IRON MOUNTAIN
mining limited

ACN 112 914 459

9 March 2011 ASX Release

METALLURGICAL STUDY REPORT
WANDOO BAUXITE PROJECT

HIGHLIGHTS

- **Analysis of bulk sample composites from Wandoo Project bauxites from within the New Norcia Inferred Resource (ASX 16 Mar 2010) confirmed as having significant Gibbsite (alumina trihydrate) mineralisation with head grades of Total Al_2O_3 up to 53%, Reactive Silica as low 3% and Available Al_2O_3 of up to 40%**
- **New Norcia deposit has DSO potential subject to establishing variability and specifications and is amenable to upgrading by simple wet screening**
- **Wet screening results averaged 49.78% Total Al_2O_3, 38.63% Available Al_2O_3 and 3.53% Reactive Silica with an average Available Alumina to Reactive Silica Ratio (AvAl/RSx) of almost 11 indicating potential for economic treatment**
- **Gravity separation upgrades exceeded those achieved by wet screening however further variability testing is required before any definitive conclusions can be made**
- **Wandoo Project bauxites from the New Norcia deposit contain low levels of Diaspore and Boehmite (alumina monohydrate) which indicate an ability to maintain a low temperature leach which corresponds to a reduction in alumina refinery energy consumption and operating costs.**

Iron Mountain Mining Ltd ("Iron Mountain", ASX: IRM) is pleased to announce it has received the Metallurgical Study Report from Independent Metallurgical Operations Pty Ltd (IMO) based on test work undertaken on bulk samples of bauxite from the New Norcia Inferred Resource area located in E70/2693 within the Wandoo Bauxite Project. Evaluation of results from preliminary test work conducted by Amdel under the supervision of IMO has confirmed that the Wandoo Project bauxites have the potential to support economic extraction and supply to alumina refineries as direct shipping ore (DSO).

During November 2010, bulk samples of approximately 50kg in size were collected from within the North and South deposit of the New Norcia Inferred Bauxite Resource (19.0Mt at 41.7% Total Al_2O_3, 29.8% Available Al_2O_3 and 5.7% Reactive SiO_2 : ASX 16 Dec 2010) within E70/2693 at the Wandoo Bauxite Project. Due to the limited penetration capacity of the available excavator, trenching was not able to access the massive bauxites that occur near the base of the bauxite profile however a significant amount of pisolitic material was still able to be extracted. Of the 19 collected samples, 10 were derived from the northern area of the deposit and 9 from the south (see Fig.1). Seven representative samples were selected by Iron Mountain from the available bulk samples of loose pisolitic material from which 3 composites were created and subjected to the following test work:

- Head assay characterisation
- Wet and Dry screening and assay
- Jig separation and assay

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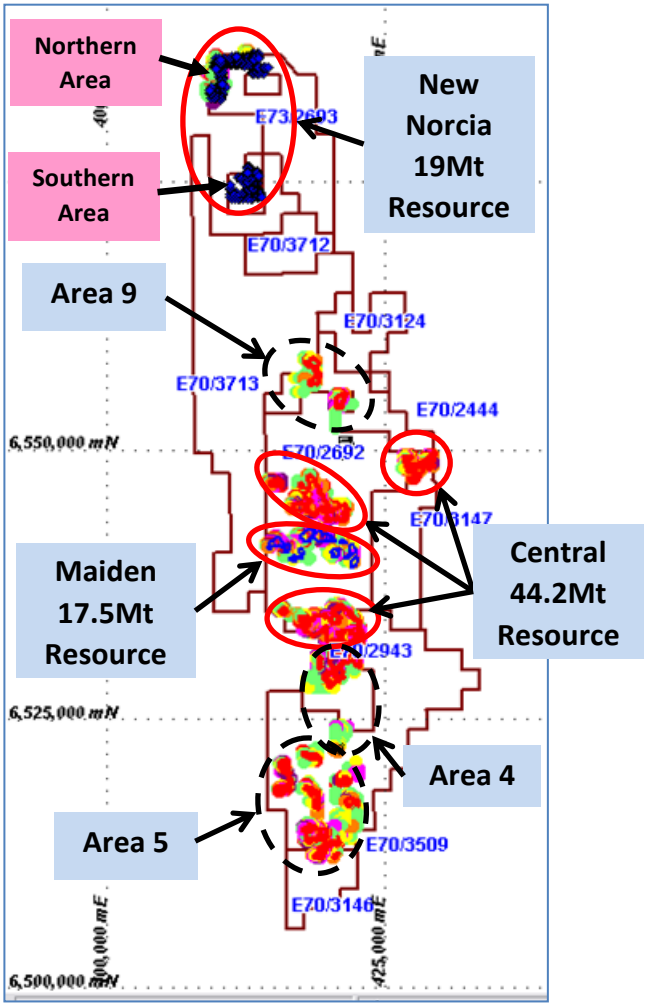

Figure 1 – Bulk sample locations relative to reported Resources and historical drilling areas at Wandoo.

Test work on the New Norcia Resource bauxites confirmed that the dominant aluminium mineralisation present in the sample composites is Gibbsite. Of the principal aluminium hydroxide minerals that include Boehmite and Diaspore, Gibbsite (alumina trihydrate) has the most favourable economics for Bayer process digestion by alumina refineries due to lower required temperatures (135-150^{O} C) compared to that needed for Boehmite and Diaspore (+200^{O} C).

HEAD ASSAY CHARACTERISATION

Composite head assay characterisation results for the 3 composite bauxite samples are very encouraging (see Table 1). The final assay results achieved from XRF analysis show Total Al_2O_3 up to 52.90% (av. 48.53%), Available Al_2O_3 up to 40.20% (av. 36.23%) and Reactive Silica as low as 3.00% (av. 3.67%). Composite head XRF results from bulk samples from within the New Norcia Resource exceeded those originally estimated for the 19Mt New Norcia Inferred Bauxite Resource within E70/2693 (see Table 2).

Composite	Alumina (%)	Available Alumina (%)	Silica (%)	Reactive Silica (%)	Alumina to Silica Ratio	Available Alumina to Reactive Silica Ratio
1	44.50	37.00	9.46	4.20	4.70	8.81
2	52.90	40.20	4.98	3.00	7.58	13.40
3	48.20	31.50	13.40	3.80	3.60	8.29
Average	**48.53**	**36.23**	**9.95**	**3.67**	**4.88**	**9.88**

*Composite head characterisation based purely on direct XRF analysis for head grade determination

Table 1 – Composite head assay characterisation (IMO).

ANALYSIS COMPARISON	Total Al_2O_3	Available Al_2O_3	Reactive SiO_2
COMPOSITE HEAD XRF ANALYSIS	48.53%	36.23%	3.67%
NEW NORCIA INFERRED RESOURCE	41.73%	29.75%	5.70%

Table 2 – Comparison between composite head XRF analysis and New Norcia Inferred Resource estimate.

WET SCREENING

In addition to XRF analysis, dry and wet screening was undertaken to determine whether the Wandoo bauxites were amenable to beneficiation by the removal of silica rich fractions. Particle size analysis identified high silica levels below 1mm with removal of this fraction being best achieved by wet screening (see Table 3). The benefits were consistent across all composites and included:

- Available Alumina recovery of over 88%
- Upgrade to between 49-50% Al_2O_3
- Available Alumina in excess of 38%
- A modest reduction in Reactive Silica to approximately 3.5%
- Available Alumina to Reactive Silica ratio (AvAl/RSx) of almost 11

Composite	Mass Recovery (%)	Alumina (%)	Available Alumina (%)	Silica (%)	Reactive Silica (%)	Alumina to Silica Ratio	Available Alumina to Reactive Silica Ratio
1	74.5	45.58	37.58	7.19	4.20	6.34	8.94
2	87.8	53.68	41.97	5.19	2.80	10.35	14.98
3	86.4	50.08	36.34	8.65	3.58	5.79	10.15
Average	**82.9**	**49.78**	**38.63**	**7.01**	**3.53**	**7.10**	**10.94**

Table 3 – Results from wet screening upgrade +1mm fraction (IMO).

Of significance is the improvement in both the Alumina to Silica ratio and the Available Alumina to Reactive Silica ratio as both are considered critical determinants for alumina refineries and are used as a guide to assess the economic potential of bauxite deposits.

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GRAVITY SEPARATION

Bench scale jig tests were also conducted on -6.3mm/+1mm fraction. Although the results from this test work vary significantly according to the amount of free iron and silica in each composite, the upgrades compare favourably with those achieved by wet screening albeit with a reduced mass recovery (see Table 4). Further testing is required before any definitive conclusions can be made. At the moment, preliminary jig test work appears to be effective in:

- Concentrating the iron
- Removing fine silica
- Upgrading Available Al_2O_3 whilst rejecting non-extractable Al_2O_3

Composite	Mass Recovery (%)[1]	Alumina (%)	Available Alumina (%)	Silica (%)	Reactive Silica (%)	Alumina to Silica Ratio	Available Alumina to Reactive Silica Ratio
1	62.1	48.20	42.82	7.13	4.49	6.76	9.54
2	64.1	53.36	44.34	5.05	2.86	10.56	15.50
3	60.1	50.08	38.11	8.48	3.54	5.92	10.75
Average	**62.1**	**50.55**	**41.76**	**6.89**	**3.63**	**7.34**	**11.50**

[1] *Mass recovery based on Jig +1mm sample.*

Table 4 – Results from gravity separation jig upgrade -6.3mm/+1mm (IMO).

WANDOO BAUXITE

Preliminary metallurgical test work on bauxite from the Wandoo Project is encouraging and confirms the potential for economic extraction and supply to alumina refineries. Total silica levels are concentrated in fractions less than 1mm and respond well to simple wet screening. Reactive Silica levels are typically very low and allow Available Alumina to Reactive Silica ratios of greater than 10 with ratio's of greater than 6.25 regarded as having potential for economic development. Results also indicate that Wandoo bauxite Available Alumina levels are high relative to established Darling Range bauxite producer (see Table 5).

Despite the encouraging nature of the metallurgical study results, there still exists significant scope for further enhancement of alumina grades and the reduction of reactive silica levels within the Wandoo bauxite deposit. Review and assessment of historical drilling undertaken by Pacminex Pty Ltd in conjunction with evaluation of drilling and sampling completed by the company has revealed that the northern most tenements within the Wandoo Project contain higher levels of silica than that present in the south.

Furthermore, alumina grades within the Darling Range bauxites are known to exhibit an almost inversely proportional relationship with total and reactive silica levels. Typically near surface or shallow levels of bauxite tend to contain higher levels of total and reactive silica together with depleted levels of alumina. With depth, the levels of alumina increase while the total and reactive silica is reduced (see Fig.2).

Deposit	Owner	Country	Al_2O_3 %	Reactive SiO_2 %	Available Al_2O_3%	Upgraded
[1]North Darling Range	Bauxite Resources	Australia	43.1	3.2	31.6	
[2]Worsley	BHP Billiton	Australia	NS	2.1	31.1	
[2]MRN	BHP Billiton	Brazil	NS	4.1	50.2	washed
[2]GAC	BHP Billiton	Guinea	NS	1.2	37.7	
[3]Gove	Rio Tinto	Australia	49.7	NS	NS	
[3]Porto Trombetas	Rio Tinto	Brazil	50.0	NS	NS	
[3]Sangaredi	Rio Tinto	Guinea	48.4	NS	NS	
[3]Weipa	Rio Tinto	Australia	50.6	NS	NS	
[4]Pisolite Hills	Cape Alumina	Australia	53.1	7.5	41.5	washed
[5]Tayan	ANTAM	Indonesia	47.0	3.5	NS	washed
[6]Landak	Hillgrove Resources	Indonesia	48.8	2.7	46.2	washed
[7]Wandoo	Iron Mountain	Australia	49.8	3.5	38.6	wet screened

NS = Not Specified
1 ASX Release 16 January 2010
2 BHP Billiton Annual Report 2009
3 Rio Tinto Annual Report 2008
4 ASX Release 2 July 2009
5 ANTAM Statement of Resources and Reserves 31 December 2007
6 IMO Landak Bauxite Project Report (Cumulative Grade at 3.3mm Screen Size)
7 Unpublished report Feb 2011 from IMO commissioned by Iron Mountain Mining Ltd.

Table 5 – Selected published bauxite resource grades (IMO)

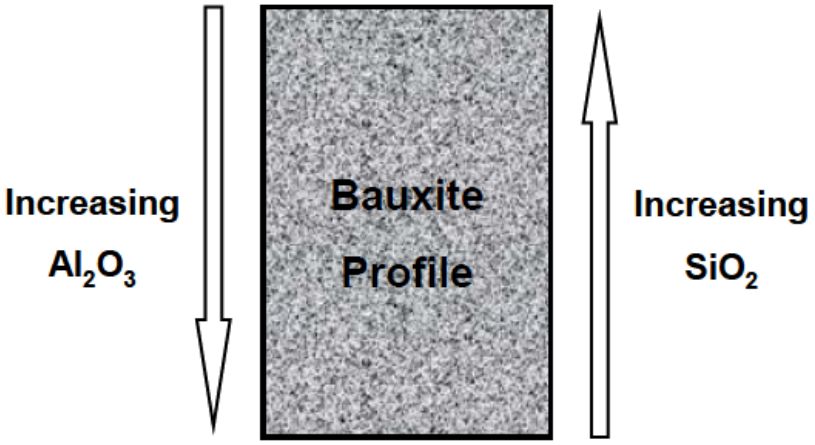

Figure 2 – Generalisation of Darling Ranges vertical bauxite profile exhibiting Al_2O_3 and SiO_2 variability.

The existence of this vertical profile variability between silica and alumina has been confirmed in previous announcements by Iron Mountain and Bauxite Resources Ltd (ASX: BAU) in relation to their Bindoon Operations which is centrally located within the Wandoo Project tenements:

1. Iron Moutain's Maiden Total Inferred Resource (ASX 16 Mar 2010) also contained a high grade component that was estimated by restricting the vertical search paramaters of estimation software so that greater emphasis was assigned to horizontal grade extrapolations where grade variability was known to minimal. Vertical search specifications were constrained to reduce the influence of low alumina/high silica samples from shallow or near surface bauxites which were diluting the importance of high alumina/low silica samples at depth. The end result was the estimation of a Total Inferred Resource with an enhanced high grade component that was estimated by restricting the influence of low alumina/high silica assays that typically occur in the upper levels of the bauxite sequence (see Table 6). The improvement in alumina grade and reduction in reactive silica within the Maiden Inferred Resource estimate confirms the presence of a vertical profile variance within the bauxite.

MAIDEN BAUXITE RESOURCE (ASX 16/3/10)	Mt	Total Al_2O_3	Available Al_2O_3	Reactive SiO_2
TOTAL INFERRED RESOURCE	17.48	38.2%	31.6%	6.6%
Incl. HIGH GRADE INFERRED RESOURCE	7.15	44.8%	40.5%	4.3%

Table 6 – Wandoo bauxite vertical profile grade variance highlighted using resource estimation constraints.

2. Bauxite Resources Ltd drew attention to the existence of vertical grade variability in a corporate presentation on the progress of their Bindoon Operations (ASX 8 Sep 2009). Under the heading "Bauxite Metallurgy", Bauxite Resources Ltd pointed out the presence of a high silica zone (22% SiO_2) perched above a deeper zone of high grade bauxite with significantly lower silica (6% SiO_2).

Given that the composites on which metallurgical test work was undertaken were sourced primarily from only the shallow upper levels of the bauxite profile, there exists significant upside to what are already considered encouraging results based on the confirmed geological occurrence of increasing alumina and decreasing silica with depth within the Wandoo bauxites.

BAUXITE/ALUMINA MARKET

There has been growing support amongst industry sources that a significant re-pricing of bauxite and alumina will occur over the next few years primarily due to the de-coupling of alumina and aluminium prices by the major players in the industry. In the past, the prices of bauxite and alumina were inextricably tied to the price of aluminium but in a new world where these commodities are free to trade independently, it will soon become apparent that supply and demand fundamentals for bauxite and alumina are far tighter than for the aluminium industry which should translate to stronger bauxite and alumina prices in the coming years.

Such is the significance of the anticipated re-rating of bauxite and alumina that industry sources are comparing the potential pricing changes in these two commodities in the coming years to that of iron ore and coking coal in 1996-97. Research confirms that there has been little investment in new bauxite and alumina operations in recent years as a result of ever increasing environmental, geographical, social and capital requirements however during the same time, there has been substantial new aluminium smelters built in the Middle East to exploit cheap energy and reagent prices. Although Middle East smelting costs will be low, the region is totally devoid of bauxite leaving local refineries to rely solely on seaborne imports.

What is often overlooked in the aluminium smelting process is that there is no flexibility with the capacity of aluminium smelters. Aluminium smelters must operate at 100% production capacity or not operate at all. It is understandable that all of these new smelters will be running at 100% capacity to ensure projected economic returns and that the owners will be doing everything within their powers to establish and secure sources of bauxite and alumina in order to protect their billion dollar investments. It thus stands to reason that Chinese, Middle Eastern and Indian based smelters will progressively become major buyers of bauxite and alumina assets in the years to come in much the same way as we are seeing steel mills purchasing iron ore and coking coal assets.

This growth in global smelting capacity will be a key driver in igniting the predicted surge in bauxite and alumina prices as they move to control their operational destiny by securing long term supply (see Figure 3). In 2010, the first signs of this pending supply uncertainty played out with giant aluminium producer Norsk Hydro buying the Brazilian aluminium and alumina assets of Vale for US$4.9bn to cover their short position on bauxite and alumina relative to their aluminium production capacity.

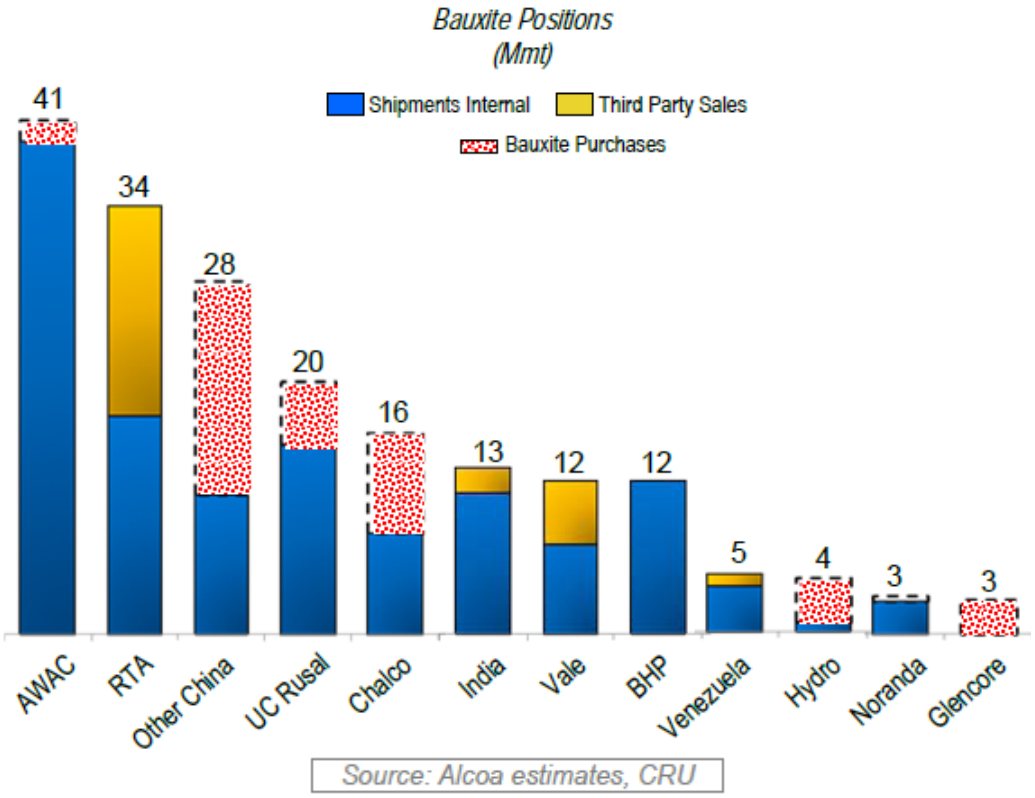

Figure 3 – Bauxite positions of major players in the global aluminium industry.

The upstream aluminium industry is also going through a time of significant operational change. Less than 10 years ago:

- there was very little free trade in bauxite (ie. mined by one party with sales to an un-related third party)
- Alcoa World Alumina & Chemicals (AWAC), the worlds largest miner of bauxite and producer of alumina, dominated the free trade in alumina with a pricing mechanism that used a percentage of the LME aluminium price

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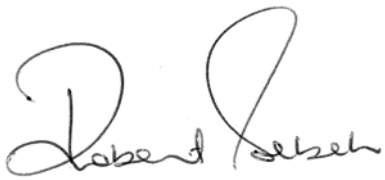
While BHP Billiton has for many years attempted to sell its alumina at prices that reflect the value of the product rather than the value of aluminium, it has only been in the last couple of years that Alcoa controlled AWAC (of which the ASX listed Alumina Ltd is 40% participant) has also sought to do the same, especially as LME linked alumina prices encouraged excess aluminium production in China.

A key driver in this change has been Chinese companies switching from importing alumina to importing bauxite to produce alumina domestically. The market for seaborne bauxite is dynamic and dependent on the wide range of technical and economic factors including type of bauxite, levels of alumina and reactive silica, mining costs, transport and port charges, the Baltic Dry Index and the destination. Also critical is the global supply/demand fundamentals of existing refineries and the inefficiencies associated with using poor quality bauxite. Although China has abundant reserves of bauxite, it is typically lower grade Diaspore and requires significantly higher energy requirements associated with the Bayer-Sinter refining process as opposed to the Darling Range Gibbsite bauxites which only require the Bayer process at lower temperatures and pressures.

Bauxite is a low value bulk product and debate is ongoing as to whether prices and quality characteristics can justify sales to third parties or whether it should be processed into alumina at mine mouth refineries. There are significant costs and requirements associated with the production of alumina including the cost and amount of energy and caustic soda for digestion during refining and by-product waste disposal. The production of alumina generates unavoidable large quantities of highly toxic "red mud" that contains high levels of caustic soda (sodium hydroxide) used to strip reactive silica from the bauxite during the refining process. The capital and operating costs for alumina refineries are also regarded as prohibitive. This is evidenced by China Chalco's recent announcement of their preference to ship bauxite ore to China as opposed to building a new refinery at Bowen in Queensland as the economics did not stack up (AFR 2 March 2011).

Given these environmental and economic constraints, using bauxites with high alumina and low reactive silica levels will reduce waste and operating costs and allow the utilisation of existing refining capacity. The key for the development of bauxite deposits for seaborne trade will always be quality and quantity and the Wandoo Project has the potential to meet both of these requirements.



ROBERT SEBEK
Managing Director 9 March 2011

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. An additional Inferred Resource based only on historical drilling was announced on 16 November 2010 followed by the announcement of the New Norcia Inferred Resource on 16 December 2010 that was delineated using results from the company's maiden drilling program. Global Inferred Resources of bauxite within the Wandoo Project now exceeds 80Mt and evaluation of drilling results and validated historical data with a view to further 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.