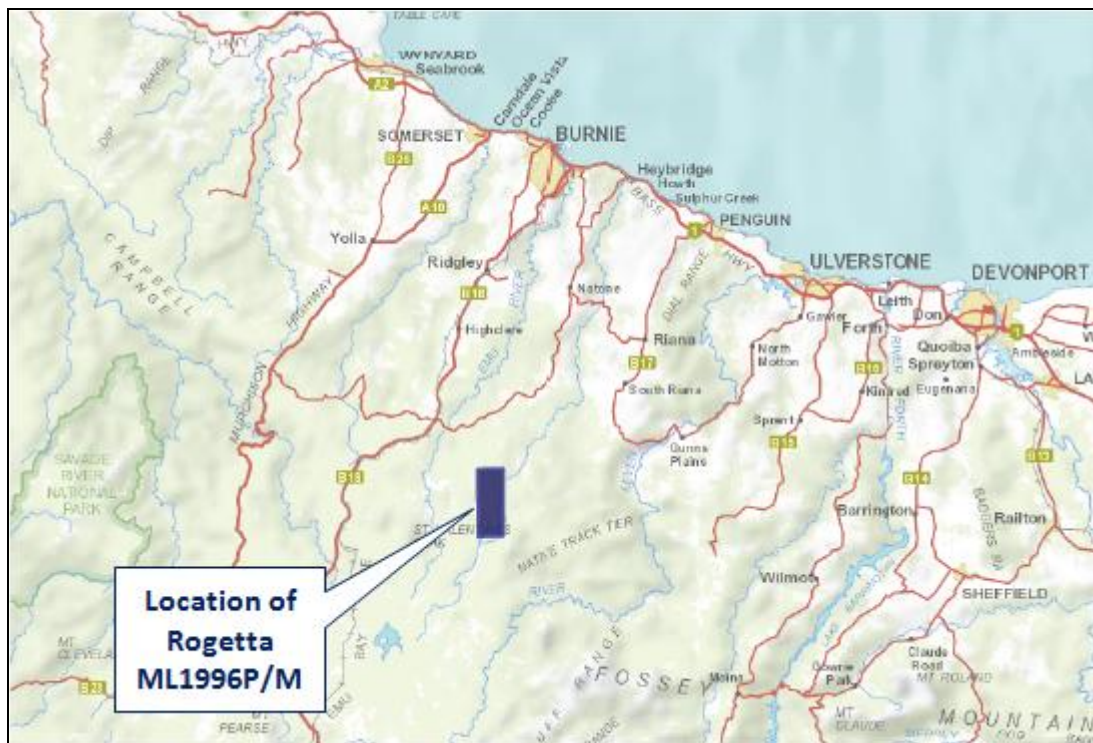


Fig.2 – Location of Rogetta granted Mining Lease ML1996P/M approximately 30km south of Burnie (image and location details from Mineral Resources Tasmania).

Triggers for the post-production milestone payments and the production royalty were subsequently modified under amended Blythe Sale Agreement<sup>3</sup> and include:

<sup>3</sup> Refer to announcement “Blythe option exercised with restructured payment terms” (ASX 27 Jun 12) for full details.



- A\$1,000,000 upon the first shipment of iron ore from the Rogetta Project tenements
- A\$2,000,000 upon the first anniversary of the first shipment of iron ore from Rogetta
- A\$2,000,000 upon the second anniversary of the first shipment of iron from Rogetta
- A royalty of 1.5% payable on the gross Free on Board revenue from all shipments of iron ore from the Rogetta Project tenements

During the September 2015 quarter, no updates were received. All future Rogetta Project status updates will be announced as provided by Forward Mining Ltd or as identified by the Company.

## INDICATOR PROJECT

Iron Mountain Mining Ltd was granted EL5540 (Indicator Project) in central Victoria on 1 June 2015 for a period of five years. The Indicator Project target is a historically mined, high grade indicator/quartz vein mineralized system discovered in 1984 as in-situ gold in quartz mineralization outcropping at surface on the crown of a small hill (see Fig.3). During the September 2015 quarter, the company received confirmation that drilling at the previously disturbed target site would satisfy the criteria and definition for Low Impact Exploration which requires no Work Plan assessment and approval. Subject to internal review and approval and drilling contractor availability, only a 7 day Notice of Intent is required prior to drilling commencing.

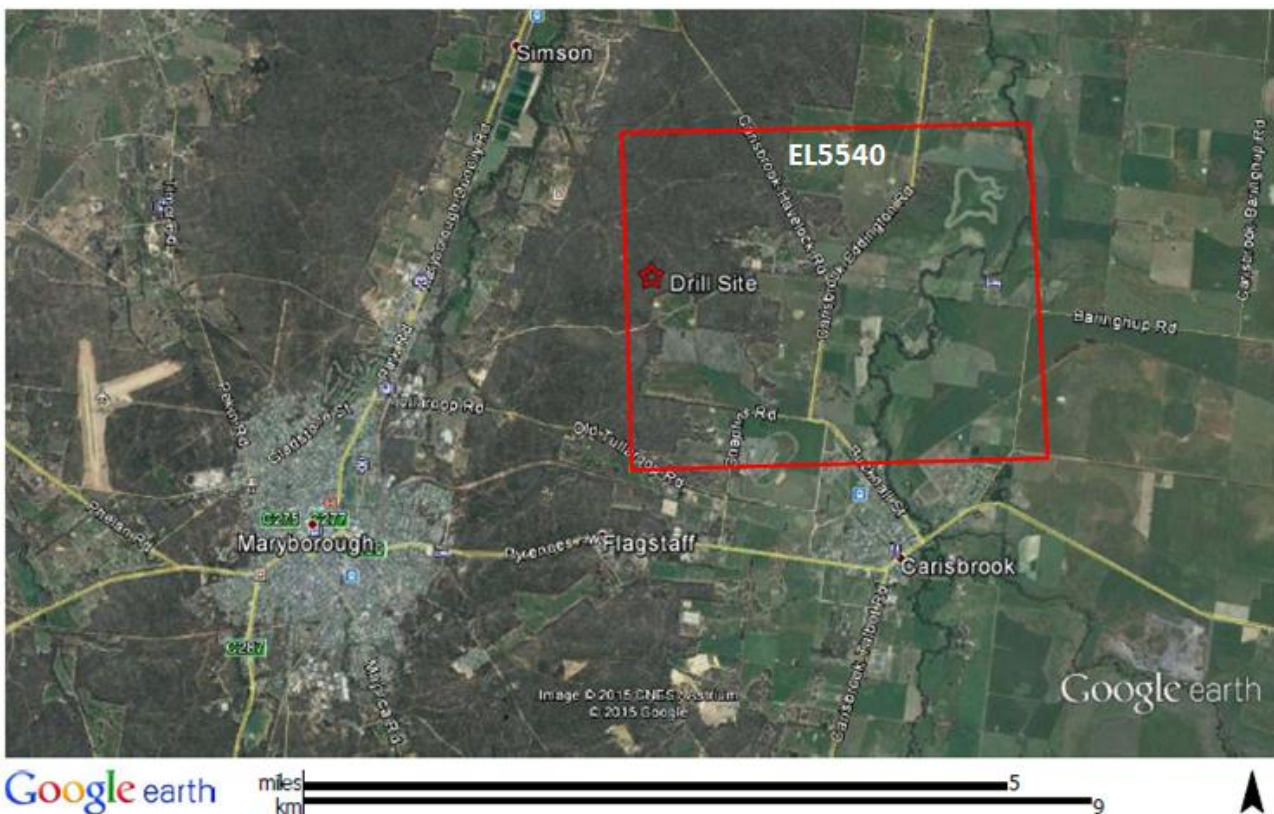


Figure 3 – Target drilling site location within EL5540.



The Company is currently assessing the merits of a small reverse circulation and/or diamond drilling program within EL5540 under Low Impact Exploration provisions to test for the presence of anticipated high grade gold mineralization beneath the shallow ground disturbance from previous mining.

The small drilling program would likely comprise of up to 5 holes for a total of up to 150m to be drilled by a combination of diamond core and/or reverse circulation. The current proposal is to drill up to 3 initial angled holes (from the same collar location) with slight variations to angle and/or azimuth to hopefully intersect the mineralized structure at a vertical depth of between 10-20m below surface. Depending on the success of the initial angled holes, it is proposed to drill up to 2 more vertical holes to test the down dip extension of any intersected mineralization. No drill pad or site works are required to drill or access any of the proposed angled or vertical drill holes and access to the site is by existing track.

## **MIAREE PROJECT**

The Miaree Project is comprised of exploration licenses E08/1350, E47/1309 & E47/1707 (approximately 138km<sup>2</sup>) located approximately 30km southwest of Karratha in Western Australia. Iron Mountain Mining Ltd ("Iron Mountain") is the 100% legal and beneficial owner of the Miaree Project following a recent transaction with former joint venture partner Red River Resources Ltd (ASX 24 Apr 2015). As of 30 September 2015, transfers remained pending.

## **MIAREE MAGNETITE PROJECT**

The Miaree Magnetite Project contains an independently estimated JORC (2004) Inferred Resource of 286Mt of magnetite at an overall grade of 31.36% Fe<sup>4</sup>. During the quarter, the Company commenced a review of the project with a view to assessing ongoing expenditure requirements given current market conditions and an ongoing climate of depressed iron ore prices. As part of the review, the Company will investigate all available options to realize value from this asset.

## **PITHARA PROJECT**

The Pithara Gold Project is comprised of exploration licence E70/3948 that covers 55km<sup>2</sup> and is located approximately 15km southeast of Dalwallinu in Western Australia. The tenement surrounds internally excised mining licence M70/1279 which hosted a small high grade gold deposit that was successfully mined as a small open pit operation during 2010-2011. Following an internal review of past work and future expenditure requirements, it was determined that no further work on E70/3948 was warranted under the Company's current ongoing evaluation strategy and it was determined that the project would be prepared for surrender.

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<sup>4</sup> Refer to announcement "Miaree Magnetite Project Maiden JORC Resource" (ASX 13 Aug 12) for full details.



## WANDOO PROJECT

Iron Mountain Mining Ltd retains a royalty of A\$0.75 per Dry Metric Tonne on future production of bauxite ore transported from the Wandoo Project tenements following the sale of the project to Alpha Bauxite Pty Ltd in 2012. Total Inferred Resources of bauxite at Wandoo at the time of the sale was 89.4Mt @ 41.75% Al<sub>2</sub>O<sub>3</sub> (ASX 5 May 2011). No update was received on the status of the Wandoo Project for the September 2015 quarter. Future updates on the status of the Wandoo Project will be announced as provided by Alpha Bauxite Pty Ltd.

## TREASURE JV

The Treasure Project is comprised of EL25346 covering 101km<sup>2</sup> located approximately 130km northeast of Alice Springs in the Northern Territory. This nickel-copper project has returned to Iron Mountain following the completion of Joint Venture stints with Mithril Resources Ltd and more recently MMG Exploration Pty Ltd. Following unsuccessful attempts to solicit interest in the project, the Company has revised its options to include the possible surrender of EL25346 should an opportunities for a joint venture or outright sale fail to eventuate.

## MOUNT RICHARDSON PROJECT

Cliffs Asia Pacific Iron Ore Pty Ltd ("Cliffs") is the owner of E29/571 following finalisation of the sale of the Mt Richardson Project on 13 July 2010. Iron Mountain retains a royalty of 2% on average/tonne FOB sales value of iron ore product that departs E29/571 as well as a one off payment of AUD 0.50 per dry metric tonne on tonnages in excess of independently evaluated Indicated or Measured resources of 10,000,000 tonnes. No update was received on the progress at Mt Richardson for the September 2015 quarter. Future updates on the status of the Mt Richardson Project will be announced as provided by Cliffs.

## PROJECT EVALUATION

Assessment and evaluation of potential exploration and development opportunities continued during the reporting period. Through its network of accumulated industry contacts, the Company received and continues to review several opportunities for potential Joint Venture participation. The Company intends to leverage its strong financial position to earn-in to exploration and development projects that satisfy risk/reward criteria for success and possible early revenue.

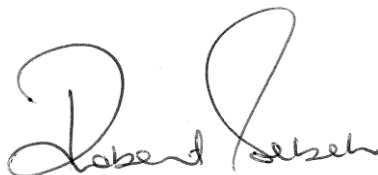
## CORPORATE

During the quarter, a formal contract was signed for the sale of commercial property owned by the Company for \$900,000 (plus GST). The sale to private investor Hongtao Gai was subject to Foreign Investment Review Board (FIRB) approval which was subsequently received. Settlement is expected to occur in December 2015.

Proceedings for the recovery of legal fees paid on behalf of former director Mr Zohar remains stayed pending the outcome of his bankruptcy proceedings. The Company has been advised by the Trustee in Bankruptcy that

her investigations are nearing conclusion and the Company hopes to be advised of proposed actions and outcomes for secured creditors in the near term.

The Company also continues to pursue the recovery of a portion of the legal fees via a taxation of the fees paid to the lawyers who advised Mr Zohar. By a decision of the Supreme Court of Western Australia in October 2015, the Company's application for taxation of those fees was dismissed with costs on the basis that the Company was not a "non-associated third party payer" under the Legal Profession Act 2008 (WA). The Company believes that the decision was in error and has commenced an appeal against that decision. The appeal is currently in its early stages and the Company intends to progress the appeal as expeditiously as possible.



ROBERT SEBEK  
Managing Director

30 October 2015

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

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## IRM TENEMENTS

### Mining Tenements at 30 Sep 2015

Location	Tenement	Name	Holder	Equity	Status	Area
<b>MIAREE</b>						
WA	E08/1350-I	Kaninda Well	Red River Resources Ltd	100%	Granted	10 BL
WA	E47/1309-I	Karratha	Red River Resources Ltd	100%	Granted	32 BL
WA	E471707-I	Boondamurra Hill	Red River Resources Ltd	100%	Granted	8 BL
<b>DAMBORING</b>						
WA	E70/3948	Pithara	Iron Mountain Mining Ltd	100%	Granted	20 BL
<b>TREASURE</b>						
NT	EL25346	Treasure JV	Iron Mountain Mining Ltd	100%	Granted	101km <sup>2</sup>
<b>VICTORIA</b>						
VIC	EL5540	Indicator	Iron Mountain Mining Ltd	100%	Granted	20 grats

### Mining Tenements Acquired During the Quarter

No mining tenements were acquired or applied for during the quarter ending 30 Sep 2015.

### Mining Tenements Surrendered, Withdrawn, Expired or Sold during the Quarter

No mining tenements were surrendered, withdrawn, expired or sold during the quarter ending 30 Sep 2015.