

**QUARTERLY ACTIVITIES REPORT
PERIOD ENDING 30 JUNE 2016****ACTIVITY HIGHLIGHTS****BAUXITE: Nendo Project, Solomon Islands**

- **Results from first phase auger drilling and pit sampling confirms extensive bauxite mineralisation**
 - identified areas of mineralisation significantly higher than historically defined
 - main area approximately 12km x 2km and growing
- **Average results to date from all samples include:**
 - 41.21% Al₂O₃ and 1.7% rxSiO₂ (for Laboratory results +40% Al₂O₃ & <5% rxSiO₂)
 - 43.35% Al₂O₃ and 4.22% totSiO₂ (for Field XRF results +40% Al₂O₃ & <7% totSiO₂)
- **Results highlight Nendo's potential to produce high quality low temperature (trihydrate) direct shipping bauxite**
- **Deposit exhibits average depths of +3m, with some areas +6m**
- **Strong public support for Project activities - ongoing community engagement and awareness**
- **Iron Mountain is targeting high-quality bauxite amenable to direct shipping and low-cost development**

Iron Mountain Mining ("Iron Mountain" or the "Company") (ASX: **IRM**) is pleased to present its Quarterly Activities Report for the period ending 30 June 2016. Iron Mountain's focus during the quarter was exploration of the Nendo bauxite project in the Solomon Islands ("**Nendo Project**"), where extensive bauxite mineralisation has been confirmed as a result of the Company's initial phase of exploration at the Project.

SOLOMON ISLANDS PROJECTS REVIEW

The Company holds an option to acquire a 50% interest in Au Capital Mining Pty Ltd ("**ACM**"), which holds the mineral tenure over the Nendo and Choiseul bauxite projects in the Solomon Islands.

Nendo Project

The current exploration program at Nendo Island commenced in May 2016, forming part of the Company's due diligence process for its option agreement to acquire a 50% interest in ACM.

The Company's comprehensive auger drilling and pit sampling program identified the presence of widespread high-quality bauxite mineralisation over a large area on the western end of Nendo Island

(Figure 1 & 2). The main target area presently defined by this work is approximately 12km by 2km and remains open to the east within similar terrain.

Results to date indicate the tenor of Al_2O_3 content is fairly consistent, with little variation throughout the soil profile. Importantly, results show that mineralisation has low impurities and low reactive silica content.

The work completed to date is reconnaissance in nature and additional exploration, including drilling, is required before estimation of a resource can be completed. The Company's aim has been to cover as much ground as possible in the shortest period of time and there has been no attempt yet to focus on areas of potentially higher-grade mineralisation.

Iron Mountain believes there is good potential to identify large areas of high-grade direct shipping bauxite mineralisation within the Nendo Project area.

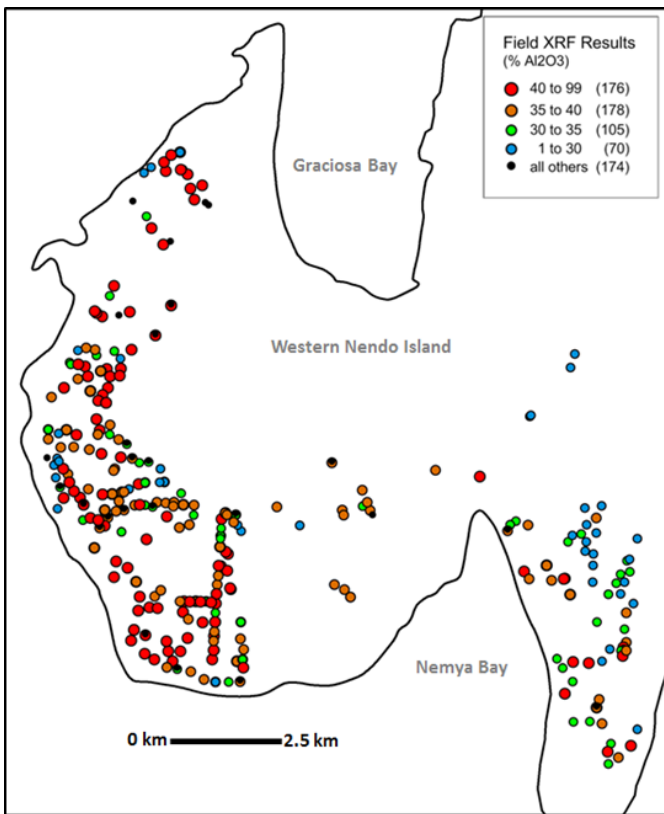


Figure 1: Field XRF Results for Al_2O_3

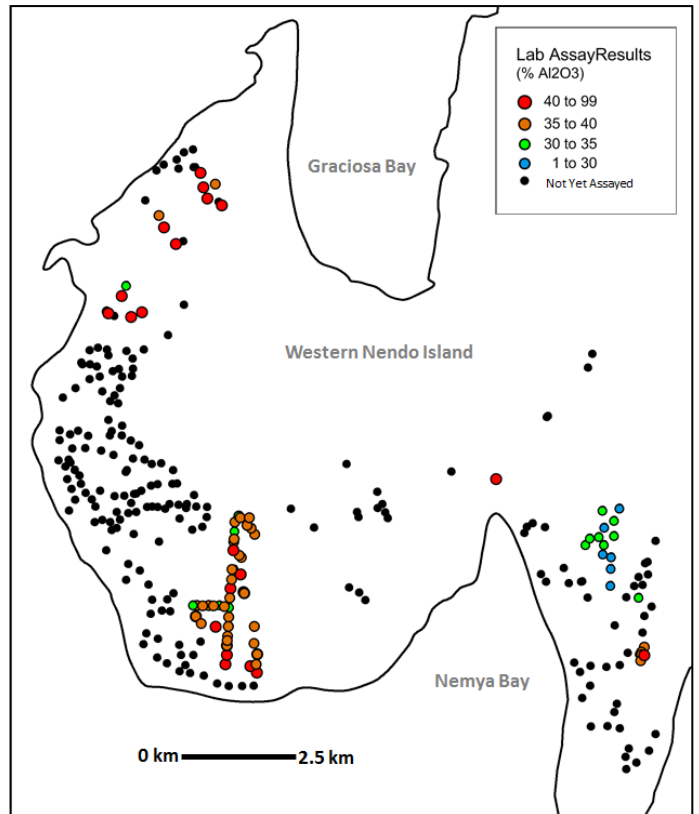


Figure 2: Lab Results (Al_2O_3) (colour) returned to date and (black). all sample sites

Post quarter, the Company announced the completion of a comprehensive auger drilling and pit sampling program (commenced during the June quarter), which identified the presence of widespread high-quality bauxite mineralisation over a large area on the western end of Nendo Island, located in the Temotu Province of the eastern Solomon Islands.

The main area tested is believed to be depressions in the ancient reef floor of about 4 km², with estimated average bauxite thickness of approximately 3m tested in trenches/pits and up to 5m tested with auger.

A total of 702 samples were taken across 291 sites, of which 169 were tested with conventional auger and 122 with pit/stick auger (refer to Figure 3). This method of exploration and analysis has provided a quick and cost-effective method of assessing mineralisation within the Nendo Project.

Average results returned by Field XRF and Laboratory analysis are summarised in the Table 1, below.

Category/Criteria	Al ₂ O ₃	av_Al ₂ O ₃	totSiO ₂	rxSiO ₂
Field XRF Results				
Samples with <7% SiO ₂	40.28		4.50	
Samples with <7% SiO ₂ and +40% Al ₂ O ₃	43.35		4.22	
Laboratory Results				
Samples with <5% rxSiO ₂	38.91	30.66	5.48	2.90
Samples with <5% rxSiO ₂ and +40% Al ₂ O ₃	41.21	33.34	4.08	2.39
Table 1: Average of results with respect to analytical method and defined criteria.				
Al ₂ O ₃ = Total Alumina				
av_Al ₂ O ₃ = Available Alumina = Gibbsite Alumina + Kaolinite Alumina - Low Temperature Desilication Product.				
totSiO ₂ = SiO ₂ = Total Silica				
rxSiO ₂ = Reactive Silica				
Refer to Table 2 for sample preparation and analytical methodology.				

The results from the initial laboratory samples suggest the field XRF results for total Al₂O₃ are on average 3.2% higher than the laboratory results; and well within acceptable variations for this level of exploration.

It should also be noted that many of the samples included in this first batch of samples are from areas now considered to be of lower prospectivity. Additional samples for laboratory analysis have recently been dispatched from site.

Proposed work for the next quarter

- Receipt of assays for remaining 367 samples
- Completion of legal and technical due diligence
- Infill sampling of higher tenor sites
- Ongoing relationships building with communities
- Mechanical trenching to validate methodology

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Figure 3: (a) Stick Auger being used for sampling bauxite profile. (b) Land Owner assisting prospecting on his own farm. (c) Stick Auger hole at bottom of hand dug prospecting pit. (d) Conventional Hand-Auger sampling. (e) Field analysis using hand-held XRF.

Choiseul Project, Solomon Islands

The Choiseul Project is a granted Prospecting Licence (PL04/13) covering approximately 600km² and located on the island of Choiseul in the northern part of the Solomon Islands. Bauxite has been documented and explored in this region since the 1960’s and local geologists have noted the presence of bauxite within ACM’s ground. The extent of this mineralisation is yet to be determined.

A first pass reconnaissance program is planned for the current quarter.

Bauxite Demand

Landed prices for bauxite into China have softened, however, Chinese import figures for past three years (see Figure 4) and future forecasts remain positive. Despite the Malaysian ban on mining at Pahang being extended to mid-September 2016, stockpiled Malaysian bauxite prices recently spiked up by as much as US\$2/t reflecting a subtle shift in industry sentiment driven by higher global alumina prices, combined with speculation that costs in Malaysia are likely to increase post-ban as miners are forced to improve environmental performance and compliance (Source: CBIX Index Wrap_16 April 2016).

China represents 70% of the third party global traded bauxite market. Not only are Chinese domestic bauxite reserves in decline, but also the average quality of these reserves has been in decline since 2009. Low temperature (trihydrate) bauxites currently represent 75% of Chinese imports. The key Shandong coastal province is 100% dependent on imported bauxite.

Solomon Island bauxites are potentially well placed to supply high quality low temperature DSO bauxite directly into China while leveraging a geographical shipping advantage. The current bulk seaborne freight market is at historic lows with preliminary inquiries for a geared Supramax vessel (55Kt) delivering a globally competitive current spot market estimate for Solomon Islands – China of US\$6.30/t.

*Source: CM Group & China Customs

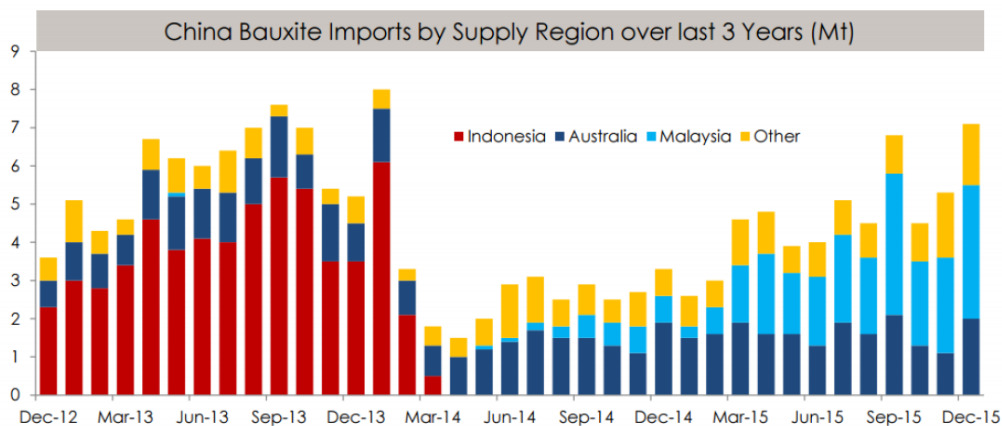


Figure 4 –Chinese bauxite imports by region for past 3 years (Mt).

AUSTRALIAN PROJECTS REVIEW

Golden Camel Project, Victoria

During the quarter, Golden Camel Mining Pty Ltd (“**GCM**”) continue to progress the project and aim to complete an extraction of a bulk sample for delivery to a nearby processing facility in the coming weeks. Subject to satisfactory trial mining results, GCM will then progress to the full-scale development of the Golden Camel Project. Further updates will be announced as provided by GCM or as identified by the Company.

The Golden Camel Project currently contains a Measured, Indicated & Inferred JORC (2012) Resource of 266,000t @ 1.7g/t Au within Mining Licence 5548. As per the sale of the project to GCM in 2015, the Company is entitled to the following consideration if mining commences on or before 27 January 2018:

- A\$100,000 one month after the commencement of mining; and
- 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.

Mount Richardson Project

Cliffs Asia Pacific Iron Ore Pty Ltd 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 A\$0.50 per dry metric tonne on tonnages in excess of independently evaluated Indicated or Measured resources of 10,000,000 tonnes.

Indicator Project

The Indicator Project target is a historically mined, high grade indicator/quartz vein mineralized system discovered in 1984 as in-situ gold in quartz mineralisation outcropping at surface on the crown of a small hill. The Company is considering its options regarding this project, which may include a small drill program or divestment.

Rogetta Project, Tasmania

The Rogetta Project (formerly Blythe Iron Ore Project) is owned and operated by Forward Mining Ltd. The Company is entitled to a stream of 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 has an EPA Assessment in Progress.

Miaree Magnetite Project, WA

The Miaree Project (“**Miarre**”) is located approximately 30km southwest of Karratha in Western Australia. The tenements were initially explored for magnetite and later for gold with positive results. The Company has accumulated a substantial drilling and exploration database, which is periodically re-evaluated subject to commodity prices movements and expressions of interest.

Miaree contains an independently estimated JORC (2004) Inferred Magnetite Resource. It continues that additional exploration cannot presently be justified due to record low iron ore prices.

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Wandoo Project

Iron Mountain 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.

CORPORATE**Board appointment**

Post quarter, the Board appointed Mr. John Ciganek as a Non-Executive Director. Mr Ciganek's career of more than 25 years in the mining sector has been spent across mining engineering, executive management and corporate finance. Mr Ciganek is currently Executive Director of BurnVoor Corporate Finance, a corporate finance advisory firm and he has been involved in providing corporate finance advice on a range of bauxite, alumina and aluminium transactions.

Recovery of legal fees

During the quarter, the Company continued to pursue the recovery of a portion of the fees paid to the lawyers who advised former director Mr Zohar. The Company notes that the final Appeal Hearing to settle this outstanding matter has been listed for 8 August 2016.

Proceedings for the recovery of legal fees paid on behalf of former director Mr Zohar remains stayed pending the outcome of his bankruptcy proceedings. These proceedings are ongoing and the Company will continue to inform the market of any significant updates as and when they occur.

Ends.

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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 Mr Brett Smith, B.Sc Hons (Geol), Member AusIMM, Member AIG, Mr Smith is an employee and Director of the company. Mr Smith has 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 Smith consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

IRM TENEMENTS

Mining Tenements at 30 June 2016

Location	Tenement	Name	Holder	Equity	Status	Area
MIAREE						
WA	E47/1309-I	Karratha	Iron Mountain Mining Ltd	100%	Renewal Pending	32 BL
WA	E47/1707-I	Boondamurra Hill	Iron Mountain Mining Ltd	100%	Granted	8 BL
VICTORIA						
VIC	EL5540	Indicator	Iron Mountain Mining Ltd	100%	Granted	20 grats
SOLOMON ISLANDS						
	PL01/16	Nendo	Iron Mountain Mining Ltd	50%*	Granted	447 km ²
	PL04/13	Choiseul	Iron Mountain Mining Ltd	50%*	Granted	600 km ²

*Option to acquire 50% equity in AU Capital Mining Pty Ltd, 100% owners of PL01/16 and PL04/13 (refer to ASX announcement dated 30th March, 2016)

Mining Tenements Acquired During the Quarter

SOLOMON ISLANDS						
	PL01/16	Nendo	Iron Mountain Mining Ltd	50%*	Granted	447 km ²
	PL04/13	Choiseul	Iron Mountain Mining Ltd	50%*	Granted	600 km ²

*Option to acquire 50% equity in AU Capital Mining Pty Ltd, 100% owners of PL01/16 and PL04/13 (refer to ASX announcement dated 30th March, 2016)

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

No Mining Tenements were surrendered, withdrawn, expired or sold the quarter ending 30 June 2016.