

Iron Mountain Mining Limited (ASX Code : IRM) Quarterly Report: 31 December 2013

HIGHLIGHTS

GOLDEN CAMEL (Gold)

- Metallurgical test work ongoing with final results expected early 2014
- Consultation to design appropriate testing procedure to undertake acid production/generation potential in waste rock to determine waste dump design criteria
- Work temporarily scaled back in response to period of weakening gold price

DROMEDARY (Gold)

- Grant of EL5490 covering northern and southern extensions of Heathcote Greenstone Belt including historical Dowds, Silver Spoon and Glen Garry prospects
- Ongoing review of +40 year historical exploration database
- Evaluating options for reprocessing and re-interpretation of aeromagnetic survey data over EL5449

VIC HMS (Mineral Sands)

- Search for exploration and storage base in Horsham to support approved drilling program
- Discussions with experienced HMS operators for possible collaboration/JV

PITHARA (Gold)

- Reprocessing and re-interpretation of 2007 ground magnetic survey data (IGO) identified as a priority
- Auger geochemical sampling to follow focussing on identified magnetic targets/structures

TREASURE (Base Metals)

- During the December quarter, a high resolution aeromagnetic survey was completed by MMG Exploration Pty Ltd
- The final dataset is currently being processed and interpreted

CORPORATE

- Notice of General Meeting announced on 19 December 2013 proposed Equal Capital Reduction approximately \$1,359,337 to shareholders subject to shareholder approval
- General Meeting on 15 January 2014 approves Capital Return equivalent to \$0.01 per share for all 135,933,713 shares on issue

General

During the December 2013 Quarter, final metallurgical test work on the Golden Camel 2013 diamond drilling program was approved. Results are expected in early 2014 and will be used to evaluate and assess the progress of previously proposed open cut development under a toll treatment scenario. Exploration Licence 5490 was granted in Victoria and covers north and south extensions of the Heathcote Greenstone within the Dromedary Project as well as several historically defined prospects. At the Treasure Project in the Northern Territory, MMG Exploration Pty Ltd completed a high resolution aeromagnetic survey for which the final dataset is currently being processed and interpreted. Search for an exploration and storage base in Horsham to support approved HMS drilling program commenced in addition to the company seeking expressions of interest for a collaboration/JV to leverage operator experience and optimise exploration results. The location of company projects are shown in Figure 1 below.

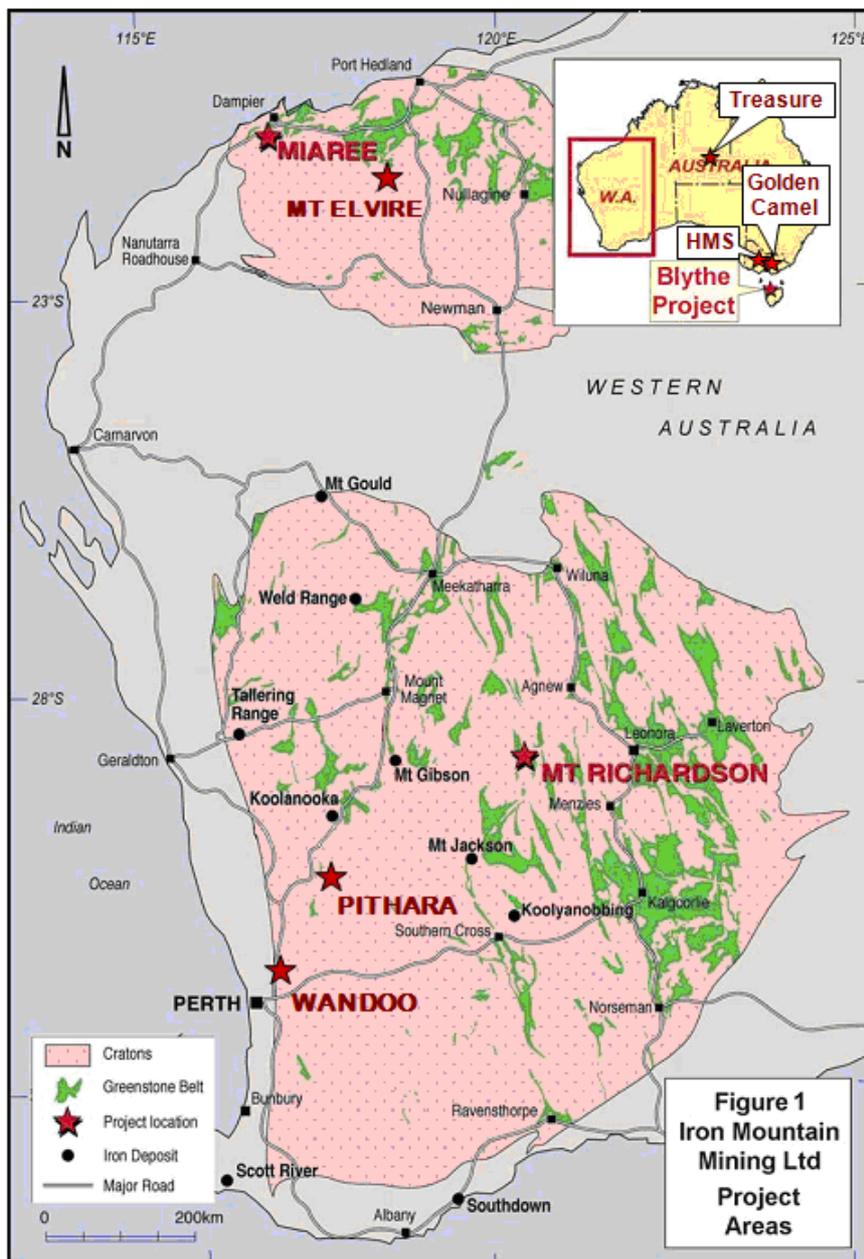


Figure 1 – Location of Iron Mountain Mining Ltd Projects in Australia.

GOLDEN CAMEL PROJECT

The Golden Camel Project in Victoria is comprised of granted Mining Licence MIN5548 which hosts the Golden Camel Resource and Infrastructure Only Mining Licence MIN5570 located on the Mt Camel Range within the Heathcote Greenstone Belt in North-Central Victoria. The project was formerly known as the Cornella gold deposit contained within former MIN4149 (see Fig.2).

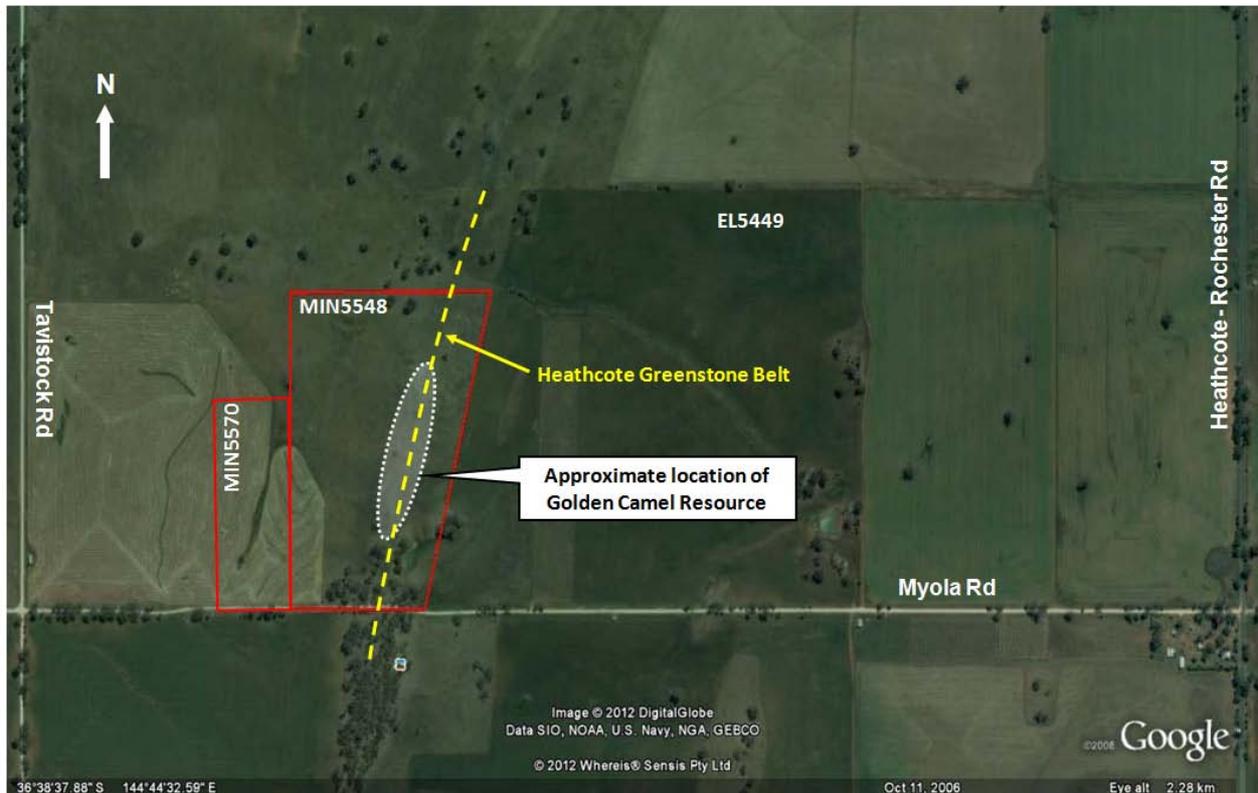


Figure 2 – Location of Golden Camel resource (MIN5548) and adjacent MIN5570 over Heathcote Greenstone Belt

Following a resource update announced on 22 October 2013, the Golden Camel Project now hosts a Measured, Indicated & Inferred JORC Resource of 266,000t @ 1.7g/t Au (14,600oz) which forms the basis on which the Company will continue to investigate commercialisation options. A summary of the Golden Camel Measured, Indicated & Inferred Resource is provided in Table 1 below. Additional technical information in regards to the resource estimation is contained within the ZMC Golden Camel Resource Statement (Oct 2013) provided in Appendix 1 of the "Golden Camel Resource Update" (ASX 22 Oct 2013). The Company is now confident it has a robust resource estimate with more than 28% classified in the highest JORC category of Measured; this along with the Indicated Resource amounts to more than 88% of the Resource being available for economic evaluation.

Lower Cut-off Grade (g/t Au)	MEASURED			INDICATED			INFERRED			TOTAL		
	Tonnes (t)	Grade (g/t Au)	Gold (oz)	Tonnes (t)	Grade (g/t Au)	Gold (oz)	Tonnes (t)	Grade (g/t Au)	Gold (oz)	Tonnes (t)	Grade (g/t Au)	Gold (oz)
0.5	94,000	1.5	4,600	271,000	1.3	11,500	43,000	1.4	2,000	408,000	1.4	18,100
0.6	93,000	1.5	4,600	254,000	1.4	11,200	39,000	1.5	1,900	386,000	1.4	17,700
0.7	90,000	1.6	4,500	228,000	1.5	10,700	37,000	1.6	1,900	355,000	1.5	17,000
0.8	87,000	1.6	4,400	201,000	1.6	10,000	35,000	1.6	1,800	323,000	1.6	16,300
0.9	82,000	1.6	4,300	175,000	1.7	9,300	33,000	1.7	1,800	289,000	1.7	15,300
1.0	79,000	1.7	4,200	156,000	1.7	8,800	31,000	1.7	1,700	266,000	1.7	14,600
1.1	74,000	1.7	4,000	141,000	1.8	8,300	28,000	1.8	1,600	242,000	1.8	13,800
1.2	65,000	1.8	3,700	124,000	1.9	7,600	26,000	1.8	1,500	215,000	1.9	12,800
1.3	58,000	1.8	3,400	108,000	2.0	7,000	22,000	1.9	1,300	188,000	1.9	11,700
1.4	51,000	1.9	3,100	93,000	2.1	6,300	19,000	2.0	1,200	163,000	2.0	10,700
1.5	42,000	2.0	2,700	78,000	2.2	5,600	18,000	2.0	1,200	138,000	2.1	9,500

Table 1 – Details of the updated Golden Camel Measured, Indicated & Inferred Mineral Resource at varying cut-off grades

Work on the project was scaled back during the December quarter in response to a period of softening gold prices which resulted in weaker anticipated toll treatment production margins. The company is waiting on the final metallurgical test work results which will allow optimal toll treatment options to be evaluated. The metallurgical process flow sheet has been refined in consultation with ALS Burnie to optimise recovery outcomes for a variety of extraction processes with the intention of exploiting existing non-specific plants currently available in Victoria. Additional metallurgical test work was approved in the December quarter to compliment and complete assessment requirements. Final results are expected in early 2014 and will be used to evaluate and assess the progress of previously proposed open cut development under a toll treatment scenario. As previously noted, the metallurgical test work is critical to determine and understand the suitability of the Golden Camel mineralisation for potential processing through a non-specific plant under a toll treatment or ore purchase agreement.

Preliminary consultation was commenced with a view to compiling sufficient data to undertake Net Acid Production Potential (NAPP), Sulphide Sulphur and Net Acid Generation (NAG) tests on waste rock produced during the proposed open cut mining process. Pit optimisations previously prepared by Crystal Sun Consulting estimated waste rock volumes for a variety of pit shells under varying AUD gold price scenarios (see Fig.3). This data will be used in conjunction with retained sample pulps from the 2013 diamond drilling program to design an appropriate testing procedure to be designed to identify acid production/potential in mined waste rock to determine waste dump design criteria.

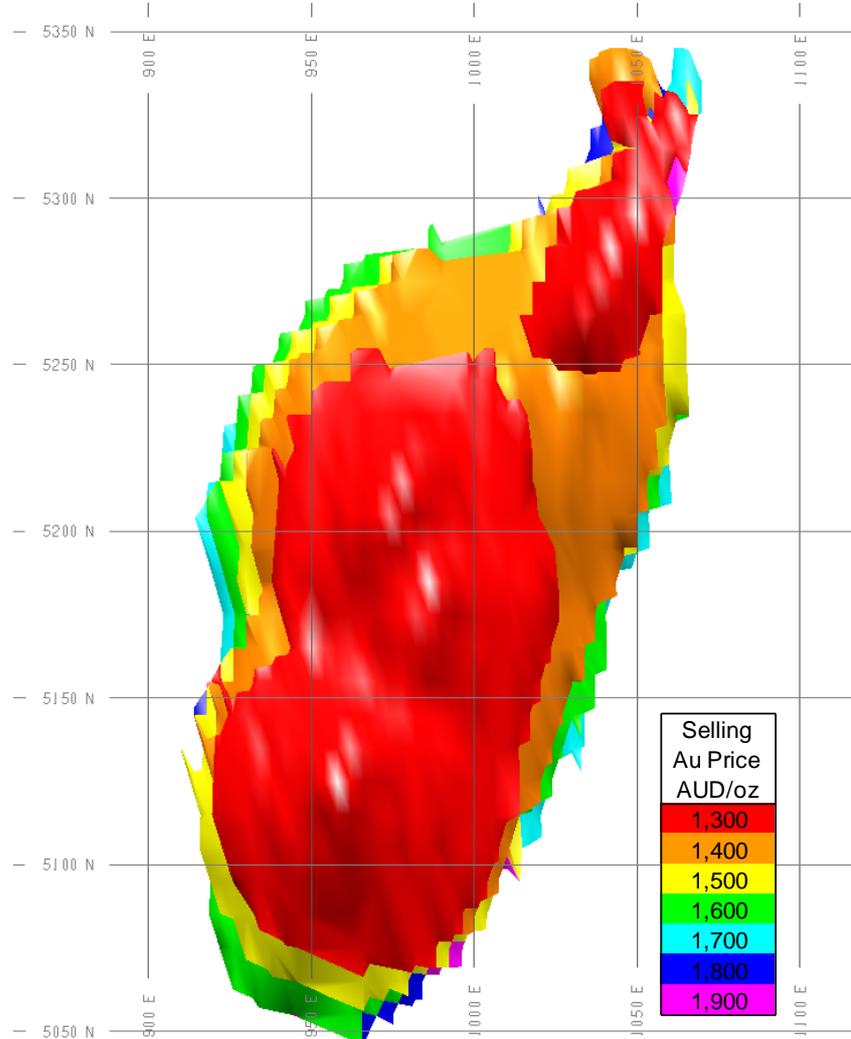


Fig.3 - Preliminary pit optimisation shells for A\$1300-A\$1900/oz gold price scenarios using maiden resource estimate over historical mine grid.

As previously reported, the company hopes to utilise the final metallurgical test work results to assess the viability of the project under varying gold price sensitivities and toll treatment scenarios. If successful, final pit optimisation, mine design and scheduling and cash flow analysis will be completed to allow an informed review and assessment to be undertaken on whether a decision to mine is warranted.

DROMEDARY PROJECT

The Dromedary Gold Project is now comprised of two granted exploration licences in Victoria that include EL5449 covering 47 graticules and EL5490 covering 173 graticules that was granted to Iron Mountain Mining Ltd on 6 December 2013 for a period of 5 years (see Fig 4).

EL5449 was formerly held by Fosterville Gold Mine Pty Ltd as EL3484 where they identified 4 advanced prospects and 10 geophysical targets (see Fig.7). The former EL3484 was subject to a 1997 CRA Exploration Pty Ltd (Rio) royalty of 2.5% of gross sale revenue which was extinguished on the surrender of EL3484 in 2012. The company's Golden Camel Project (MIN5548) is centrally located within EL5449 (see Fig 4).

The Dromedary Project now covers in excess of 25km of strike of the Heathcote Greenstone Belt. The Cambrian Heathcote Greenstone Belt including the Mt Camel Ranges has been subjected to an ongoing campaign of exploration for gold and base metals for the past four decades by companies including Freeport, WMC, CRAE and Savage Resources. The company applied for EL5490 to cover extensions of the Heathcote Greenstone Belt to the north and south of its central Golden Camel Project within EL5449 and to secure clear tenure of historical prospects located on the eastern boundary of EL5449. Review and assessment of the extensive historical exploration database continued during the quarter with the inclusion of the additional project area from EL5490. EL5449 contains numerous historical mines and prospects as well as the Mt Camel Copper Show where native copper, cuprite and copper carbonates were exposed in costeans in 1906. Numerous gossans have also been identified at Mt Camel, Mt Ida and near Cornella. Aeromagnetic survey data collected over EL5449 by the former licence holders is being assessed for possible re-processing by a consulting geophysicist with a view to confirming/rejecting previously identified prospects as well as generating new targets.

The additional tenure area covered by EL5490 contains previously identified prospects including Dowds, Silver Spoon and Glen Garry. Dowds prospect is located on the Mt William Fault and is prospective for silver, gold lead and nickel with historic shallow drilling returning strongly anomalous results from the oxide zone. The Silver Spoon prospect is located 15km to the south of Dowds on the Mt William Fault near Mt Camel and is reported to host silver-lead-gold mineralisation including a copper soil anomaly along the Mt William Fault line between Dowds and Silver Spoon. The historic Glen Garry Mine is reported as being a shallow high grade gold reef. All historic prospects and results need to be researched and verified prior to planning and undertaking suitable exploration and evaluation programs.

HMS PROJECT

The HMS Project is comprised of 4 granted exploration licences covering over 400km² over 5 known WIM-style 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.

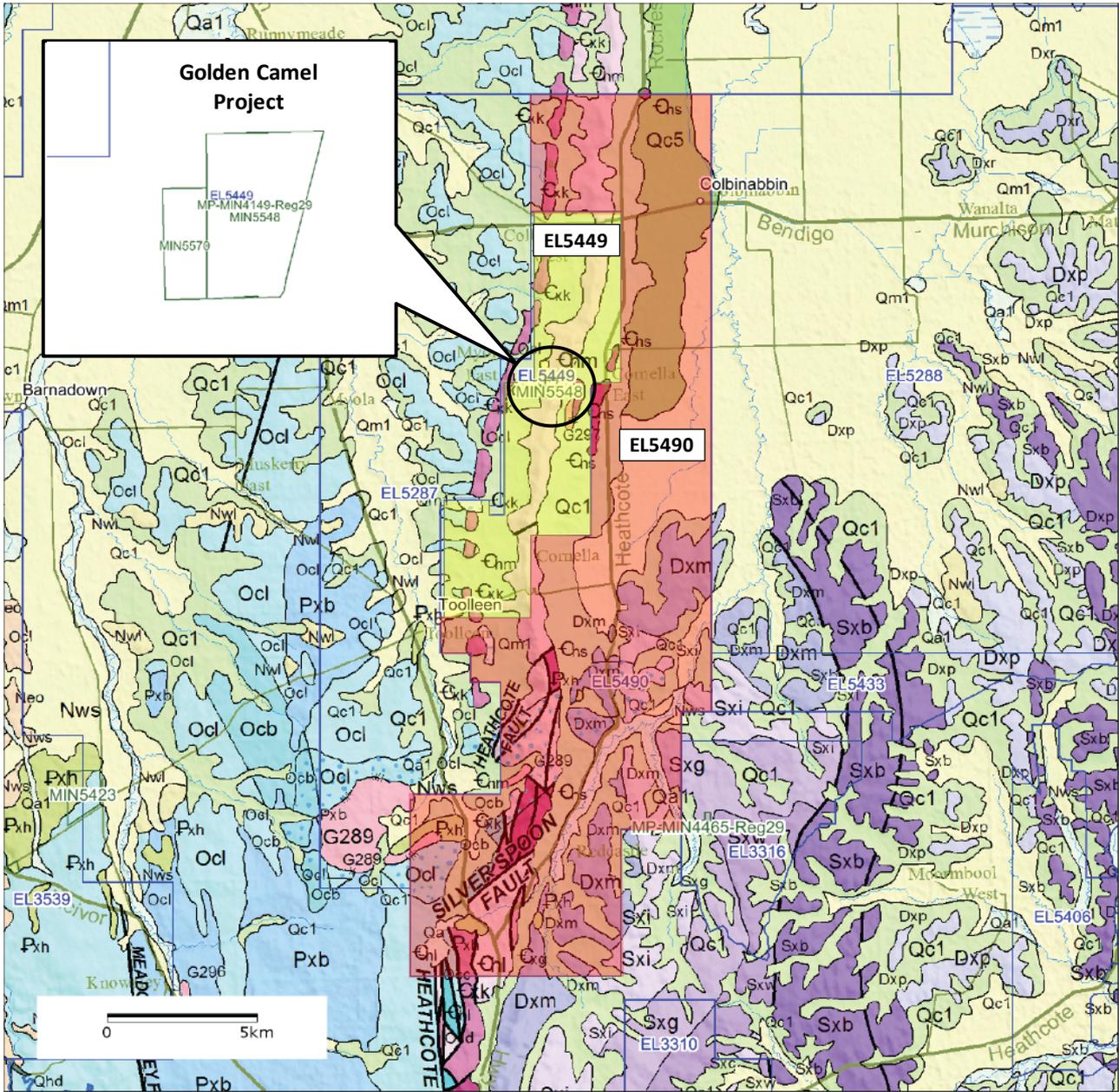


Figure 4 – Exploration licences 5449 and 5490 over geology showing location of Golden Camel Project and coverage of prospective greenstone belt

During the December 2013 quarter, preparation continued in readiness for the approved 2000m aircore road verge drilling program targeting potential strandline sequences within EL5303 (see Fig.5). Search for an exploration and storage base in Horsham identified several potential sites which are being assessed for suitability. The company also commenced discussions with an experienced heavy mineral sand explorer in lieu of procuring a suitably qualified contract geologist and drilling contractor to undertake the drilling. The company is seeking to assess interest in a possible joint venture or collaboration on the proposed drilling program and subsequent regional exploration with a view to leveraging experience to optimise the execution of the drilling program and results. The requirement to undertake depositional sequence and grain size analysis on a hole by hole basis during drilling means it would be extremely advantageous if managed by an operator with industry and local experience.

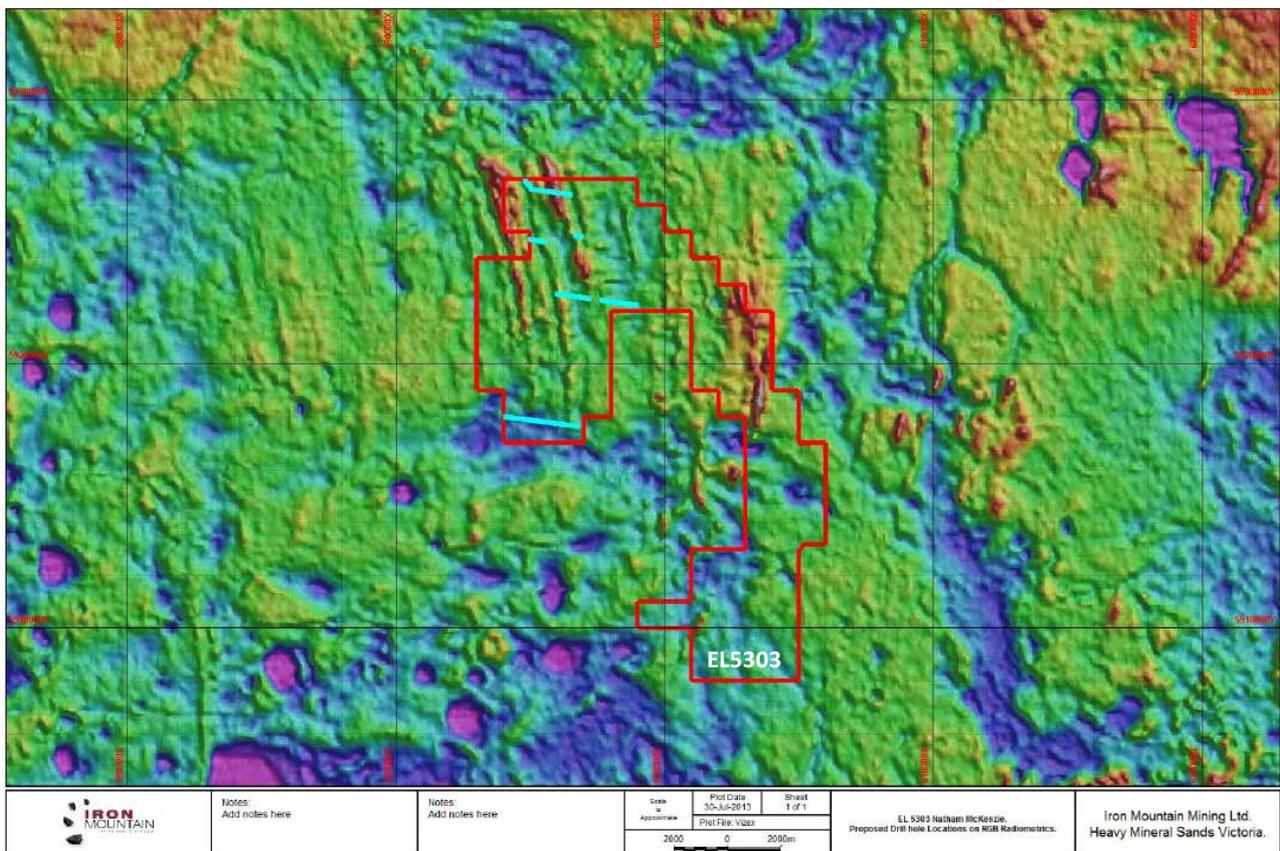


Figure 5 – EL5303 (Natham) over radiometrics with location of proposed AC drill lines (light blue)

PITHARA PROJECT

The Pithara Gold Project is comprised of a single granted exploration licence (E70/3948) that covers 55km² and is located approximately 15km southeast of Dalwallinu in Western Australia (see Fig.9). The company's interest in E70/3948 stems from the internally excised M70/1279 which hosted a small high grade gold deposit that that was mined during 2010-2011 (see Fig.6).

Independence Group NL (ASX: IGO) were responsible for the initial discovery in 2003 by roadside lag/soil sampling. Eventual aircore drilling by IGO identified coarse gold mineralisation from within a glassy, laminated quartz vein adjacent to an amphibolite contact. The project was subsequently sold to McVerde Minerals Pty Ltd in mid-2008 who eventually mined the small high grade deposit by open cut methods during 2010-2011.

The company believes that the mineralised corridor identified by historical exploration continues into E70/3948 with drilling targets likely to be defined by localised geochemical auger sampling programs and geophysical surveys. Re-processing of the ground magnetic survey undertaken by IGO in 2007 has been identified as a priority to hopefully establish a relationship with the previously mined deposit within M70/1279 as well as refine and prioritise targets ahead of the proposed geochem sampling program.



Figure 6 – Historically defined mineralised corridor interpreted as extending into Pithara E70/3948

MIAREE PROJECT

The Miaree Project is comprised of exploration licenses E08/1350, E47/1309 & E47/1707 (approximately 150km²) that contain the 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 Mining Ltd and Red River Resources Ltd. The company had previously company satisfied Stage 2 expenditure requirements (49%) and then opted to continue under the non-contributory dilution provisions in the joint venture agreement. As at 31 December 2013, Iron Mountain's equity in the Miaree Project was 60.25%.

MIAREE MAGNETITE PROJECT

As previously reported, the Miaree Magnetite Project contains an independently estimated JORC Inferred Resource of 286Mt of magnetite at an overall grade of 31.36% Fe (see Table 2).

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

The Miaree magnetite resource is strategically located within the neighbouring 1.1Bt Maitland River Project (ASX: IOH, 4 June 2012) which has undergone a Concept Study that concluded the Maitland Project had the potential to sustain 10Mtpa magnetite mine for a period of up to 20 years (ASX: IOH, 14 Dec 2012). Given the specialist capabilities required to evaluate the development potential of magnetite deposits in Australia, the company continues to seek a strategic partner or buyer with a view to a potential joint venture or outright sale of the project as a way of realising value from this key asset.

MIAREE GOLD PROJECT

The Miaree Gold Project is contained primarily 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. No work was undertaken on the Miaree Gold Project during the December 2013 quarter.

WANDOO PROJECT

The Wandoo Project tenements were sold to Alpha Bauxite Pty Ltd in 2012 for 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. Total Inferred Resources of bauxite at Wandoo at the time of the sale was 89.3Mt @ 41.75% Al₂O₃.

No update was received on the progress at Wandoo for the December 2013 quarter. Future updates on the status of the Wandoo Project will be announced as provided by Alpha Bauxite Pty Ltd.

BLYTHE PROJECT

Forward Mining Ltd acquired the Blythe Iron Ore Project in Tasmania from Iron Mountain Mining Ltd and Red River Resources Ltd in 2012. The project is currently being evaluated as a proposed open cut DSO operation. 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

During the December 2013 quarter, no updates were received. Future updates on the status of the Blythe Project will be announced as provided by Forward Mining Ltd.

TREASURE

The Treasure Project is comprised of EL25346 covering 101km² located approximately 130km northeast of Alice Springs in the Northern Territory. The Treasure Project hosts the Baldrick Prospect which has the potential to host Ni-Cu sulphide mineralisation.

The project is currently being managed by MMG Exploration Pty Ltd "MMG" under an Option and Joint Venture Agreement announced on 17 September 2013 whereby MMG can acquire up to 90% by sole funding A\$3,000,000 of expenditure after which Iron Mountain Mining Ltd can elect to contribute to further exploration in proportion to its participating interest or revert its stake in the project to a 1.5% net smelter return royalty. MMG is required to undertake A\$1,000,000 of expenditure in the first three years (Stage 1) and a further \$A1,000,000 in the following two years (Stage 2) to earn 80%. Following satisfactory execution of Stage 2, MMG can undertake a further A\$1,000,000 of expenditure (Stage 3) to lift its equity in EL25346 to 90%.

During the December quarter, MMG Exploration Pty Ltd completed a high resolution aeromagnetic survey over EL25346. The survey comprised 1,740 line kms at 50m spacing and at average height of 35m above surface. The final dataset has been received and is currently being processed and interpreted.

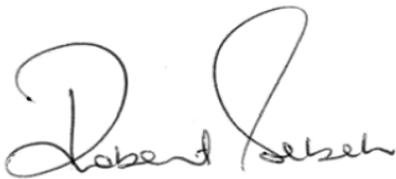
MOUNT RICHARDSON PROJECT

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 December 2013 quarter. Future updates on the status of the Mt Richardson Project will be announced as provided by Cliffs.

CORPORATE

On 19 December 2013, the company released a Notice of General Meeting to be held on 15 January 2014 for shareholders to vote on a proposed Equal Capital Reduction. Subject to shareholder approval, the company proposed to return approximately \$1,359,337 to shareholders under a Capital Return equivalent to \$0.01 per share for all 135,933,713 shares on issue. At the General Meeting of Iron Mountain Mining Ltd on 15 January 2014, the resolution for the Equal Capital Reduction was approved by shareholders.



ROBERT SEBEK
Managing Director

31 January 2014

GOLDEN CAMEL PROJECT

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Robert Sebek BAppSc(Geol), BSc(Hons), MBA, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Sebek is a full-time employee of the company. Mr Sebek 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 Sebek consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

PITHARA, DROMEDARY, HMS, TREASURE, MIAREE, MT RICHARDSON, BLYTHE & WANDOO PROJECTS

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