

IRM ACQUIRES DSO QUALITY BAUXITE PROJECT

- **Iron Mountain Mining Limited has completed final formal agreements to acquire a 50% interest in Au Capital Mining Pty Ltd, holder of two bauxite projects in the Solomon Islands**
- **The lead project in the Solomon Islands is the highly prospective Nendo Bauxite Project**
 - To date, an area of 12km by 2km has been tested by Iron Mountain for bauxite (approximately 1/3 of the prospective area);
 - Average depth tested is + 3m; in places tested to full depth of auger (6m); and
 - Average results include 41.2% Al₂O₃ and 2.39% rxSiO₂ (for laboratory assays +40% Al₂O₃ & <5% rxSiO₂).
- **Ongoing fieldwork at the Nendo Bauxite Project proposed to include:**
 - Infill auger drilling in higher grade areas for resource definition;
 - Trenching to validate auger sampling methodology; and
 - Prospecting for new areas favourable for bauxite mineralisation.
- **Strong local support for Iron Mountain's exploration activities and the Company is committed to on-gong community engagement and awareness activities.**
- **Iron Mountain is targeting high-quality bauxite amenable to direct shipping and low-cost development.**

Iron Mountain Mining Limited (ASX: IRM) (**IRM** or **Company**) is pleased to announce it has completed its acquisition of a 50% interest in Au Capital Mining Pty Ltd (**ACM**), 100% owner of two Prospecting Licences in the Solomon Islands, including the high quality Nendo Bauxite Project (**Nendo Project** or the **Project**).

Earlier this year IRM entered into an option agreement to acquire a 50% equity interest in ACM (ASX announcement 30 March 2016) which holds 100% of the Nendo Project (Figure 1) in the southeast Solomon Islands and the Choiseul Project in the northern part of the Solomon Islands. The acquisition has been subject to extensive due diligence, including exploration to satisfy a condition precedent that the Nendo Project has the capacity to host economic quantities of direct shipping ore (**DSO**) quality bauxite mineralisation.

The Company's recently completed auger drilling and pit sampling program at the Nendo Project has identified the presence of widespread high-quality bauxite mineralisation over a large area of uplifted paleo-limestone in the western part of Nendo Island (ASX announcements 19 May, 7 July and 25 August 2016). The results of this work confirmed the Nendo Project is a quality asset, prospective for DSO bauxite mineralisation.

Having finalised the acquisition, IRM has assumed management of project activities and will commence its next stage of fieldwork exploration at the Nendo Project. This will include infill auger drilling in higher-grade areas of the Project for the purpose of delineating a maiden JORC resource estimation, as well the identification of new areas within the Project that are favourable for bauxite mineralisation.

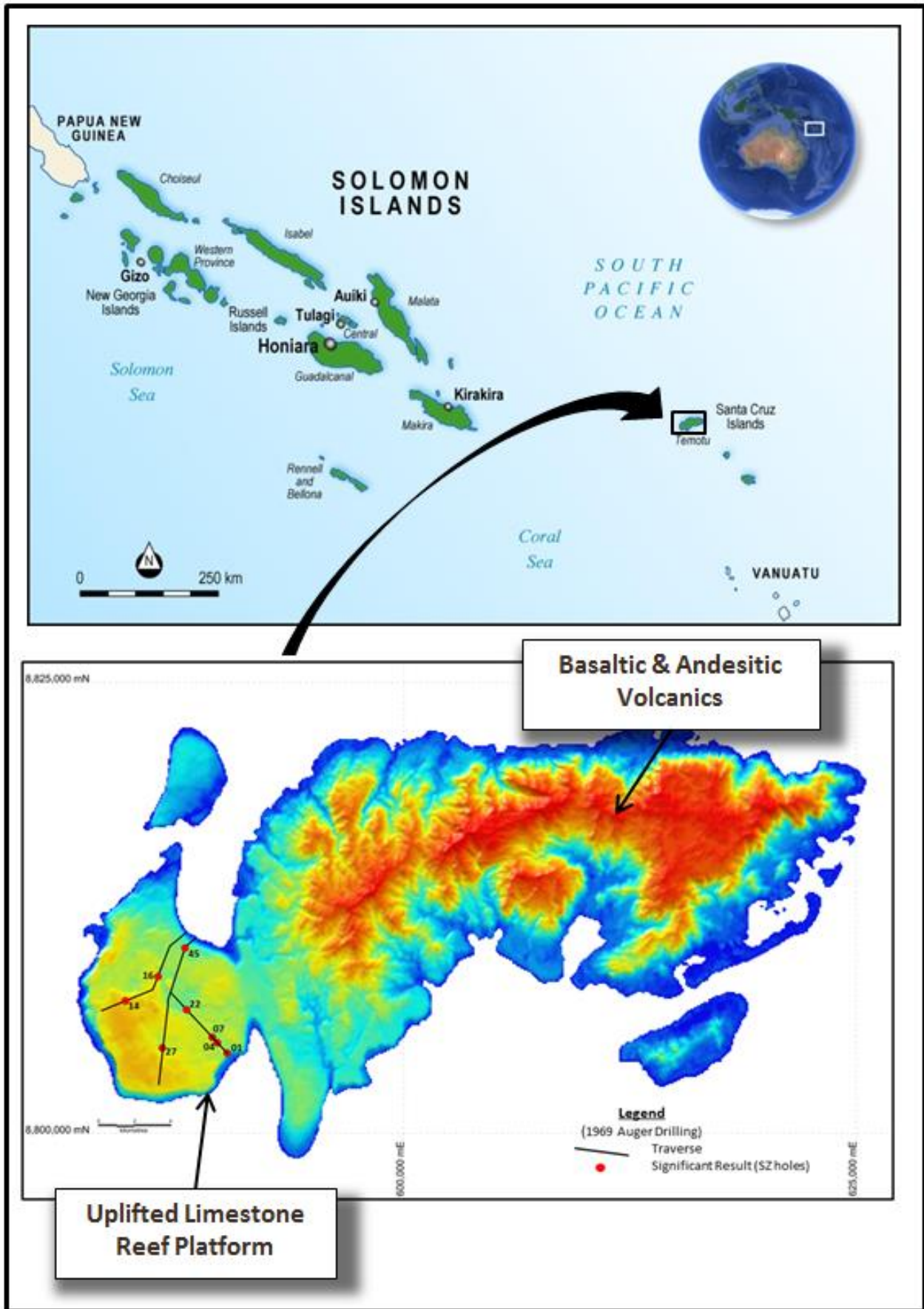


Figure 1: Project Location

About the Nendo Bauxite Project

The Nendo Project is a granted Prospecting Licence located on the island of Nendo in the Temotu Province of the eastern Solomon Islands (Figure 1). The Prospecting Licence is owned by private Australian company ACM. Following completion of the acquisition, IRM has a beneficial 50% equity shareholding in ACM and is manager/operator of the Project.

This Project was initially identified from reports on 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, which identified bauxite deposits in residual soils on up-lifted limestone reef platforms (ASX announcement 19 May 2016).

Overview of Exploration Completed To Date

The Company recently completed an auger drilling and pit sampling program which identified the presence of widespread high-quality bauxite mineralisation over a large area of uplifted paleo-limestone in the western part of Nendo Island (Figure 2) (ASX announcements 19 May, 7 July and 25 August 2016).

Mineralisation is widespread and includes uniform platform-style and smaller basin-style deposits sandwiched between limestone outcrops. In places, the depth of these deposits has exceeded 6m (the maximum depth that can be tested by hand auger drilling), with the average depths estimated at +3m. Topsoil cover is typically 0.2m to 0.5m thick.

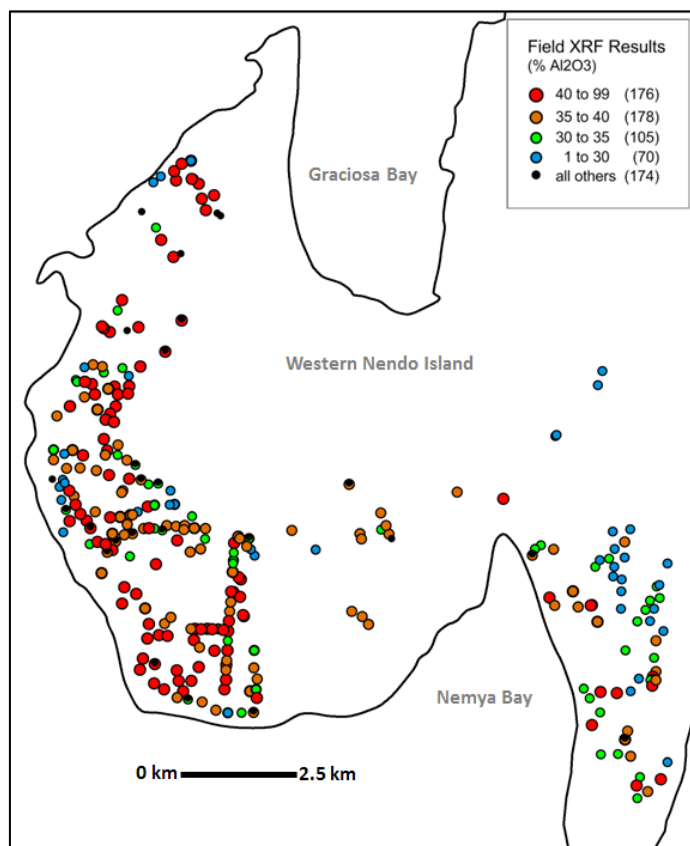


Figure 2: Field XRF Results for Al₂O₃

The main target area presently defined by this work is approximately 12km by 2km and remains open to the east, within similar terrain; this area accounts for approximately one third (1/3) of the area which the Company believes to be prospective for bauxite mineralisation.

Results to date indicate the tenor of Al₂O₃ 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 Company believes there is good potential to identify large areas of high-grade DSO quality bauxite mineralisation within the Project area.

The recent phase of reconnaissance exploration attempted to cover as much ground as possible in the shortest period of time. At this stage there has been no strategy to focus on areas of potentially higher grade mineralisation.

Average results returned by Field XRF and Laboratory analysis are summarized in Table 1 below (ASX announcement 7 July 2016).

Category/Criteria	Total Al ₂ O ₃	Total SiO ₂	av_Al ₂ O ₃	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	5.48	30.66	2.90
Samples with <5% rxSiO ₂ and +40% Al ₂ O ₃	41.21	4.08	33.34	2.39

Table 1 : Nendo Project - Field and laboratory results reported to date.

Al₂O₃ = Total Alumina

av_Al₂O₃ = Available Alumina = Gibbsite Alumina + Kaolinite Alumina - Low Temperature Desilication Product.

totSiO₂ = SiO₂ = Total Silica

rxSiO₂ = Reactive Silica

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.

Summary of Key Terms of the Acquisition

IRM has acquired 50% of ACM which holds 100% of two Prospecting Licences in the Solomon Islands.

A non-refundable option fee of AU\$100,000 was paid to the owners of ACM (ASX announcement 30 March 2016) which granted IRM a long option period that has enabled the Company to complete extensive due diligence on ACM and the projects. The due diligence included exploration which satisfied the condition precedent of the agreement for the Nendo Project to have the capacity to host economic quantities of DSO bauxite mineralisation.

In accordance with the terms of the agreement, the consideration payable for 50% of the issued capital of ACM includes the issue of:

- 20 million fully paid ordinary IRM shares to the ACM vendors on completion of the acquisition (**Completion**); and
- a further 20 million fully paid ordinary IRM shares to the ACM vendors at the first in time of either the first commercial shipment of bauxite from the projects or within 12 months from Completion.

Via ACM, IRM will fully fund the Project to mining. All costs associated with administration, infrastructure, exploration, mining, development and project operations will be reimbursed to IRM from mining revenue which is governed by a shareholders' agreement.

About Au Capital Mining Pty Ltd

ACM is an Australian owned company with extensive business experience operating in the Solomon Islands and the broader South Pacific. Key management personnel of ACM will be engaged by IRM for the provision of ongoing landholder, government relations and project generation.

About Iron Mountain Mining Limited

Iron Mountain Mining Limited was listed in 2007 as an iron ore explorer. Since listing, the Company has also successfully explored for bauxite, gold and heavy mineral sands. The Company was successful in exploring and advancing two key magnetite projects in Western Australia and Tasmania that were subsequently sold with retained royalties to provide ongoing exploration funding. During this time, the Company also acquired the Wandoo Bauxite Project in the Darling Ranges of Western Australia and commenced exploration and evaluation with a view to assessing the potential for a DSO bauxite operation. Although a significant bauxite resource was delineated at the project, the Company capitalised on the growing uncertainty from the pending Indonesian bans on unprocessed metal ore exports and sold the project to Chinese interests in 2012.

Following a management restructure in 2014, the Company set about consolidating its exploration portfolio and identifying new projects with potential for rapid and cost effective exploration and development. Given the history of the Company, DSO bauxite was identified as a potential project opportunity that could be exploited by the Company's strong financial position to deliver improved chances for exploration success and the potential to quickly generate revenue.

Bauxite in the Solomon Islands

The presence of bauxite in the Solomon Islands has been known since shortly after World War II. However, plans to develop these deposits never proceeded further than bulk samples for pilot plant test work. Bauxite in the Solomon Islands is predominantly gibbsite (trihydrate) and overlain by only a thin cover of topsoil. The bauxite deposits occur as discontinuous pockets that fill depressions within the uneven karst surface of the uplifted Pliocene coral limestone basement.

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Bauxite profile depths vary considerably due to the uneven and discontinuous nature of the pockets which are typically marked by absent or depleted vegetation at surface.

Australian company Amex Bauxite Corporation applied for a licence to prospect for bauxite on Santa Cruz Island in 1968 and Mitsui Mining and Smelting Company of Japan began prospecting on Rennell Island in 1969 but these projects were never developed. More recently, South West Pacific Bauxite Pty Ltd of Australia were advancing their 75% interest in the Vaghena Island Bauxite Project but despite reports anticipating feasibility completion by mid-2014, the project remains undeveloped.

The only known recorded production of bauxite in the Solomon Islands was from West Rennell Island in 2015. However, operations are currently being reviewed by relevant authorities following the cancellation of some licences and allegations of mismanagement. There remains enormous scope to explore and validate historically reported occurrences of bauxite in the Solomon Islands with a view to establishing a premium grade DSO bauxite operation for export into the Asian market.

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

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Disclosure Statements

Related Party Interest: Au Capital Mining Pty Ltd (**ACM**) has an existing service agreement with International Resources Development Pty Ltd (**IRD**) (**IRD Agreement**). Directors of Iron Mountain Mining Limited (**IRM**), Mr Mark Gwynne and Mr Brett Smith are major shareholders of IRD and provide services as consultants to IRD. In addition, IRM Company Secretary Mr Suraj Sanghani is a director and minor shareholder of IRD.

Pursuant to the IRD Agreement, IRD is acting as advisor to ACM in relation to the projects. IRD provides technical and professional support services to ACM on a cost plus 7% basis. The services include overall management of the project and provision of all necessary personnel, work programs and budgets. Upon commencement of mining IRD will also be entitled to a bonus fee of AU\$1 per tonne of ore mined from the projects. Expenses incurred by ACM in relation to the IRD Agreement will form part of the project operation costs which will be the responsibility of IRM. As detailed above, such costs will be reimbursed to IRM from mining revenue.

The agreement between IRM and ACM was negotiated at arm's length and is considered potentially beneficial for IRM and its shareholders.

Both Mr Gwynne and Mr Smith have declared a conflict of interest in regards to this matter and have abstained from voting on resolutions relating to the Acquisition. As such, independent non-executive directors Ms Pip Coppin and Mr John Ciganek have had sole discretion relating to this matter.

Ms Coppin is a corporate lawyer based in Perth. She specialises in equity capital raisings, all forms of acquisitions and divestments, governance and corporate compliance. Ms Coppin graduated from the University of Western Australia in 2004 with a Bachelor of Laws and Science. She also has a Graduate Diploma of Applied Corporate Governance and a Diploma of Business Studies.

Mr Ciganek has a successful career spanning more than 25 years in the mining sector across a broad spectrum of roles including mining engineering, executive management and corporate finance. His qualifications include a Bachelor of Mining Engineering from Wollongong University and a Masters of Business Administration from Macquarie Graduate School.

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 and director of Iron Mountain 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.