

**FIELD WORK COMMENCES AT NENDO BAUXITE PROJECT
IN THE SOLOMON ISLANDS**

HIGHLIGHTS

Low-impact due diligence exploration commences at the Nendo Bauxite Project

Community engagement and awareness ongoing – strong public support for Project activities

Iron Mountain targeting high-quality bauxite amenable to direct shipping and low-cost development.

Iron Mountain Mining Limited (ASX: IRM) (the “**Company**”) advises that field work has commenced at the Nendo Bauxite Project (“**Project**”) in the Solomon Islands. This exploration programme is part of the due diligence process for the Company’s option to acquire a 50% interest in private company Au Capital Mining Pty Ltd (“**AUC**”) (ASX announcement dated 30 March 2016), holder of the mineral tenure over the Project.

The Nendo Project is a granted Prospecting Licence located on the island of Nendo in the Temotu Province of the eastern Solomon Islands. Work by Australian exploration companies in the 1960’s, and the British and Solomon Island geological surveys up to and including the early 1980’s, identified bauxite deposits in residual soils on up-lifted limestone reef platforms.

The main areas to be tested by the Company are soil-filled depressions in the ancient reef floor. Hand auger drilling completed in 1969 has identified an average bauxite thickness of approximately three metres, with up to five metres maximum recorded depth. Better results from past auger drilling are presented in Table 1, with this work detailed in Table 2 (attached).

Hole ID	Total Depth (m)	Al ₂ O ₃ %	A.I.%	LOI%
SZ01	3.66	50.2	5.5	29.5
SZ04	2.44	43.1	6.5	29.0
SZ07	2.14	43.8	6.0	30.0
SZ11	3.36	45.6	7.5	27.0
SZ14	2.14	46.4	7.5	27.5
SZ16	3.05	47.6	5.0	29.5
SZ22	5.19	47.4	5.0	28.0
SZ27	3.66	42.2	7.5	28.5
SZ45	3.97	46.4	7.0	29.5

Table 1: 1969 auger assay results of samples with acid insolubles (“A.I.”) less than 8.0%. Aluminium Oxide (“Al₂O₃”) and loss on ignition (“LOI”) percentages also presented. After West (1969), Report on Bauxite/Phosphate in the Eastern Solomons. CRA Exploration Pty Ltd.

A condition precedent of the agreement with AUC is that the initial exploration activities completed by IRM identify the capacity for the Nendo Project to host resources of a minimum eight million tonnes of bauxite at greater than 45% total Al_2O_3 (alumina) and less than 5% total SiO_2 (silica);

The current phase of exploration includes sampling of hand-dug pits and hand-auger holes to test the residual soil profile in areas historically identified as favourable for bauxite deposits. This work is expected to take approximately one month, with Company personnel working closely with the local people to identify areas of high-quality bauxite which are amenable to low-cost development.

The Company is extensively engaged with the local community and is ensuring that all stakeholders are made fully aware of current and future activities regarding the Project. To this end, meetings held with local parties to date have been extremely positive and much enthusiasm has been generated by the current phase of exploration.

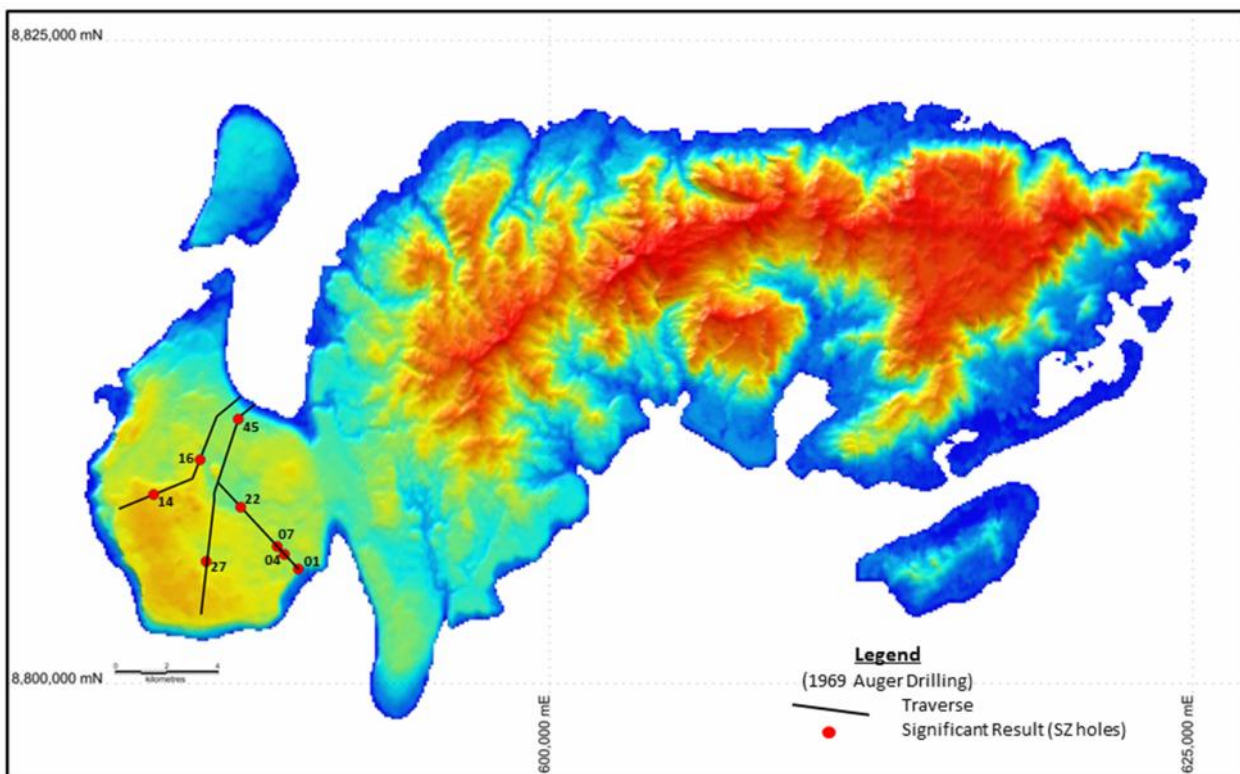


Figure 1: DTM Image of Nendo Island. Showing 1969 auger drilling traverses and holes reported in Table 1. (Datum WGS84 Zone 58s)

END

For further information visit www.ironmountainmining.com.au or contact:

Iron Mountain Mining Limited
Mr Suraj Sanghani
Company Secretary

Important Information

Competent Persons Statement:

The information in this report that relates to Exploration Results and Targets is based on information compiled by Mr Brett Smith, B.Sc Hons (Geol), Member AusIMM, Member AIG and an employee of Corazon Mining Limited. Mr Smith has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking 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 this information in the form and context in which it appears.

Table 2: Checklist of Assessment and Reporting Criteria

19 May, 2016

The Nendo Bauxite Project – Historical Reporting, Auger Drilling and Analysis

[The information presented in this table pertains to a report obtained from the Ministry of Mining, Energy and Rural Electrification in the Solomon Islands. The document titled “Report on Bauxite/Phosphate in the Eastern Solomons” is a CRA Exploration Pty Ltd company memorandum regarding exploration activities completed by K.N. West, 20th November, 1969.]

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> 1969 sampling of reconnaissance hand auger drilling, testing residual soil profiles over basement rocks including limestone and mudstone. Multiple holes completed along three transects over the “uplifted limestone platform”, in the western area of the island of Nendo in the Santa Cruz island-chain of the eastern Solomon Islands. Drilling and sampling reported from this past exploration is reconnaissance in nature and considered of low quality by modern industry standards. Results should only be used as an indication of the location and tenor of mineralisation and are not adequate in quality or density for inclusion within resource estimations.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> Hand auger drilling. Site inspection of limited sites still known by the local people has confirmed large diameter holes, possible 6” to 8” in diameter. Assumptions are that this auger drilling was open-hole (coil).
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade</i> 	<ul style="list-style-type: none"> Drilling tested shallow soil profiles to a maximum depth of 20ft (approximately 6 metres). Sample recovery for this style of drilling is expected to be good. “Caverns” (voids) within the karst (limestone) basement were noted

Criteria	JORC Code explanation	Commentary
	<i>and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	on occasion and reported in the logging.
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Hand written logs record hole number, date drilled, transect (line) number, sample number, depth (ft), geological descriptions of the soil profile and basement material, along with assay results. • Logging is descriptive and qualitative in nature.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • No information regarding sub-sampling techniques are presented with the report. • The soil profile is typically moist and as such it is assumed a subset of the sampled interval was taken via grab sampling. • Sampled intervals appear composited based on geology. • Sampling technique and quality is assumed to be of low standard, typical of the reconnaissance nature of the exploration.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Samples were analysed in a field laboratory established on the vessel MV Craestar. The MV Craestar was an "Island Tramp Steamer" converted by CRA Exploration Pty Ltd into a geochemical exploration vessel for bauxite and phosphate exploration in the Pacific. • There is no information presented in the report regarding assay methods or detection limits.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • There is no information within the report regarding sample or assay verification. • This report and similar reports on bauxite deposits in the Pacific suggest the residual soil profile is fairly uniform with respect to Al₂O₃ content. However, variations in "Acid Insolubles" (including silica) are noted and believed to be related to variations in basement rock types.

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill-holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> The location of auger drill-holes within the report is considered very poor by modern standards. Some auger drill sites have been located in the field by Iron Mountain Mining (IRM) geologists. Drilling was completed along three traverses across the raised limestone reef platform in the western parts of the island. It is believed these traverses were along tracks (in some cases walking tracks) that are predominantly no longer in existence.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Three traverses of auger drilling were completed across the raised limestone reef platform in the western parts of the island. Drill-holes were initially completed on 500ft (~150m) spacing. In areas of "not so regular soil distribution" this spacing was reduced to 300ft (~90m). Data density, the quality of drilling and data analysis is not sufficient for the completion of resource estimation. Samples are composited on the basis of geology prior to geochemical analysis.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The auger drilling is reconnaissance in nature, with sample sites determined primarily by access over the inland island areas. No orientation bias has been established.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> No information regarding sample security is reported.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Evidence of auger drill sites still exist and have been visited by IRM geologists.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land	<ul style="list-style-type: none"> Type, reference name/number, location and ownership, including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, 	<ul style="list-style-type: none"> Prospecting Licence PL 01/16 is held by Au Capital Mining Pty Ltd (ACM). Iron Mountain Mining Limited has an option to acquire 50% of ACM (ASX announcement dated 30 March, 2016).

Criteria	JORC Code explanation	Commentary
tenure status	<p><i>historical sites, wilderness or national park and environmental settings.</i></p> <ul style="list-style-type: none"> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The Prospecting Licence is governed by the Ministry of Mines, Energy and Rural Electrification in the Solomon Islands.
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Work by Australian exploration company CRA Exploration Pty Ltd in the late 1960's, and the British and Solomon Island geological surveys up to and including the early 1980's, identified bauxite deposits as residual soils on up-lifted limestone reef platforms. • IRM personnel have visited the island on several occasions. Past exploration on the island has been validated by discussions with local people that were involved in the 1969 exploration program, as well as the identification by local people of historical auger drill sites.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The style of mineralisation is bauxite as residual soils over ancient limestone reef (karst environment). Such deposits are also known as karst or carbonate bauxites and are well documented throughout tropical and sub-tropical regions. These deposits are formed by lateritic weathering and residual soils (clays) over or interbedded with limestone. Typically, deposits consist of low temperature gibbsite (tri-hydrate or tropical bauxite). • Bauxite is aluminum-rich ore that is used for aluminum production.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • The reconnaissance nature and age of the historical auger drilling, along with the incomplete report (by today's standards) does not permit the creation of an accurate and reliable database. • Exploration is reconnaissance in nature and serves only as an indication of the tenor and distribution of mineralisation within the Project.
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used</i> 	<ul style="list-style-type: none"> • Not applicable to the data reported on within this table.

Criteria	JORC Code explanation	Commentary
	<p><i>for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> The main area tested is believed to be depressions in the ancient reef floor, with estimated average bauxite thickness of approximately 3m tested in trenches/pits and up to 5m tested with auger. Auger holes are vertical. Depths presented are considered depths from surface. "Bauxite thickness" does not include surficial carbonaceous soils. Maximum auger depth drilled was 20ft (~6m). Depth is variable, with the paleo-limestone surface considered to be very irregular.
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Figure 1 within this announcement identifies approximate positions of historical auger traverses and reported auger holes with assay results of +18% Loss On Ignition and <8% Acid Insolubles.
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> The historical report only tables assay results for Al₂O₃ for samples with +18% Loss On Ignition and <8% Acid Insolubles. This report and similar reports on bauxite deposits in the Pacific suggest the residual soil profile is fairly uniform with respect to Al₂O₃ content. However, variations in "Acid Insolubles" (this includes silica) are noted and believed to be related to variations in basement rock types.
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> As part of the standard bauxite exploration method implemented by CRA Exploration Pty Ltd in the 1960's, airborne scintillometer surveys were completed over Nendo Island. Such bauxite deposits typically have an anomalous radioactive response.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> IRM is currently completing due diligence on the Nendo Bauxite Project. As part of the due diligence, auger drilling will be completed over areas historically identified as prospective for high-grade bauxite mineralisation.