

31 OCTOBER 2016

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

- **Iron Mountain executes final formal agreements to acquire a 50% interest in AU Capital Mining Pty Ltd, holder of two bauxite projects in the Solomon Islands**
 - Lead project is the Nendo Bauxite Project
- **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)
- **Deposit exhibits average depths of +3m, with some areas +6m**
- **Ongoing fieldwork at 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 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 September 2016, during which the Company announced it had completed final formal agreements to acquire 50% of Au Capital Mining Pty Ltd, holder of two bauxite projects in the Solomon Islands, including the Nendo Bauxite Project. Iron Mountain's exploration focus during the quarter was on the Nendo Bauxite Project ("the Project") in the Solomon Islands, where results from the Company's initial phase of exploration at the Project confirmed extensive bauxite mineralisation.

The Company entered into an option agreement to acquire a 50% equity interest in ACM (ASX announcement 30 March 2016) who hold 100% of the high priority Nendo Project (Figure 1) and the Choiseul Project in the northern part of the Solomon Islands. The Company is in partnership with ACM to explore and potentially develop these bauxite projects.

The acquisition has been subject to extensive due diligence, including exploration and a condition precedent that the Nendo Project have the capacity to host a minimum 8Mt bauxite Resource at greater than 45% total Al₂O₃ (alumina) and less than 5% total SiO₂ (silica).

The Company's comprehensive auger drilling and pit sampling program at the Project 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 of 19 May, 7 July and 25 August, 2016), confirming the Project as a quality asset prospective for direct shipping tenor bauxite mineralisation (DSO), and satisfying the condition precedent. The main target area presently defined by this work is approximately 12km by 2km and remains open to the east, within similar terrain.

Upon completion of the acquisition, the Company immediately commenced its current stage of field work exploration at the Project. This will include infill auger drilling in higher grade areas of the Project area for the purpose of delineating a maiden JORC Resource Estimation, as well the identification of new areas within the Project which are favourable for bauxite mineralisation

The immediate future for bauxite as a commodity looks promising, supported by speculation from groups such as Rio Tinto - who recently stated that a boom period for bauxite is imminent - driven by demand from China. The Company believes there is good potential to identify and develop a low-capital cost, direct shipping style bauxite mining operation at the Project, which potentially offers a simple and very cost effective pathway to development and production.

Global Bauxite Demand

While landed prices for bauxite into China have softened, Chinese import figures for past three (3) years and future forecasts remain positive. Despite the Malaysian ban on mining at Pahang being extended to 31 December 2016, stockpiled Malaysian bauxite prices recently spiked 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 is a major player in the globally traded bauxite market. In addition to Chinese domestic bauxite reserves being in decline, the average quality of these reserves has been in decline since 2009. The majority of global demand is based on low temperature (trihydrate) bauxites, which currently represents 75% of Chinese imports. The key Shandong coastal province is 100% dependent on imported bauxite.

The Solomon Islands bauxites are potentially well placed to supply high quality low temperature (trihydrate) bauxite DSO product 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 USD6.30/t.

NENDO PROJECT EXPLORATION SUMMARY

During the 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 (refer Figures 1 and 2).

This exploration program commenced in May 2016 (ASX announcement dated 19 May 2016) formed part of the Company's due diligence process for its option agreement to acquire a 50% interest in Au Capital Mining Pty Ltd (ASX announcement 30 March 2016), holder of the mineral tenure over the Project.

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.

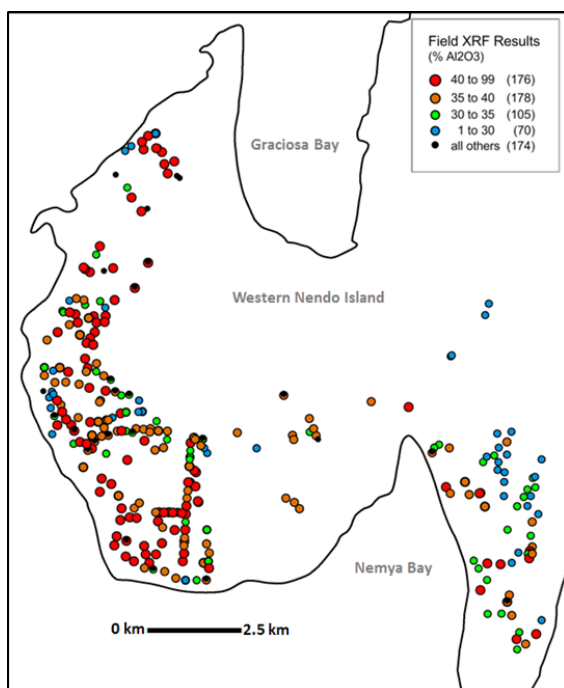


Figure 1: Field XRF Results for Al₂O₃

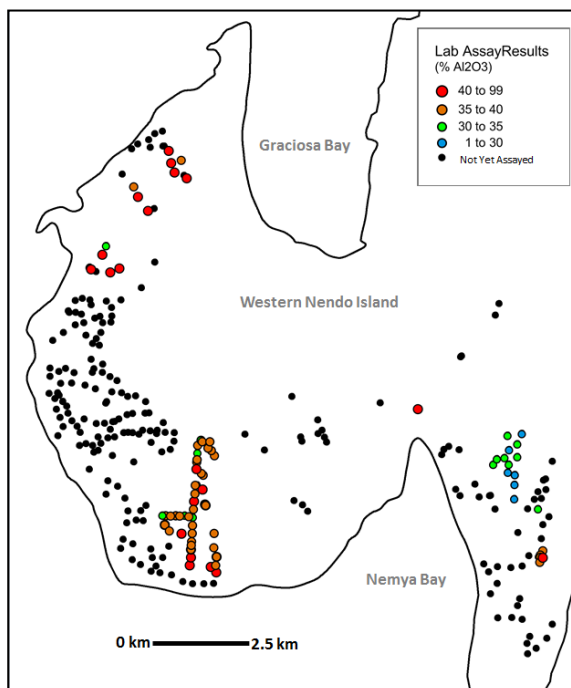


Figure 2: Lab Results (Al₂O₃) (colour) and all sample sites (black).

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 three metres tested in trenches/pits and up to five metres 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 Figure 4). This method of exploration and analysis has provided a quick and cost-effective method of assessing mineralisation within the 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.

Al₂O₃ = Total Alumina

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

totSiO₂ = SiO₂ = Total Silica

rxSiO₂ = 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 Al_2O_3 are on average 3.2% higher than the laboratory results; and well within acceptable variations for this level of exploration.

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

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.

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

Choiseul Project, Solomon Islands

The Company had an agreement to acquire a 50% interest in Au Capital Mining Pty Ltd ("ACM") (ASX announcement 30 March 2016) ("Agreement"), holder of the mineral tenure over the Nendo and Choiseul project areas. 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. The Option was exercised on 23 September 2016.

Summary of Key Terms of the Acquisition

Iron Mountain 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) subsequent to a long option period that enabled Iron Mountain 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:

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

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

About Au Capital Mining Pty Ltd

Au Capital Mining Pty Ltd 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 Iron Mountain for the provision of ongoing landholder, government relations and project generation.



Figure 4" (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.

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. 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
- 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 (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.

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.

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

During the quarter, 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 BurnVair 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.

Issue of Shares

During the quarter, the Company issued 20,000,000 fully paid ordinary shares (ASX announcement 27 September 2016) in part consideration for the acquisition of 50% of the share capital in AU Capital Mining Pty Ltd.

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 final Appeal Hearing to settle this outstanding matter took place on 8th August 2016. Upon further Board deliberations and associated cost benefit analysis, the Company has decided not to pursue this any further.

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.

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

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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 30th September 2016

Location	Tenement	Name	Holder	Equity	Status	Area
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% in AU Capital Mining Pty Ltd, holders of 100% of PL01/16 and PL04/13 was exercised during the quarter.*

Mining Tenements Acquired During the Quarter

Location	Tenement	Name	Holder	Equity	Status	Area
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% in AU Capital Mining Pty Ltd, holders of 100% of PL01/16 and PL04/13 was exercised during the quarter.*

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

E47/1309 and E47/1707 (Miaree Project, WA) were surrendered during the September quarter.