

16 November 2010

ASX Release

## **44.2Mt INFERRED BAUXITE RESOURCE INCREASE AT CENTRAL BINDOON REGION WITHIN WANDOO BAUXITE PROJECT**

### **HIGHLIGHTS**

- **Additional Inferred Resource of 44.2Mt at 42.9% Total Al<sub>2</sub>O<sub>3</sub>, 30.4% Available Al<sub>2</sub>O<sub>3</sub> and 3.1% Soluble SiO<sub>2</sub> predominantly within E70/2692 in the Central Bindoon region within the Wandoo Bauxite Project**
- **This is in addition to the previously announced Maiden Inferred Resource of 17.5Mt at 38.2% Total Al<sub>2</sub>O<sub>3</sub>, 31.6% Available Al<sub>2</sub>O<sub>3</sub> and 3.1% Soluble SiO<sub>2</sub> within E70/2692 announced on 16 March 2010**
- **Current Global Inferred Resources of bauxite at Wandoo are now in excess of 61Mt**
- **Resource estimation on data accumulated from the maiden drilling program within E70/2693 is underway**
- **Specifications for bulk sampling and metallurgical test work have been finalised and Independent Metallurgical Operations Pty Ltd (IMO) appointed to undertake the analysis**

Iron Mountain Mining Ltd ("Iron Mountain", ASX: IRM) is pleased to announce an additional Inferred Bauxite Resource of 44.2Mt at 42.9% Total Al<sub>2</sub>O<sub>3</sub>, 30.4% Available Al<sub>2</sub>O<sub>3</sub> and 3.1% Soluble SiO<sub>2</sub> (Table 1) predominantly within E70/2692 in the Central Bindoon region within the Wandoo Bauxite Project, north of Perth in Western Australia.

The Iron Mountain Wandoo Bauxite Project is currently comprised of 13 exploration licences (12 granted and 1 pending) covering over 950km<sup>2</sup> from Chittering to north of New Norcia. The additional Inferred Bauxite Resource has been delineated from remaining zones of historically drilled from Area 8 (8.1, 8.2, 8.4 & 8.5) predominantly within E70/2692 but also covering tenements E70/2444, E70/2943 & E70/3147 and is in addition to the Maiden Inferred Bauxite Resource announced by the company on 16 March 2010 that was based on historically drilled areas 8.3 & 8.6 and was totally contained within E70/2692 (see Fig.1).

The resource estimation work for the remaining zones within historical Area 8 at Central Bindoon was conducted by Hackman & Associates Pty Ltd who have been retained by the company to prioritise and systematically work through the validated database of historical drilling relevant to the Wandoo Project portfolio of tenements. Area 8 was identified as a priority to complete following the estimation of the Maiden Inferred Resource on 16 March 2010.

Global Inferred Resources of bauxite within the Wandoo Project now exceeds 61Mt with further upgrades to come from the company's maiden drilling program and ongoing evaluation of the historical database.

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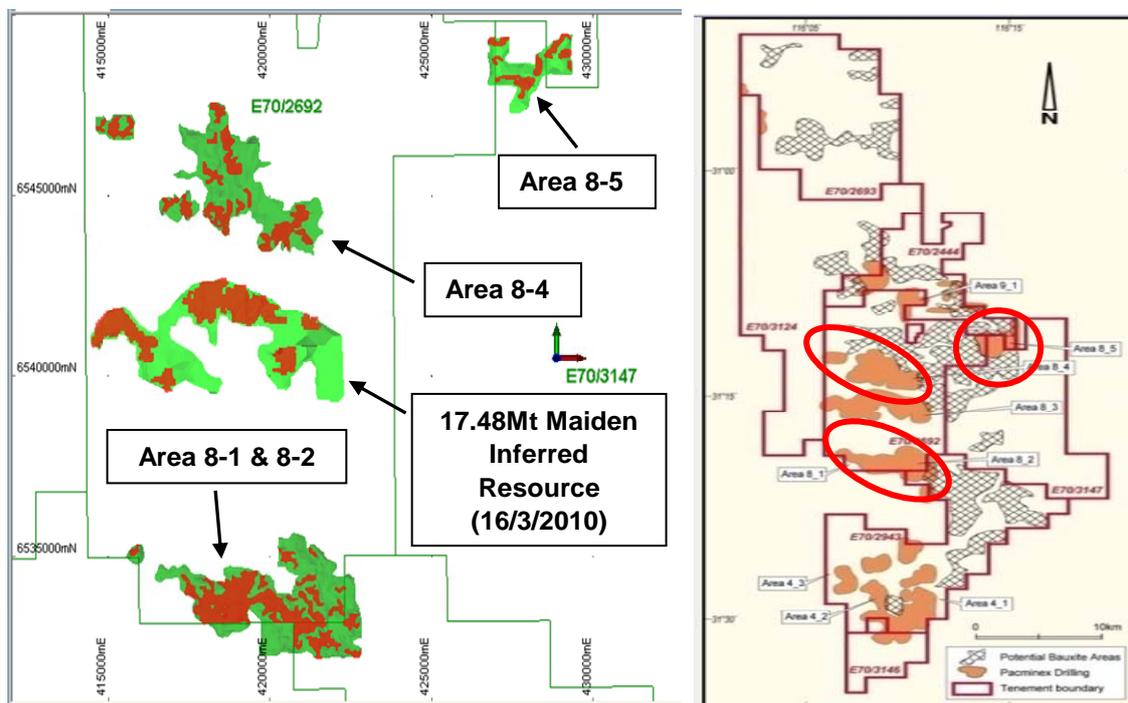


Figure 1 – Location of historical Area 8 data used to estimate resource upgrade including position of the Maiden Inferred Resource within E70/2692

### Additional Inferred Resource

A summary of the additional Inferred Resource by area is provided in Table 1 below. Additional information in regards to the resource estimation is provided in [Appendix 1](#).

Area	Tenements	Tonnes (MT)	Total Al <sub>2</sub> O <sub>3</sub>	Available Al <sub>2</sub> O <sub>3</sub>	Soluble SiO <sub>2</sub>	LOI
8_1 & 8_2	E70/2692 & E70/2943	25.6	43.04%	30.43%	2.72%	19.64%
8_4	E70/2692	13.1	43.60%	31.17%	4.15%	20.63%
8_5	E70/3147, E70/2692 & E70/2444	5.5	41.12%	28.73%	2.47%	19.11%
<b>ADDITIONAL INFERRED RESOURCE</b>		<b>44.2</b>	<b>42.97%</b>	<b>30.44%</b>	<b>3.11%</b>	<b>19.87%</b>

Table 1 – Details of the additional Inferred Resource at 26% Available Al<sub>2</sub>O<sub>3</sub> cut-off

The additional Inferred Resource estimation was based on the remaining 4 zones of historical Area 8 drilling that was drilled by Pacminex Pty Ltd in the late 60's – early 70's. The focus will now return to historical Area 19 which is part of a greater area drilled in June 2010 as part of the company's 287 hole maiden AC drilling program at Wandoo (see Fig.2). A resource estimate for this area is expected to be completed in the December 2010 quarter.

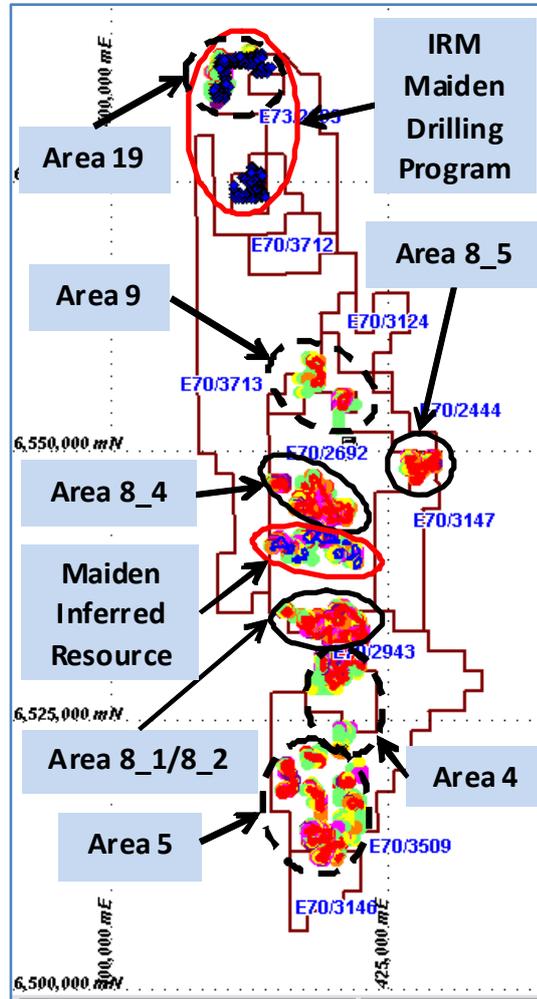


Figure 2 – Recent and historical drilling locations at Wandoo. (Note – Maiden drilling program collar locations are pre-Resource and not colour coded to depict Total Al<sub>2</sub>O<sub>3</sub> grade variance).

In conjunction with Hackman & Associates Pty Ltd, the historical drilling databases for remaining Areas 4, 5 & 9 will be evaluated and prioritised according to their amenability to successfully undergo resource estimation analysis. The timing of this review coincides favourably with the current status of land. The majority of the northern Wandoo Project tenement area is presently under crop with harvesting expected to commence in December and continue through January 2011. Drilling at Wandoo is expected to resume in the March 2011 quarter following the completion of harvesting in the area.

## Metallurgical Sampling & Test Work

Iron Mountain has recently appointed Independent Metallurgical Operations Pty Ltd (“IMO”) to undertake preliminary metallurgical test work on the Wandoo bauxite ores. Under the proposed work brief, IMO will aim to determine:

- the amount and type of bauxite present in the samples
- whether simple beneficiation techniques can upgrade the samples
- the possible upgrade for each ore type

The proposal is for a 300kg composite bulk sample to be collected from different ore types identified from recent drilling and be subjected to a variety of analytical techniques to formally determine the key characteristics and behavioural controls of the Wandoo bauxite ores. The results will allow the company to refine exploration target prioritisation in the future and provide the details for advanced discussions with potential off-take partners to take place. The sampling program has been scheduled for November 2010 with results expected by late 2010 – early 2011.



ROBERT SEBEK  
Managing Director

16 November 2010

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*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 Limited and consents to the inclusion in the report of the matters based on information in the form and context which it appears.*

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## WANDOO BAUXITE PROJECT HISTORY

Pacminex Pty Ltd explored for and identified substantial bauxite deposits from 1968-1971 within their Chittering Alumina Project in the Darling Ranges northeast of Perth. Pacminex drilled in excess of 10,000 holes before withdrawing from the project around 1975 due to depressed global aluminium markets at the time. During their time in the Darling Ranges, Pacminex Pty Ltd carried out numerous resource estimations within areas drilled out on 300yd x 300yd, 200yd x 200yd & 100 x 100yd drill spacing but all estimations pre-date the JORC code (2004) for the reporting of Mineral Resources and Ore Reserves and so do not comply with current ASX reporting standards.

More recently, Aluminex Resources Ltd (“Aluminex”) included a portfolio of Darling Range tenements as the key asset in their IPO that listed on 30 September 2008 before being suspended on 13 October 2008 and removed from the official list of the ASX on 31 July 2009.

In their June 2008 prospectus, Aluminex reported a total Indicated & Inferred Resource of 50.29Mt @ 43.72% Total  $Al_2O_3$  with 3.20% Reactive Silica within their Wandoo Project tenements. Iron Mountain has so far been unable to substantiate these figures. Iron Mountain recognised the development potential of the historically identified bauxite deposits at Wandoo and announced an off-market takeover bid for Aluminex on 6 August 2009 that was finalised in late-December 2009.

Following the announcement of moving to compulsory acquisition in November 2009, Iron Mountain set about the task of reviewing and validating the substantial Pacminex open file exploration and drilling data base with a view to possibly generating resource estimates according to JORC guidelines from suitable drilling and assay data. A selected area comprising of approximately 600 holes drilled by Pacminex was assigned to independent consultants Hackman & Associates Pty Ltd as an initial exercise to confirm the validity of using the available historical data set for the resource estimation according to JORC guidelines. The resultant Maiden High Grade and Total Inferred Bauxite Resource announced on 16 March 2010 confirmed the quality and upside of the project.

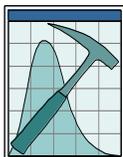
Validation of the substantial Pacminex historical drilling and exploration database relevant to the Iron Mountain Wandoo Project tenements was completed during the June quarter of 2010 and coincided with the completion of a maiden 287 air core drilling program within E70/2693. Evaluation of drilling results and validated historical data with a view to resource estimation is ongoing.

Iron Mountain believes the Wandoo Bauxite Project has the potential to host an economic bauxite resource of sufficient size and quality to support a small to medium scale DSO operation supplying bauxite for seaborne export to established alumina refineries in China and the Middle East. The primary reasons why the Darling Range plateau bauxites are amenable to DSO export is their high grade, their gibbsitic nature and their low reactive silica content (<5%). Premium Darling Range gibbsitic bauxite is preferred by alumina refineries because it can be processed in a conventional Bayer Refinery at low temperatures, low pressures and with low caustic soda consumption which translates to significantly lower processing costs.

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## Appendix 1:

### Area 8-1, 8-2, 8-4 and 8-5 at Central Bindoon region, Wandoo Bauxite Project Bauxite Resource Statement October 2010

#### Introduction

The Bindoon October 2010 Resource Statement deals with the Bauxite Resources for Areas 8-1, 8-2, 8-4 and 8-5 in the Central Bindoon region, which is located within the Wandoo Bauxite Project along the Darling Range north of Perth, Western Australia (figure 1). The Areas 8-1, 8-2, 8-4 and 8-5 in the Central Bindoon region is located within tenement held 100% by Iron Mountain Mining Limited under Exploration Licenses 70/2692, 70/2943, 70/3147 and 70/2444.

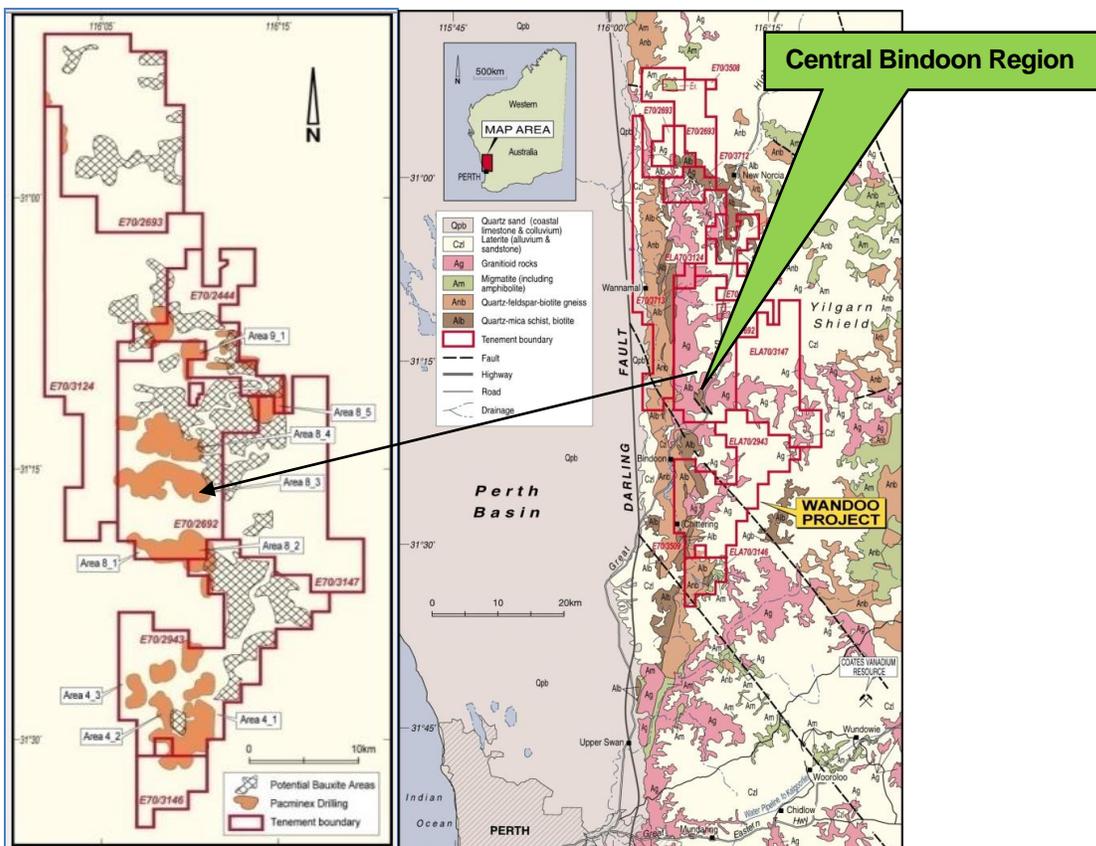


Figure 1 : Location map – Area 8-1, 8-2, 8-4 and 8-5 at Central Bindoon region within Wandoo Bauxite Project

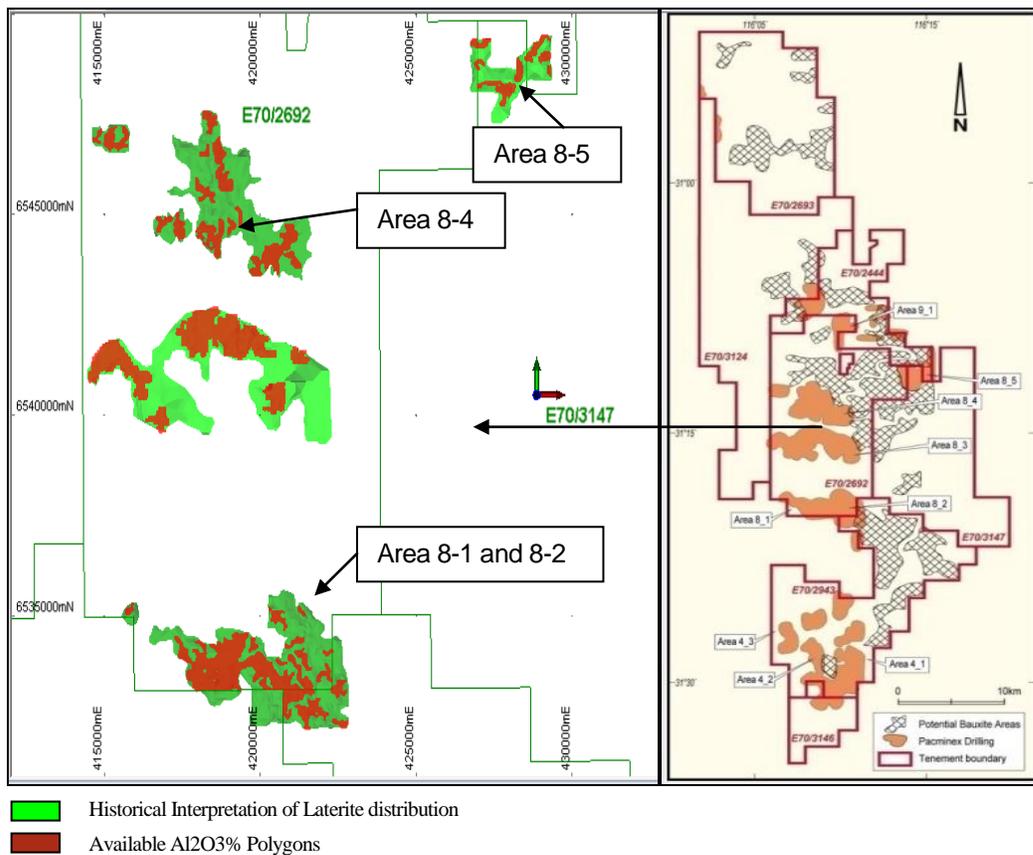
The resource model is based on historical data compiled in February – April 2010. All drilling data from hardcopy historical Pacminex’s report were scanned and manually converted into a format suitable for resource estimation work.

Historical drilling data includes:

- Drill hole locations : drill hole locations were in local grids and converted into MGA94
- Geological Logs : logging of Over Burden, and the thickness of Laterite profile
- Assay Data : samples were assayed for Total Al<sub>2</sub>O<sub>3</sub> (%), Soluble SiO<sub>2</sub> (%) and Loss on Ignition (%)
  - Limited assay data quality control activities were conducted during the drilling programmes and the information is of little value in assessing data reliability for use in classifying resource estimates under the JORC Code (2004 Edition).

The data analysis, TIN modeling, block modeling and grade interpolation was undertaken by Leonora Hackman of Hackman and Associates Pty. Ltd.

The geological interpretation was based on 1203 (Area 8-1 and 8-2), 867 (Area 8-4) and 208 (Area 8-5) Edson Vacuum drill holes (14611m in total) containing 3878 (in total) logged and assayed samples on approximately 0.6m intervals (historical sampling conducted using empirical two feet intervals). The geological model extends 7.2km (Area 8-1 and 8-2), 5.1km (Area 8-4) and 2.6km (Area 8-5) along the most developed laterite mineralisation where the bauxite thickness ranges from 1.22 to 11.5meters (figure 2).



**Figure 2 : Laterite mineralization in Area 8-1, 8-2, 8-4 and 8-5 at Central Bindoon region within Wandoo Bauxite Project**

Sample data within each hole was composited to a single laterite seam with a minimum thickness of 1.22m and flagged by the interpreted domains. ID2 was used to interpolate grades within the interpreted domains.

## Results

The resource is reported between 415000mE and 430000mE, 6530000mN and 6550000mN and above -230mRL (full bauxite vertical extent). Table 1 details the Area 8-1, 8-2, 8-4 and 8-5, Central Bindoon region as estimated in the model.

**Table 1 : Area 8-1, 8-2, 8-4 and 8-5 Central Bindoon region, Bauxite Mineral Resources, October 2010 - (reporting Lower Cut of Available Al<sub>2</sub>O<sub>3</sub>=26%)**

Mineral Category (2004)	Resource (JORC)	Area	Tonnes (Mt)	Total Al <sub>2</sub> O <sub>3</sub> %	Sol. SiO <sub>2</sub> %	LOI (%)	Available Alumina (%) *
Inferred		8-1/8-2	25.6	43.04	2.72	19.64	30.43
		8-4	13.1	43.60	4.15	20.63	31.17
		8-5	5.5	41.12	2.47	19.11	28.73
		<b>Total</b>	<b>44.2</b>	<b>42.97</b>	<b>3.11</b>	<b>19.87</b>	<b>30.44</b>

*Table 1 shows rounded estimates. This rounding may cause apparent computational discrepancies. Significant figures do not imply precision.*

*“Available alumina was defined by Pacminex after conducted several digestions test as:*

$$\text{Available Al}_2\text{O}_3 = \text{Total Al}_2\text{O}_3 - \text{Soluble SiO}_2$$

*This is on the assumption that the Al<sub>2</sub>O<sub>3</sub> other than that tied up with kaolin Al<sub>2</sub>O<sub>3</sub> was recoverable by Bayer process. Further investigation showed that, in the Chattering bauxite, not all the “Available Al<sub>2</sub>O<sub>3</sub>” is present as Gibbsite (and therefore readily extracted by the Bayer method). Discrepancies up to 17.4% (averaging 8.5%) between Av. Al<sub>2</sub>O<sub>3</sub> and Extractable Al<sub>2</sub>O<sub>3</sub> were found in 39 digestion tests carried out in plant conditions. Also, it became evident that Loss on Ignition value is a better indicator of Extractable Al<sub>2</sub>O<sub>3</sub> than is Available Al<sub>2</sub>O<sub>3</sub>.*

*Based on the extraction tests results, a multiple regression was calculated by Pacminex, and a correlation between Extractable Al<sub>2</sub>O<sub>3</sub>, Loss on Ignition, Total Al<sub>2</sub>O<sub>3</sub> and Soluble SiO<sub>2</sub> was found to exist as follows :*

$$\text{Extr. Al}_2\text{O}_3 = 1.31619 \text{ LOI} + 0.59895 \text{ Total Al}_2\text{O}_3 - 0.62073 \text{ Sol. SiO}_2 - 19.51642$$

*(quoted in “Progress Report on Investigation in Chattering Area” by B. Campana, S. Cocquio, April 1969)”*

In this report Available Alumina used is Extractable Al<sub>2</sub>O<sub>3</sub> (1.31619 LOI +0.59895 Total Al<sub>2</sub>O<sub>3</sub> – 0.62073 Sol.SiO<sub>2</sub> – 19.51642). Following the 2010 drilling results at northern area of Wandoo project where the Available Al<sub>2</sub>O<sub>3</sub> results analysed utilizing Hydroxide Leach at 143°C suggested that the regression of Extractable Al<sub>2</sub>O<sub>3</sub> (by Pacminex) is an acceptable estimate for Available Al<sub>2</sub>O<sub>3</sub>.

## Compliance with the JORC code assessment criteria

This mineral resource statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

Leonora Hackman is a member of the Australian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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, 2004 Edition).

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**Key points relating to the Area 8-1, 8-2, 8-4 and 8-5 Central Bindoon region, 2010 Resource Estimate:**

1. The resource estimate is reliant on the quality of the historical drilling data, drilled by Pacminex during 1968 – 1970 periods.
2. The resource estimate covers bauxite mineralisation centred on 419700mE and 6533800mN (within Area 8-1 and 8-2), 418700mE and 6545700mN (within Area 8-4) and 428000mE and 6548100mN (within Area 8-5).
3. The estimation is delineated by a total of 2278 edson Vacuum drill holes drilled on 91.44m by 91.44m spaces. There are no twin drill holes in the deposits.
4. Sampling of mineralisation is at approximately 0.6m intervals. For resource estimation, the drillhole sample grades were composited to create a single composite for each hole that encompassed the maximum thickness of the bauxite seam (minimum of 1.22m).
5. There is very limited assay quality data available for the Pacminex drilling programmes.
6. Available Alumina used in this estimate is the Pacminex determined extractable Al<sub>2</sub>O<sub>3</sub> (**1.31619 LOI +0.59895 Total Al<sub>2</sub>O<sub>3</sub> – 0.62073 Sol.SiO<sub>2</sub> – 19.51642**). Following the 2010 drilling results at northern area of Wandoo project where the Available Al<sub>2</sub>O<sub>3</sub> results analysed utilizing Hydroxide Leach at 143°C suggested that the regression of Extractable Al<sub>2</sub>O<sub>3</sub> (by Pacminex) is an acceptable estimate for Available Al<sub>2</sub>O<sub>3</sub>.
7. Available Al<sub>2</sub>O<sub>3</sub> is estimated by ID2 interpolation method. Interpolation is guided and constrained by solid TIN laterite boundaries. 1037 composites are located within the interpreted bauxite domains. A block size of 25 x 25 m and search radius of 125 m were applied during grade interpolation. A tonnage factor of 2.00g/cc was applied based on historical records.
8. The estimate is assigned an Inferred Resource classification under the guidelines outlined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004 Edition). The reliability of the historical drilling data, adopted tonnage factor and confidence in geological continuity are the key risk inputs in determining the resource classification