

Iron Mountain Mining Limited (ASX Code : IRM)
Quarterly Report: 30 September 2012

HIGHLIGHTS

WANDOO (Alumina)

- Sale of Wandoo Project to Alpha Bauxite Pty Ltd completed with receipt of A\$4,000,000
- Iron Mountain Mining Ltd retains a A\$0.75 per tonne production royalty on any bauxite mined from the Wandoo Project tenements

MIAREE (Magnetite)

- Maiden Total JORC Inferred magnetite resource of 286Mt @ 31.66% Fe (ASX 13/8/12)
- Total Miaree magnetite resource comprised of Miaree North (177Mt @ 29.68% Fe) and Miaree South (109Mt @ 34.10% Fe)
- Iron Ore Holdings Ltd Maitland River magnetite resource of 1.1Bt @ 30.4% Fe (ASX 4/6/12) totally encloses Miaree South Prospect
- Discussions for potential Joint Venture or outright sale ongoing

GOLDEN CAMEL (Gold)

- Detailed topographical survey of entire site including mining licence boundary, private land and proposed drill holes completed
- Geotechnical, metallurgical and resource definition diamond core drilling program awaiting necessary approvals and expected to commence mid-late November 2012
- Endure Environmental engaged to manage environmental and cultural heritage requirements
- Flora & fauna clearance survey undertaken late October

BLYTHE (Iron Ore)

- Forward Mining Ltd lodge Notice of Intent for proposed mining operation with State and Federal authorities
- Future milestone payments and royalties subject to successful mine development

CORPORATE

- Takeover offer for United Orogen Ltd closed on 3 October 2012 with Iron Mountain Mining Ltd holding 79.12% of the ordinary shares on issue
- Company currently assessing options in relation to its majority stake in United Orogen Ltd

General

During the September 2012 Quarter, the Wandoo Sale Agreement was finally executed with the signing of licence transfer documents and the receipt of A\$4,000,000. The company still retains a A\$0.75 per tonne production royalty over the Wandoo Project tenements. At the Miaree Magnetite Project, a maiden JORC Inferred magnetite resource of 286Mt @ 31.36% Fe was announced comprising of the Miaree North and Miaree South resources. The Miaree South resource (109Mt @ 34.10% Fe) is completely enclosed by Iron Ore Holdings Ltd Maitland River magnetite resource of 1.1Bt @ 30.4% Fe (ASX 4/6/12). Negotiations for a potential joint venture or outright sale of the Miaree Project are ongoing. At the Golden Camel Project in Victoria, a detailed topographical survey of the entire site was undertaken including the survey of the tenement boundary, private land and proposed drill hole collars in readiness for the commencement of the geotechnical, metallurgical and resource definition diamond drilling program in mid-late November. At Blythe, Forward Mining Ltd lodged a Notice of Intent for a proposed mining operation while at the Vic HMS project, preliminary compilation of historical drill hole data was completed. The location of company projects are shown in Figure 1 below.

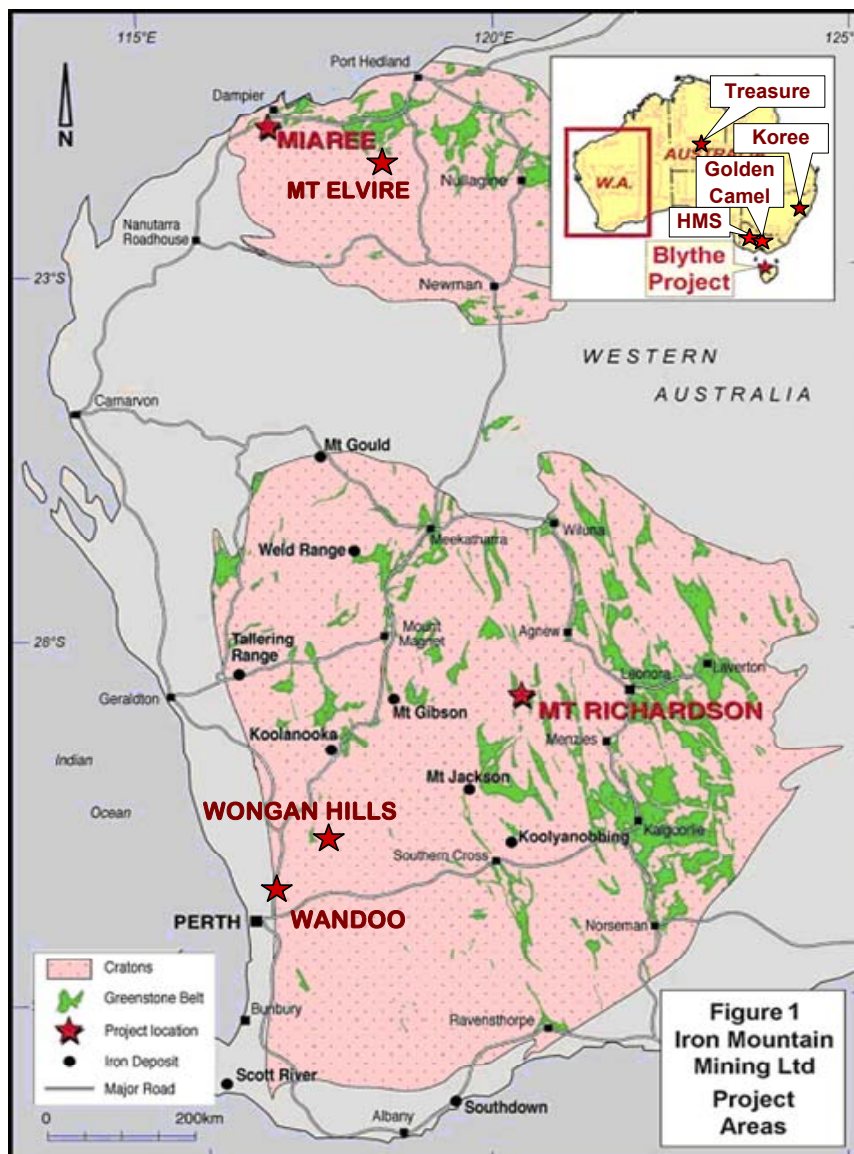


Figure 1 – Location of Iron Mountain Mining Projects in Australia.

WANDOO PROJECT

On 24 August 2012, the company announced that the sale of the Wandoo Project tenements to Alpha Bauxite Pty Ltd had been executed following the receipt of A\$4,000,000. The execution date had previously been extended from 30 June 2012 to 31 July 2012 to facilitate the completion of due diligence and then further extended to 17 August 2012 following the receipt of a Notice of Intent to execute and then again to 24 August 2012 to accommodate Foreign Investment Review Board (FIRB) requirements.

Following the payment of A\$4,000,000, 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 payable within 30 days of the end of each quarterly reporting period.

Alpha Bauxite Pty Ltd

Alpha Bauxite is a private company comprised of Chinese Aluminium Industry and Australian investors led by THTF Australia Mining Pty Ltd ("TAM"). TAM is a Chinese backed Australian company with a mandate to identify mineral resource investment opportunities in Australia and other emerging regions by leveraging their in-house technical capabilities and Chinese funding to invest in or acquire key mining and exploration assets for expedited development. The Chinese shareholders of TAM include HongKong THTF Co. Ltd (part of the THTF group), Chengdu Rolar Investment Ltd (a private multiple business) and Hainan Mining Co. Ltd (controlled by the Fosun Group). TAM is working in partnership with a Chinese aluminium industry company interested in securing a safe long-term supply of bauxite.

Wandoo Bauxite Resources

Total Inferred Resources of bauxite at Wandoo remain unchanged at 89.3Mt @ 41.75% Al₂O₃. A summary of the Total Inferred Resource for the Wandoo Bauxite Project is provided in Table 1 below.

Wandoo Project	Tonnes Mt	Total Al ₂ O ₃ (%)	Available Al ₂ O ₃ (%)	Soluble SiO ₂ * (%)	LOI (%)
TOTAL INFERRED MINERAL RESOURCE	89.3	41.75	28.51	4.43	19.21

* Soluble SiO₂ = Reactive Silica

Table 1 – Details of Wandoo Project Total Inferred Resource Estimate at 30% Available Al₂O₃ cut-off

MIAREE PROJECT

The Miaree Project is currently comprised of 3 exploration licenses (E08/1350, E47/1309 & E47/1707) and cover approximately 25km of the Miaree Magnetite Trend that occurs within the extensive Cleverville Formation, a geological unit of banded iron formation rich in magnetite (eg. 1.6Bt Cape Lambert magnetite deposit). The project tenements are currently held under a joint venture between Iron Mountain and Red River whereby Iron Mountain had an option to earn up to 70% of the project by satisfying three earn-in stages with clearly defined timing and expenditure requirements. After surpassing Stage 2 expenditure milestones in the December 2011 quarter and lifting its equity stake in the Miaree Project from 25% to 49%, the company elected not to progress to 70% by committing to sole fund a further \$2,000,000. Instead, the company opted to continue under the non-contributory dilution provisions in the joint venture agreement. As at 30 September 2012, Iron Mountain's equity in the Miaree Project was 60.25%.

MIAREE MAGNETITE PROJECT

On 13 August 2012, the company announced a maiden magnetite resource for the Miaree Project based on two separate programs of reverse circulation drilling undertaken in 2008 and 2012. The 2008 drilling program was much shallower in nature and predominantly focused on the north-eastern project tenements (E47/1309 & E47/1707). The 2012 drilling program was focussed solely on the south-western project tenement (E08/350) with the average hole depth almost four times that of the 2008 program (refer Table 2)

Resource Model Data	Drilling Type	No. of Holes	Total Metres	Average Depth (m)	Vertical Projection
2008	RC	48	4229	88	-125RL
2012	RC	6	2102	350	-325RL

Table 2 – Summary of 2008 & 2012 reverse circulation drilling data used in resource estimation models

Given the differences in drilling densities, depths and targets between the 2008 and 2012 drilling programs and because there was no overlap, it was determined that both data bases remain separate and individual resource estimations be calculated for each drilling data set.

Miaree Magnetite Resource

A summary of the Total Miaree Magnetite Inferred Resource as estimated by independent resource consultants Hackman & Associates Pty Ltd is provided in Table 3 below.

Drilling	Tenements	Inferred Resource (Mt)	Fe (%)	Al ₂ O ₃ (%)	SiO ₂ (%)	P (%)	LOI (%)	Cut-off Fe (%)
2008 ¹	E08/1350, E47/1309 & E47/1707	177	29.68	3.18	43.80	0.05	1.80	25
2012 ²	E08/1350	109	34.10	1.76	42.27	0.07	-0.82	25
TOTAL MIAREE INFERRERED RESOURCE		286	31.36	2.64	43.22	0.06	0.80	25

1 48 RC holes for 4229m, Av. Depth = 88m, Vertical resource projection to -125RL

2 6 RC holes for 2102m, Av. Depth = 350m, Vertical resource projection to -325RL

Table 3 – Summary of the Total Miaree Magnetite Inferred Mineral Resource at a 25% Fe head grade cut-off

The 2012 drilling program (6 RC holes for 2102m) was designed to test the south-western extension of a prominent aeromagnetic anomaly that hosts Iron Ore Holdings Ltd (ASX: IOH) Maitland River Magnetite Resource of 1.1Bt @ 30.4% Fe (ASX 4 June 2012) which includes Area A (190Mt @ 28.3% Fe) and Area B (811Mt @ 31.0% Fe) along strike to the southwest and northeast of E08/1350 respectively (see Fig.2). The Area B resource is to be the subject of a conceptual study by Iron Ore Holdings Ltd to determine the technical feasibility of establishing a magnetite operation.

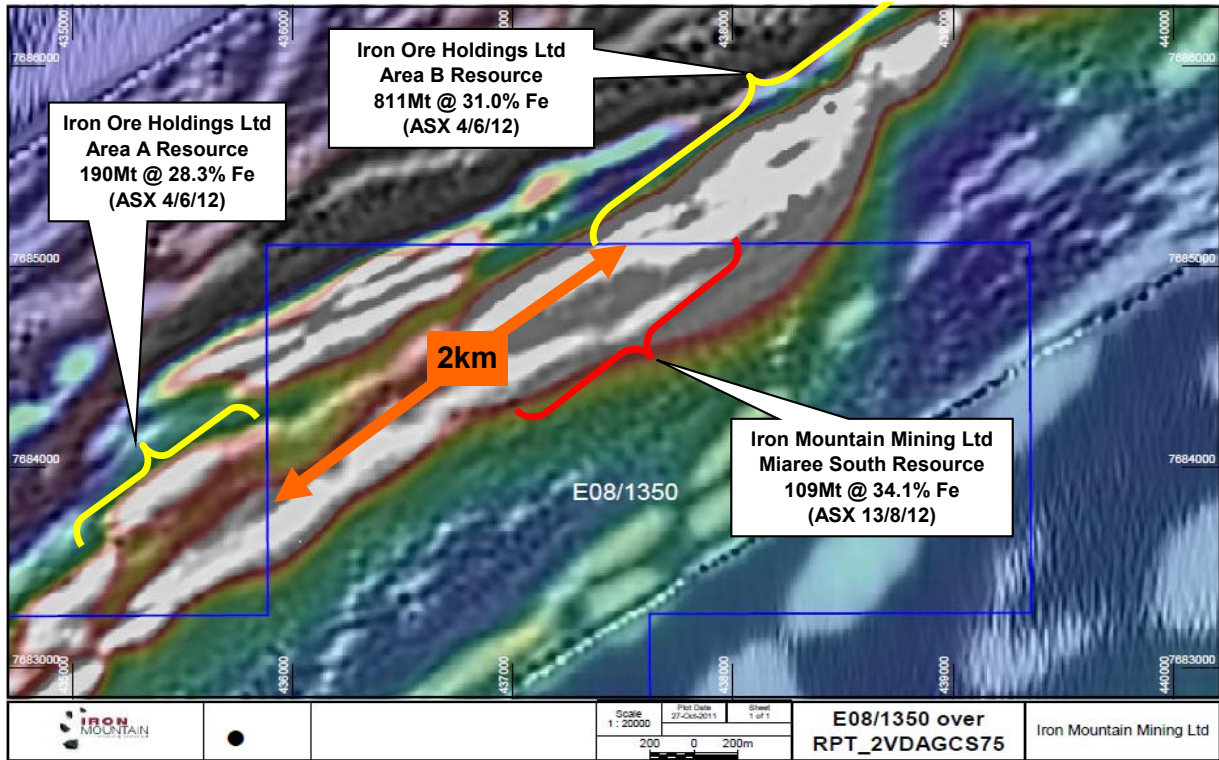


Figure 2 – Miaree South drilling area within E08/1350 showing location of Miaree South Resource and Maitland Area A & Area B resources (Iron Ore Holdings Ltd, ASX 4 June 2012)

The size and location of the surrounding Maitland River Area A & B resources suggests there is scope for the magnetite mineralisation to extend through E08/1350 as one continuous magnetite orebody. The aeromagnetic response reveals there is approximately 2km strike length of which less than 1km was tested as part of the Miaree South drilling program.

In addition to the project being located 10km from the coast, 30km from Karratha on the Northwest Coast Highway and 70km from the planned Anketell port, the Miaree Project tenements and contained magnetite resources are strategically positioned within Iron Ore Holdings Ltd Maitland River Project over which Fortescue Metals Group Ltd (FMG) has an option to farm-in to 50% of Iron Ore Holdings Ltd Maitland River Project by 31 March 2013 (see Fig.3). The company is currently in the process of evaluating expressions of interest with a view to a potential joint venture or outright sale of the project.

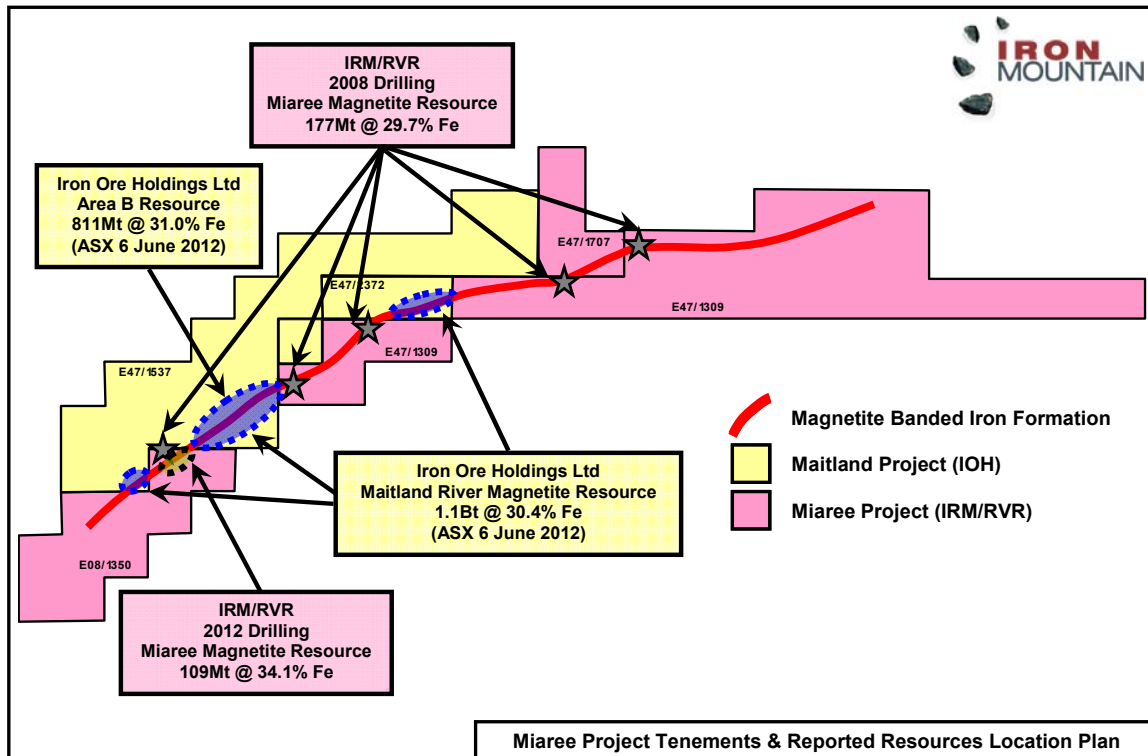


Figure 3 – Plan depicting location of Miaree Project tenements and reported magnetite resources

MIAREEE GOLD PROJECT

The Miaree Gold Project is contained primarily located within tenement E47/1309. Multiple prospect areas have regularly returned high gold grades from geochemical, rock chip and costean sampling. Two phases of drilling in the past targeting a variety of structural models have been disappointing suggesting that the controls on mineralisation are not yet fully understood and further evaluation is required.

During the quarter, no work was undertaken on the Miaree Gold Project.

GOLDEN CAMEL PROJECT

The Golden Camel Project in Victoria is comprised of Mining Licence MIN5548 that was granted on 9 February 2012. MIN5548 is located on the Mt Camel Range within the Heathcote Greenstone Belt in North-Central Victoria and contains the Cornella gold deposit that was previously delineated within former MIN4149 (see Fig.4).

On 7 July 2012, the company announced a maiden Indicated & Inferred resource of 246,000t @ 2.5 g/t Au (19,700oz) that was estimated by independent resource consultant Zurkic Mining Consultants Pty Ltd who had been engaged as Resource Estimation and Project Management consultants for the Golden Camel Project (see Table 4).

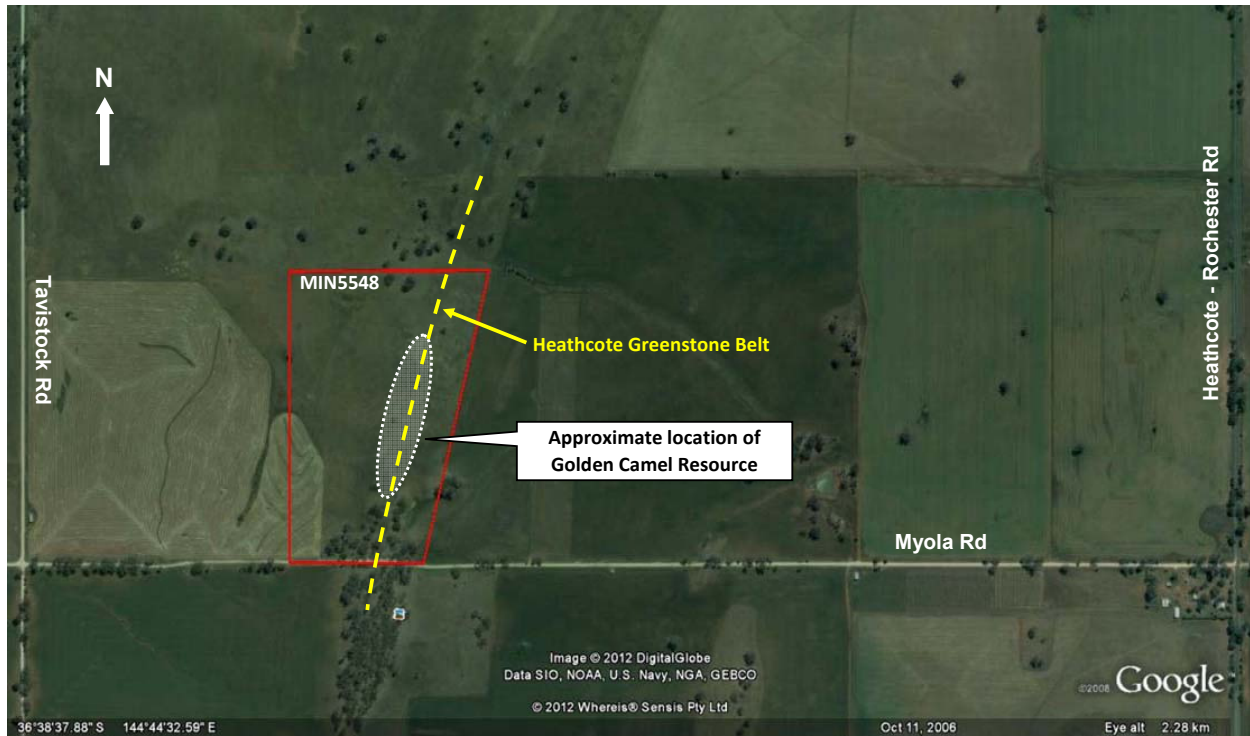


Figure 4 – Location of Golden Camel resource within MIN5548 over Heathcote Greenstone Belt

Lower Cut-off Grade (g/t Au)	INDICATED			INFERRED			TOTAL		
	Tonnes (t)	Grade (g/t Au)	Contained Gold (oz)	Tonnes (t)	Grade (g/t Au)	Contained Gold (oz)	Tonnes (t)	Grade (g/t Au)	Contained Gold (oz)
1.0	117,000	2.5	9,600	129,000	2.5	10,200	246,000	2.5	19,700

Table 4 – Details of the Golden Camel Indicated & Inferred Mineral Resource at 1.0g/t cut-off

The company is currently in the process of undertaking necessary technical, metallurgical and economic evaluation of the Golden Camel deposit under a proposed toll treatment model to determine whether the project satisfies commercial development requirements. On 2 August 2012, a detailed survey of MIN5548 and surrounds was completed to verify historical data as well as provide accurate and up to date survey data for future resource and project development modelling (see Fig.5). The detailed survey included:

- MIN5548 licence boundary
- Site topography
- Private land
- Proposed drill hole collars
- Fences, road reserve, road

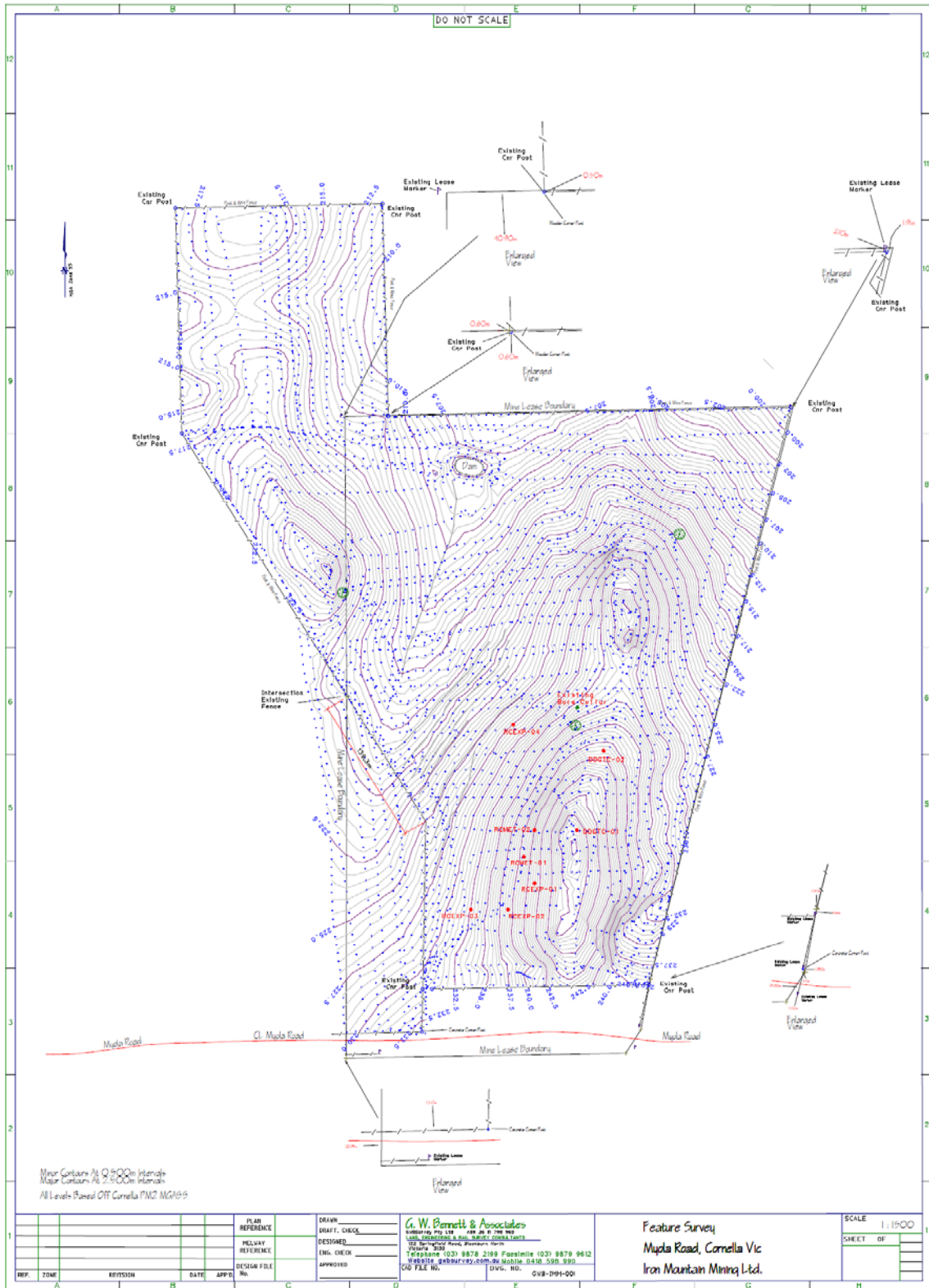


Figure 5 – Mining licence boundary, topography, private land, road reserve and proposed drill hole collar survey for MIN5548

During the quarter, the company was granted consent for exploration only activities within MIN5548 for a period of two years which will expire on 20 August 2014. This more than adequately covers the proposed geotechnical, metallurgical and resource infill drilling program contained in the work plan submitted in the previous quarter that is considered critical for the technical evaluation of the project and subsequent economic feasibility study.

The proposed drilling program consists of 8 holes for a total of 495m and provided all necessary approvals are obtained, is currently expected to commence mid-late November 2012 with contingencies to defer until late January 2013 if approvals and access to contractors is delayed. The proposed holes include:

- 2 geotechnical holes (180m) drilled orientated HQ triple tube diamond core
- 2 metallurgical holes (75m) drilled HQ or NQ triple tube diamond core
- 4 resource definition holes (240m) drilled HQ or NQ triple tube diamond core

It is expected that one of the proposed vertical metallurgical holes will be drilled 10-20m deeper than its anticipated planned depth to extend beyond the floor of the expected open pit design to also be used as a groundwater assessment and monitoring bore. The planned drilling program is to be drilled all triple tube diamond core to overcome the brecciated nature of the chert hosted ore zones and to exploit the access capabilities of a track mounted diamond only drilling rig. Private land access has been obtained and site visits with potential drilling contractors conducted to expedite the commencement of drilling once all necessary approvals have been received.

In early October 2012, the company engaged environmental consultancy Endure Environmental to manage all environmental and cultural heritage requirements for the Golden Camel Project. A flora and fauna review of MIN5548 with particular focus on areas of anticipated disturbance was scheduled to be undertaken by a botanist and zoologist in late October with results expected in the coming month. The company also submitted an Application for Advice to Aboriginal Affairs Victoria as part of the cultural assessment and clearance requirements and subsequently received an Aboriginal Heritage Certificate confirming that there is no recorded Aboriginal site within 340m of the MIN5548 licence boundary.

Given its near surface mineralisation, favourable location and current gold prices, ongoing evaluation suggests that the project could be sufficiently robust to deliver a positive NPV at current gold prices under an ore delivery or toll treatment scenario. The company is progressing discussions with all stakeholders and will announce further developments as they occur.

BLYTHE PROJECT

Following the sale of the Blythe Project in the previous quarter under mutually agreed restructured payment terms (ASX 27 June 2012), Forward Mining Ltd has made considerable progress towards their plans of establishing an iron ore mining and production facility in the Northwest of Tasmania.

On 10 October 2012, The Advocate newspaper in Tasmania reported that Forward Mining Ltd had lodged a Notice of Intent for a proposed mining operation with both state and federal regulatory authorities. Known as the Rogetta Project, the potential mine and mill site is located approximately 30km south of Burnie and would involve extracting and refining iron ore and transporting it to Burnie by road or rail for export. According to the Notice of Intent, the proposed operations would include an open pit mine, a processing plant, waste rock storage, tailings storage, water, access roads and power infrastructure. The total development footprint would be 148 hectares.

In accordance with flora and fauna assessment guidelines, the contents of the proposal will now be considered under both the federal Environment Protection and Biodiversity Conservation Act and the Tasmanian Environmental Protection Authority. The approval process will also require transparent and ongoing stakeholder engagement with groups likely to include relevant councils, state authorities, local environmental groups, landowners, community members and utility providers.

Under the amended Blythe sale agreement, the following consideration is payable to the previous 50:50 Project Joint Venture partners Iron Mountain Mining Ltd and Red River Resources Ltd under the following restructured milestones:

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

The company is impressed by the progress of Forward Mining Ltd at Blythe and are confident that the Project has the potential to be commercially developed by Forward Mining Ltd resulting in strong payment and revenue streams for all involved. Future updates on the status of the Blythe Project will be announced as provided by Forward Mining Ltd.

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 2012 quarter. Future updates on the status of the Mt Richardson Project will be announced as provided by Cliffs.

WONGAN HILLS PROJECT

The Wongan Hills Project is comprised of exploration licence E70/2728 immediately west of Wongan Hills in the Archaean Yilgarn Iron Ore Province of Western Australia. Kingsgate Consolidated Ltd (“Kingsgate”, ASX: KCN) are the current operators following the acquisition of Dominion Mining Ltd who had previously earned an 80% interest in the Wongan West Joint Venture by satisfying required expenditure requirements (ASX 28 Aug 2009). The majority of the Wongan West JV is subject to a farm-in agreement with Red River Resources Limited and Iron Mountain under which Kingsgate has earned an 80% interest. The equity interests of Red River and Iron Mountain in E70/2728 have been reduced to 15% contributing and 5% free-carried respectively.

Apart from an internal review of all geological data completed by Kingsgate, no work was reported for the June 2012 quarter.

TREASURE JV

The Treasure Prospect is comprised of EL25346 covering 101km² and is currently subject to a Joint Venture Agreement with Mithril Resources Ltd (“Mithril”) announced on 30 September 2008 whereby Mithril can earn 60% in EL25346 by spending \$1m over the first three years (Stage 1) and a further 20% by spending an additional \$1m over the following 2 years (Stage 2). Iron Mountain can be reduced to 40% should Mithril exercise Stage 1 (60% farm-in) or 20% should Mithril exercise Stage 2 (80% farm-in). The project is located approximately 130km northeast of Alice Springs in the Northern Territory and is currently being managed by Mithril under the terms of the JV agreement.

On 4 September, the Stage 2 farm-in period for Mithril to earn 80% of EL25346 expired. Mithril subsequently advised the company of their intention to withdraw from the Treasure JV as they had not met the \$1M expenditure required by the 4 September deadline. Iron Mountain Mining Ltd is currently seeking expressions of interest from operators in the region for a Joint Venture or outright sale of EL25346 which hosts the advanced Baldrick Prospect.

No field work was completed by Mithril on EL25346 during the September 2012 quarter. All exploration data accumulated by Mithril was in the process of being compiled and returned to Iron Mountain Mining.

HMS PROJECT

The HMS Project is comprised of 5 granted exploration licences covering 550km² over 5 known heavy mineral sand (HMS) deposits within the Murray Basin in Western Victoria. The Murray Basin covers North Western Victoria, South Western New South Wales and South Eastern South Australia and is a prolific producer of heavy mineral sands. Iluka Resources Ltd, currently the largest producer of zircon in the world, operates HMS mines in Victoria as well as a Mineral Separation Plant in Hamilton, Western Victoria (see Fig.6).

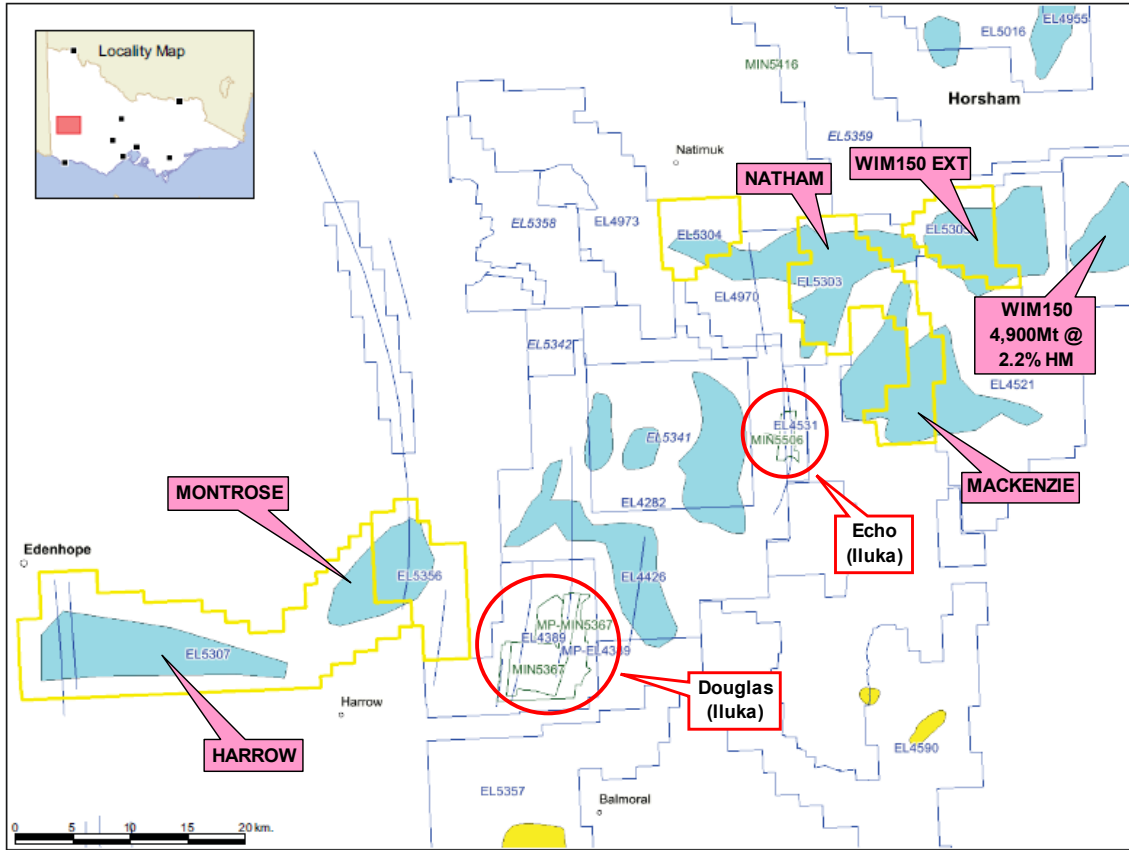


Figure 6 – Victorian HMS project showing project tenure (yellow), WIM-style deposits (light blue) and location of Iluka Douglas and Echo mineral sand mines

During the quarter, the company resumed the review, verification and evaluation of the enormous historical HMS database. The compiled database of historical drilling from all available open file sources was combined with tenement boundary shape files to determine the quantity and type of historical drilling that had been undertaken within the 5 granted exploration licences of the HMS Project. A total of 297 historical drill holes for a total of 5167m (average depth 17.4m) were identified within project exploration licences 5303-5305, 5307 & 5356 (see Table 5). The holes in question were drilled between 1939 and 2010 and were extracted from two separated sources:

1. Department of Primary Industries drilling database (1933 – 2008)
2. Company annual reports (2008 – 2010)

HMS Deposit	Tenement	Dates Drilled	Drill Holes	Total Metres
Harrow	EL5307	1939 - 2007	109	886.8
Montrose	EL5356	1990 - 2007	62	1644
Natham	EL5303	1996 - 2005	50	1691
Natham West	EL5304	1954 - 1986	12	427.7
WIM150 Ext	EL5305	1956 - 2010	64	517.6
TOTAL			297	5167.1

Table 5 – Distribution of historical drill holes identified within HMS project tenements

Given the significant difference in reporting detail and data quality between the two sources of information, it was decided to keep the two databases separate and not merge them into a single data file. For ease of identification, the DPI database drill hole collar locations were colour coded blue and the company annual report database drill hole collars were colour coded red. The historical drilling identified within current tenement shape files were then overlain on available Digital Elevation Model (DEM) data (see Figures 7 & 8).

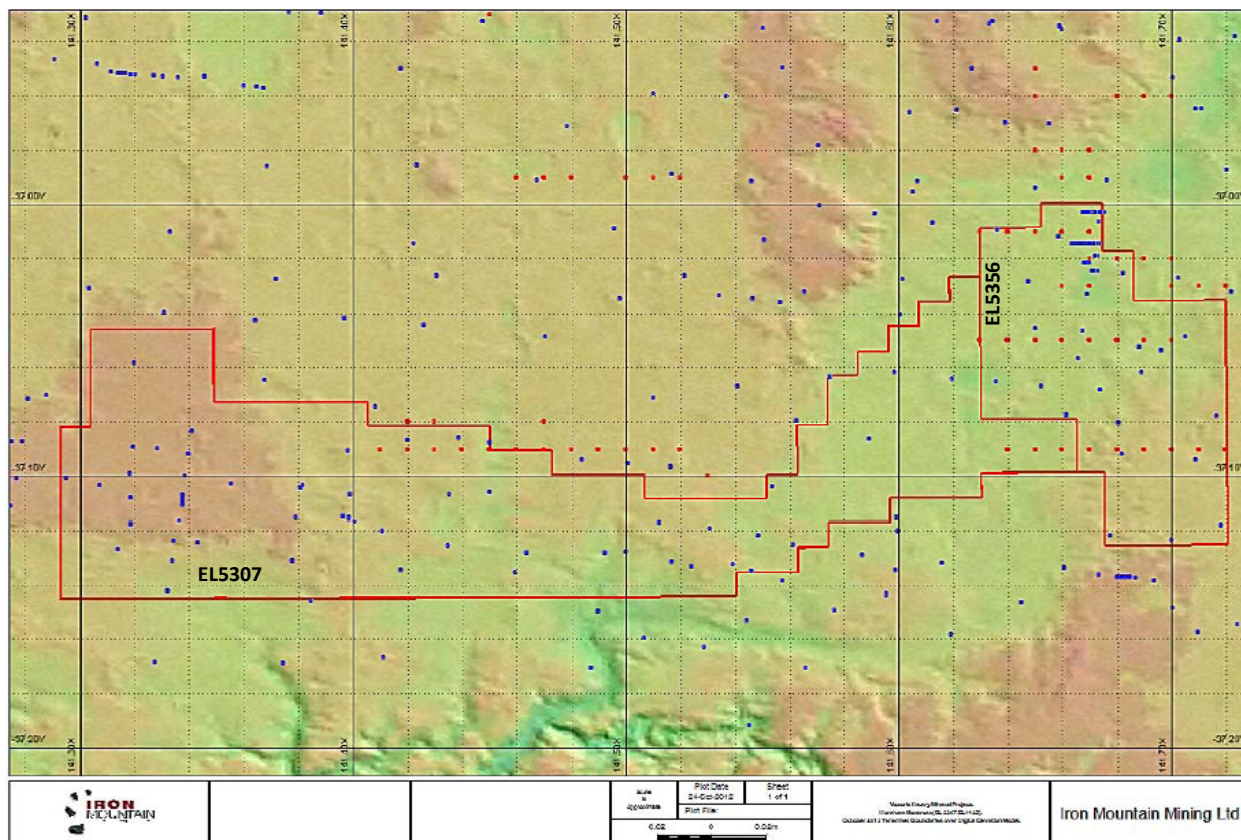


Figure 7 – Vic HMS tenements EL5307 (Harrow) and EL5356 (Montrose) with historical drilling over DEM

Preliminary review of the compiled historical drilling data reveals that the HM Project tenements contain a predominance of pre-2008 (blue) historical drill holes. Early stage prospect prioritisation has identified the Montrose HMS deposit contained within EL5356 as the prospective and advanced of the 5 targets. This company assessment is confirmed by the higher proportion of post-2008 historical drilling contained within the boundaries of EL5356. Assessment and evaluation is ongoing with the aim of delineating advanced priority targets and complimentary exploration programs.

As well as continuing work on compiling and validating the enormous historical database, the company intends to resume discussions for a potential Joint Venture by revisiting previous expressions of interest. The company hopes to establish a mutually beneficial agreement with a technically experienced operator that will allow the expedited exploration and potential development of the project.

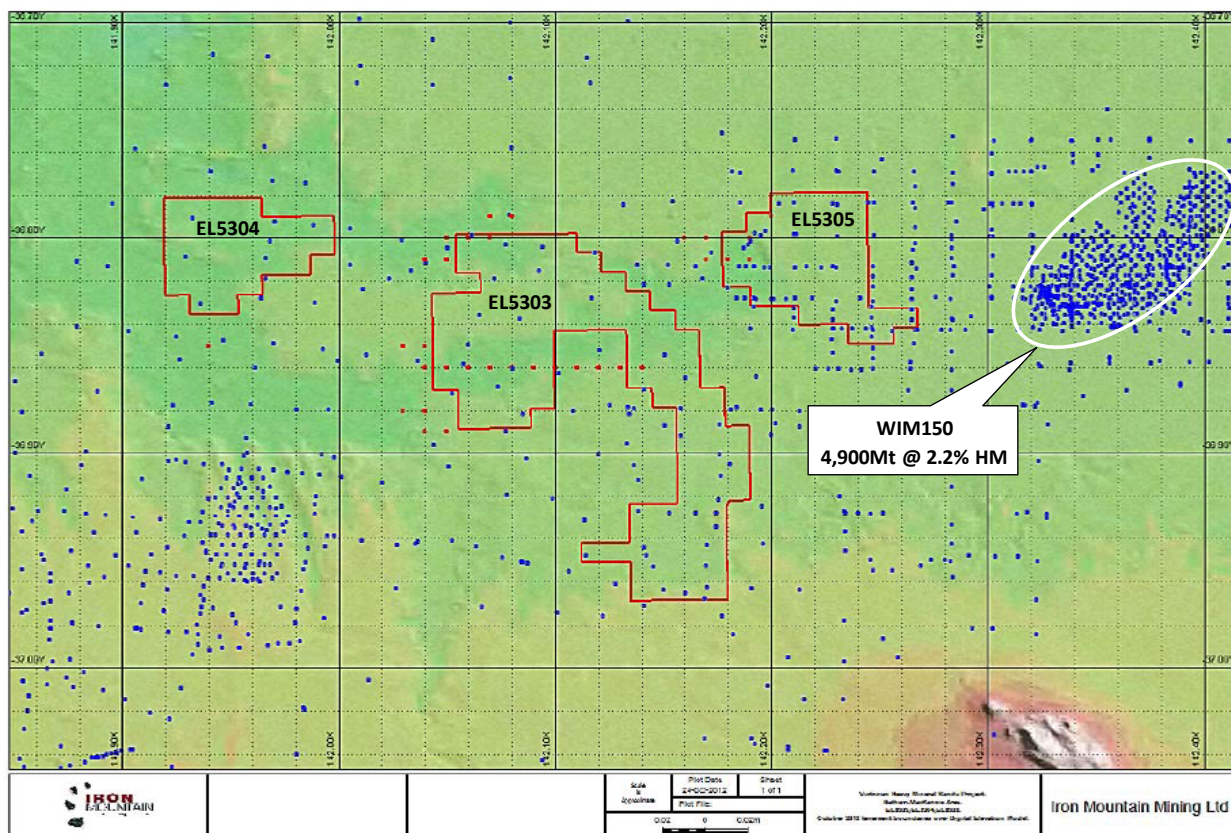


Figure 8 – Vic HMS tenements EL5304 (Natham West), EL5303 (Natham-Mackenzie) and EL5305 (WIM150Ext) with historical drilling over DEM and location of WIM150 deposit

MT ELVIRE PROJECT

The Mt Elvire Project is comprised of a single exploration licence covering 12km² located south of Port Hedland in Western Australia. The area is considered prospective for channel iron ore accumulations similar in nature to the Yandi deposit (Rio Tinto) as well as for detrital iron ore deposits and was part of a competing application over the same ground highlighting the level of competitor interest in the area. Assessment and evaluation of the Mt Elvire Project is ongoing to determine necessary exploration to be undertaken within restricted seasonal windows of opportunity. No field work was undertaken at Mt Elvire during the September 2012 quarter.

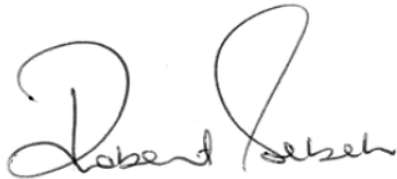
MACQUARIE MARBLE AND LIME PTY LTD (KOREE LIMESTONE)

Iron Mountain has a 60% interest in Macquarie Marble and Lime Pty which is the registered holder of ML 1446 in New South Wales. During the quarter, the company commenced surrender proceedings for ML1446 after being unable to divest the asset as tenure for future development. A site meeting was attended by the NSW Department of Resources and Energy and an environmental consultancy to assess the status of the site with a view to determining the requirements for a Rehabilitation Mine Operation Plan to be drafted and submitted.

CORPORATE

As noted in the previous quarterly report, the company announced its intention to make an off market bid for all of the shares and options in United Orogen Ltd (ASX 6 July 2012). A Notice of Variation was subsequently lodged with the ASX on 30 August 2012 extending the acceptance deadline from 7.00pm (AWST) on 7 September 2012 to 7.00pm (AWST) on 3 October 2012. The Offer then became unconditional on 21 September 2012 when the company announced that it had waived all of the defeating conditions.

At the close of the offer on 3 October 2012, Iron Mountain Mining Ltd held 86,099,288 ordinary shares in United Orogen Ltd representing 79.12% of the 108,825,946 total ordinary shares on issue which was short of the 90% required to trigger compulsory acquisition. The company is currently assessing available options in relation to its majority stake in United Orogen Ltd.



Robert Sebek
Managing Director

31 October 2012

The information within this report as it relates to geology and mineral resources was compiled by the Managing Director, Mr Robert Sebek. Mr Sebek is a Member of the Australian Institute of Mining and Metallurgy. Mr. Sebek has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code". Mr Sebek is employed by Iron Mountain Mining Ltd and consents to the inclusion in the report of the matters based on information in the form and context which it appears.
