

30 January 2015

ASX Release

## **Iron Mountain Mining Limited (ASX Code : IRM)**

### **Quarterly Report: 31 December 2014**

#### **HIGHLIGHTS**

##### **GOLDEN CAMEL (Gold)**

- Sale of the Victorian gold tenement package to Golden Camel Mining Pty Ltd completed after successful 120 day due diligence period
- Company will continue to provide assistance to Golden Camel Mining Pty as required in order to enhance the project's prospects of development

##### **MIAREE (Magnetite & Gold)**

- Site visit review the gold and magnetite prospects
- Assess status of completed and outstanding rehabilitation requirements, complete stock take of exploration supplies and evaluate condition of project access tracks

##### **INDICATOR (Gold)**

- Application lodged for Exploration Licence 5440 (20km<sup>2</sup>) in Central Victoria
- Target is high grade quartz hosted gold mineralisation controlled by faulting and the presence of a ferruginous indicator.
- The application has been granted priority and is currently pending

##### **CORPORATE**

- Withdrawal from the Conditional Purchase Agreement to acquire 100% of the issued capital of Eon Pty Ltd which was the 100% beneficial owner of the Endeavour Antimony (PP53311) and Bullendale Gold Projects (PP52889) in New Zealand in accordance with the terms of the agreement announced on 19 September
- Receipt of a \$156,700 R&D tax offset before preparation and lodgement costs for the 2014 financial year
- Share sale facility for the sale of Unmarketable Parcels completed on 22 January 2015 at a price of \$0.0151 per share. A total of 1,614 unmarketable parcel shareholders representing 11,635,036 ordinary shares did not elect to retain their shares
- Update on the recovery of legal fees paid by the Company on behalf of Mr Zohar including Mr Zohar's petition for bankruptcy and the taxation of the costs paid to lawyers who advised Mr Zohar

## General

Following the successful completion of a 120 day due diligence period, the sale of the Company's Victorian gold tenement package to Golden Camel Mining Pty Ltd under the terms announced on 1 October 2014 was completed and announced on 27 January 2015. The company will continue to provide assistance to Golden Camel Mining Pty as required in order to enhance the project's prospects of development. During the quarter, the Company withdrew from the Conditional Purchase Agreement to acquire 100% of the issued capital of Eon Pty Ltd which was the 100% beneficial owner of the Endeavour Antimony (PP53311) and Bullendale Gold Projects (PP52889) in New Zealand in accordance with the terms of the agreement announced on 19 September 2014. The establishment of a share sale facility for the sale of Unmarketable Parcels was announced on 9 October 2014 and was subsequently completed on 22 January 2015. A total of 1,614 unmarketable parcel shareholders representing 11,635,036 ordinary shares did not elect to retain their shares.

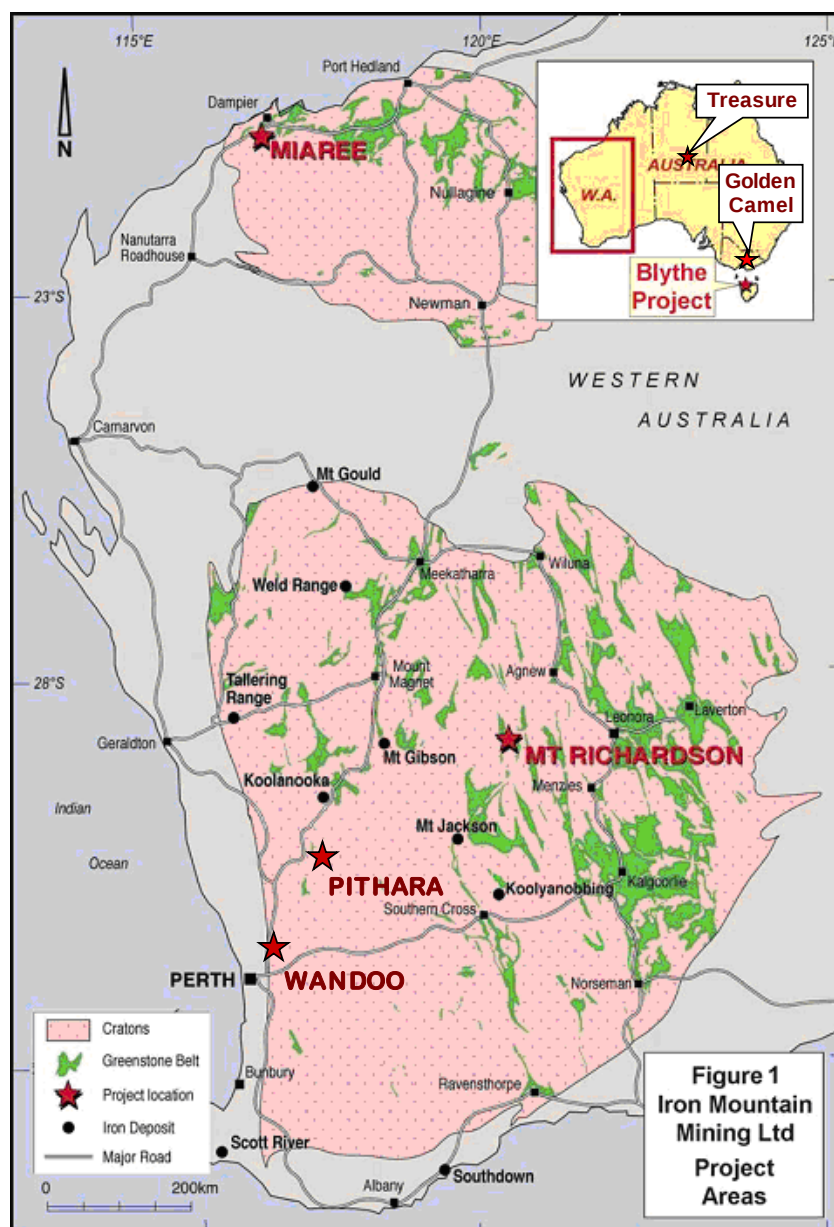


Figure 1 – Location of Iron Mountain Mining Ltd Projects in Australia.

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## 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).

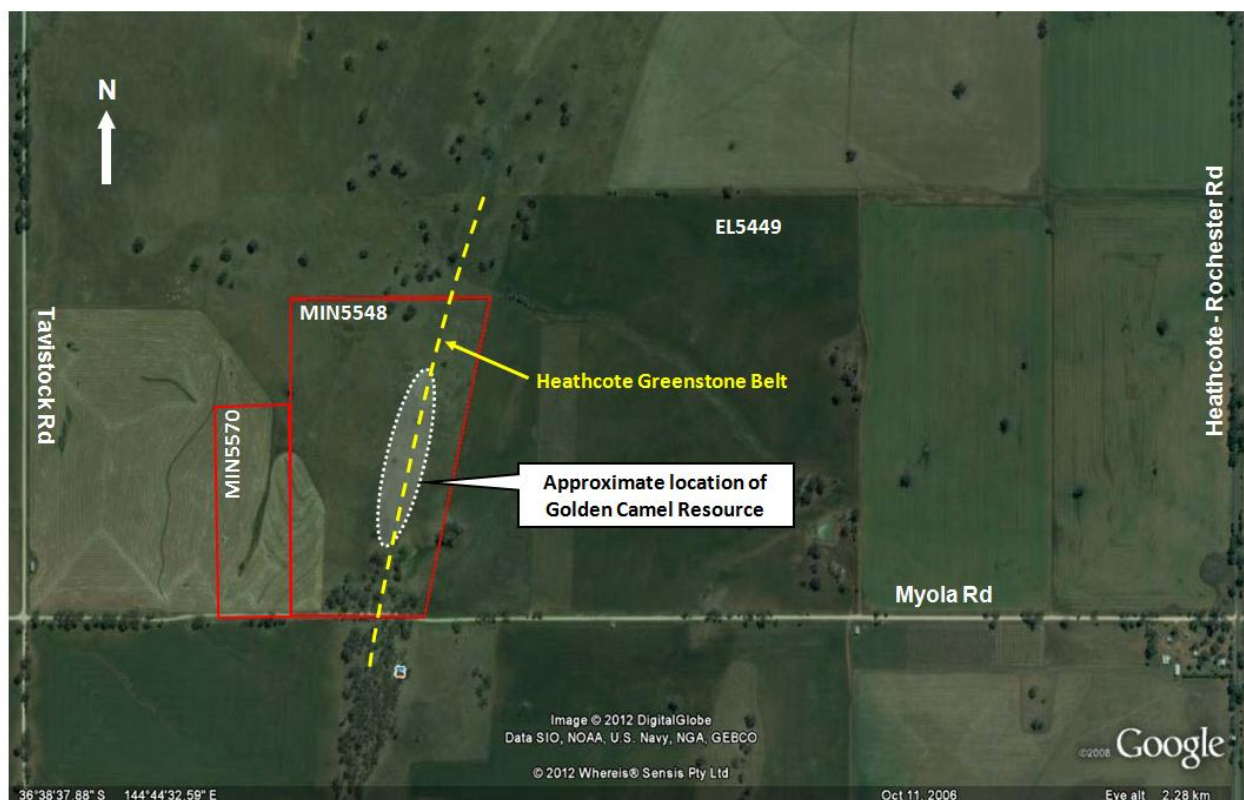


Figure 2 – Location of Golden Camel resource (MIN5548) and adjacent MIN5570 over Heathcote Greenstone Belt

The Golden Camel Project currently hosts a Measured, Indicated & Inferred JORC Resource of 266,000t @ 1.7g/t Au<sup>1</sup> on which the Company based its evaluation of commercialisation options.

On 1 October 2014, the company announced that it had signed a Tenement Sale and Purchase Agreement with Golden Camel Mining Pty Ltd for the sale of its Victorian gold tenement package which included the company's advanced Golden Camel Project<sup>2</sup>. The tenements the subject of the agreement were MIN5548 (Golden Camel), MIN5570, EL5449 and EL5490 located over the Heathcote Greenstone Belt in Central Victoria.

<sup>1</sup> Refer to announcement "Golden Camel Resource Update" (ASX 22 Oct 13) for full details.

<sup>2</sup> Refer to announcement "Agreement for Sale of Victorian Gold Tenements" (ASX 1 Oct 14) for full details.

Following the receipt of a A\$25,000 deposit and successful completion of the due diligence period of 120 days to undertake independent technical test work and project evaluation, the company received notification from Golden Camel Mining Pty Ltd of its intention to proceed with the acquisition and subsequently announced the completion of the sale on 27 Jan 2015.

Under the terms of the sale agreement, the following consideration is payable to Iron Mountain:

1. If mining commences on or before 3 years of the Settlement date, Golden Camel Mining Pty to pay;
  - A\$100,000 one month after commencement of mining
  - A\$200,000 two months after commencement of mining
2. If mining has not commenced with 3 years of the Settlement date, Golden Camel Mining Pty to pay;
  - A\$150,000 one month after commencement of mining
  - A\$250,000 two months after commencement of mining
  - In lieu of payments, Golden Camel Mining Pty can elect to transfer 100% of the interest in each tenement back to Iron Mountain
3. A royalty of A\$2/t on all gold ore mined after the first 20,000oz has been produced

Following the tenement transfer process, the company will continue to provide assistance to Golden Camel Mining Pty as required in order to enhance the project's prospects of development.

## **DROMEDARY PROJECT**

Dromedary Project tenements EL5449 and EL5490 are included as part of the Tenement Sale and Purchase Agreement with Golden Camel Mining Pty Ltd, the details of which are listed within the Golden Camel Project in this report.

## **INDICATOR PROJECT**

During the quarter, the company lodged an application for Exploration Licence 5440 (20km<sup>2</sup>) in Central Victoria. The target is high grade quartz hosted gold mineralisation controlled by faulting and the presence of a ferruginous indicator. The application has been granted priority and is currently pending.

## **PITHARA PROJECT**

The Pithara Gold Project is comprised of a single granted exploration licence (E70/3948) that covers 55km<sup>2</sup> and is located approximately 15km southeast of Dalwallinu in Western Australia. The company's interest in E70/3948 stems from the internally excised mining licence M70/1279 which hosted a small high grade gold deposit that was mined during 2010-2011 (see Fig.4).

The company is reviewing available options to undertake a small cost effective geochemical auger sampling program during the current post-harvest window based on the historical (2007) ground magnetic survey with a view to following up anomalous results by re-processing the magnetic survey data to identify potential drilling targets.



Figure 4 – 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 150km<sup>2</sup>). The project tenements are currently held under a joint venture between Iron Mountain Mining Ltd and Red River Resources Ltd. As at 31 December 2014, Iron Mountain's equity in the Miaree Project remained at an unadjusted 60.25% with costs incurred so far during the calendar year yet to be attributed.

## 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 3). The company continues to seek expressions of interest from 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.

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

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<sup>3</sup>

During the December 2014 quarter, a site visit was undertaken to review the gold and magnetite prospects, assess that status of rehabilitated exploration sites, determine extent of outstanding rehabilitation requirements, complete a stock take of exploration supplies and evaluate the condition of the access tracks on tenements within Karratha Station Pastoral Lease. Extension of terms for E47/1309 and E47/1707 were granted during the quarter.

## MIAREEE GOLD PROJECT

The Miaree Gold Project is contained primarily within tenement E47/1309 and contains multiple prospect areas that have regularly returned high gold grades from past exploration including two phases of drilling.

## 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 89.4Mt @ 41.75% Al<sub>2</sub>O<sub>3</sub> (ASX 5 May 2011). No update was received on the progress at Wandoo for the December 2014 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. Under the amended Blythe sale agreement, Iron Mountain Mining Ltd and Red River Resources Ltd are entitled to post-production milestone payments and a production royalty on a 50:50 basis<sup>4</sup>.

During the December 2014 quarter, no updates were received. Future updates on the status of the Blythe Project will be announced as provided by Forward Mining Ltd.

<sup>3</sup> Refer to announcement “Miaree Magnetite Project Maiden JORC Resource” (ASX 13 Aug 12) for full details.

<sup>4</sup> Refer to announcement “Blythe option exercised with restructured payment terms” (ASX 27 Jun 12) for full details.

## TREASURE JV

The Treasure Project is comprised of EL25346 covering 101km<sup>2</sup> located approximately 130km northeast of Alice Springs in the Northern Territory (see Fig.5). The project was being managed by MMG Exploration Pty Ltd "MMG" under an Option and Joint Venture Agreement (IRM:ASX, 17 Sep 2013).

On 23 October 2014, the Company announced it had received notification from MMG of their intent to withdraw from the Treasure Joint Venture. As part of the terms of the Treasure Joint Venture Agreement, Iron Mountain has received all of the exploration data relevant to EL25346. The company is presently undertaking an internal review of MMG's results to determine whether to proceed with a small self-funded exploration drilling program to test the possible gabbroic intrusions or seek a replacement joint venture partner for the project.

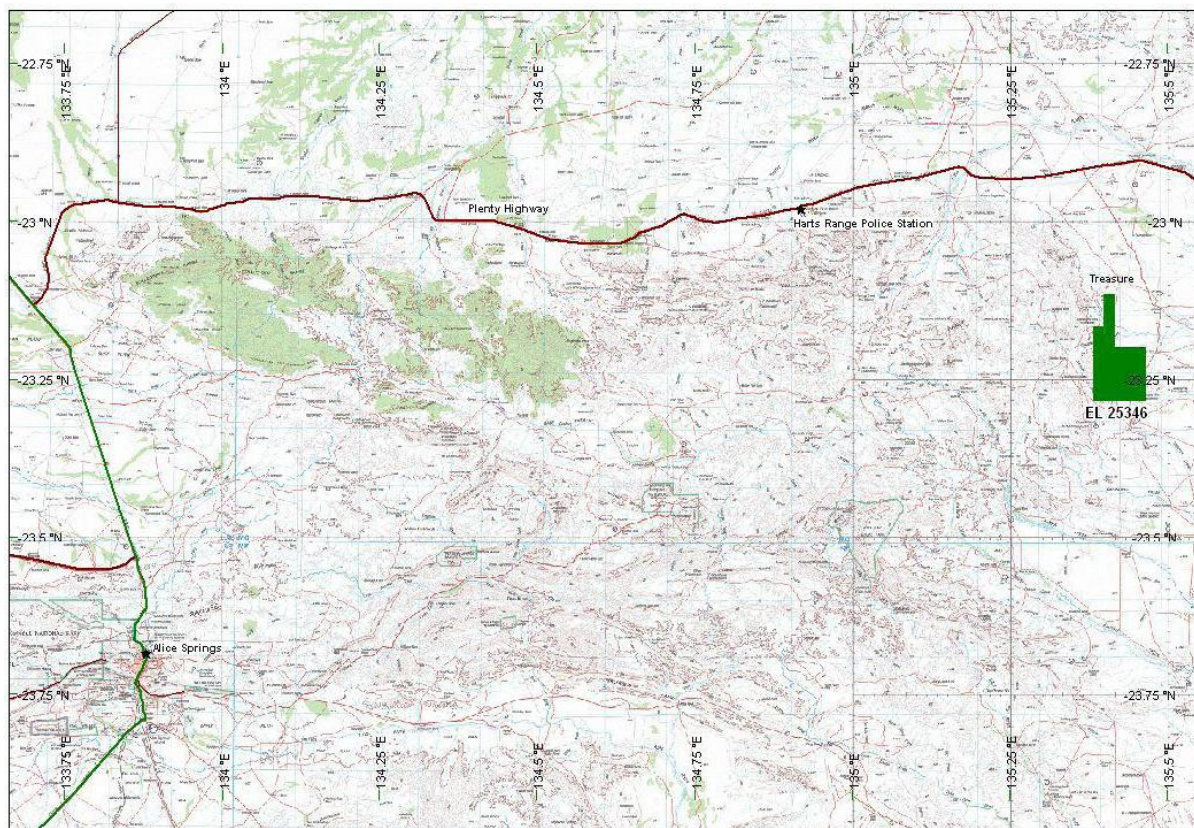


Figure 5 – Location of EL25346.

## 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 2014 quarter. Future updates on the status of the Mt Richardson Project will be announced as provided by Cliffs.

## CORPORATE

During the quarter, the Company announced its intention to withdraw from the Conditional Purchase Agreement to acquire 100% of the issued capital of Eon Pty Ltd which was the 100% beneficial owner of the Endeavour Antimony (PP53311) and Bullendale Gold Projects (PP52889) located in the south island of New Zealand. (ASX:IRM, 24 Oct 2014). Following a detailed assessment of the New Zealand project tenements and in accordance with the terms of the agreement announced on 19 September 2014, the company elected not to proceed with the transaction and notified the relevant parties accordingly.

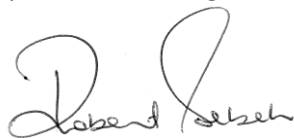
The Annual General Meeting was held on 20 November 2014. All resolutions were passed on a show of hands.

On 20 November 2014 the Company issued a total of 1,000,000 options exercisable at \$0.03 each on or before 30 December 2017. These were issued to the Managing Director and Company Secretary.

The establishment of a share sale facility for the sale of Unmarketable Parcels was announced on 9 October 2014 and was subsequently completed on 22 January 2015. A total of 1,614 unmarketable parcel shareholders representing 11,635,036 ordinary shares did not elect to retain their shares. The company has now finalised the sale of these shares at a price of \$0.0151 per share. The sale of the unmarketable parcels will materially reduce the administrative costs and at the same time has provided a mechanism for a significant number of shareholders to sell their relatively small shareholdings with no brokerage costs.

On 12 December 2014, the company provided an update on the recovery of legal costs. As announced on 13 March 2014, Iron Mountain Mining Limited commenced the process of seeking recovery of legal fees paid by the Company on behalf of Mr Zohar, in connection with charges brought by the Australian Securities & Investments Commission against Mr Zohar. The Company has been advised that Mr Zohar has petitioned for bankruptcy which has been accepted by the Australian Financial Security Authority. As a result of the commencement of formal bankruptcy, the proceedings commenced by the Company against Mr Zohar will be stayed pending the outcome. The Company is also pursuing the recovery of a portion of the legal fees via a taxation of the costs paid to lawyers who advised Mr Zohar on the matter.

On 6 January 2015, the company announced that it had received an R&D tax offset of \$156,700 before preparation and lodgement costs for the 2014 financial year.



ROBERT SEBEK

Managing Director

30 January 2015

*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.*

## IRM TENEMENTS

### Mining Tenements at 31 December 2014

| Location         | Tenement   | Name             | Holder                   | Equity | Status  | Area               |
|------------------|------------|------------------|--------------------------|--------|---------|--------------------|
| <b>MIAREE</b>    |            |                  |                          |        |         |                    |
| WA               | E08/1350-I | Kaninda Well     | Red River Resources Ltd  | 60.25% | Granted | 10 BL              |
| WA               | E47/1309-I | Karratha         | Red River Resources Ltd  | 60.25% | Granted | 32 BL              |
| WA               | E471707-I  | Boondamurra Hill | Red River Resources Ltd  | 60.25% | Granted | 13 BL              |
| <b>DAMBORING</b> |            |                  |                          |        |         |                    |
| WA               | E70/3948   | Pithara          | Iron Mountain Mining Ltd | 100%   | Granted | 20 BL              |
| <b>TREASURE</b>  |            |                  |                          |        |         |                    |
| NT               | EL25346    | Treasure JV      | Iron Mountain Mining Ltd | 100%   | Granted | 101km <sup>2</sup> |

### Mining Tenements Acquired During the Quarter

Exploration Licence 5540 was applied for during the quarter ending 31 December 2014.

| Location        | Tenement | Name      | Holder                   | IRM  | Status  | Area     |
|-----------------|----------|-----------|--------------------------|------|---------|----------|
| <b>VICTORIA</b> |          |           |                          |      |         |          |
| VIC             | EL5540   | Indicator | Iron Mountain Mining Ltd | 100% | Pending | 20 grats |

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

The company announced the proposed sale of Victorian Gold Project tenements MIN5548, MIN5570, EL5449 & EL5449 during the quarter (ASX 1 Oct 2014). Completion of the sale was announced 27 Jan 2015.

| Location         | Tenement | Name         | Holder                   | Equity | Status  | Area      |
|------------------|----------|--------------|--------------------------|--------|---------|-----------|
| <b>HEATHCOTE</b> |          |              |                          |        |         |           |
| VIC              | MIN5548  | Golden Camel | Iron Mountain Mining Ltd | 100%   | Granted | 24.52Ha   |
| VIC              | MIN5570  | Cornella     | Iron Mountain Mining Ltd | 100%   | Granted | 6.3Ha     |
| VIC              | EL5449   | Dromedary    | Iron Mountain Mining Ltd | 100%   | Granted | 47 grats  |
| VIC              | EL5490   | Mount Camel  | Iron Mountain Mining Ltd | 100%   | Granted | 173 grats |