

31 October 2011

ASX Release

Iron Mountain Mining Limited (ASX Code : IRM)
Quarterly Report: 30 September 2011

HIGHLIGHTS

MIAREE (Gold)

- Review of 14 reverse circulation holes (1406m) drilled in June 2011 quarter ongoing
- Additional drilling at Bergsma anomaly being planned
- Rehabilitation of drill pads and access tracks completed in areas where no further work warranted
- The potential of the high grade Cockatoo and Walter anomalies to be reviewed

MIAREE (Magnetite)

- Re-evaluation of magnetite confirms potential and justifies re-commencement of exploration
- Preliminary plan for 6-8 reverse circulation drill holes for up to 2500m within E08/1350
- Resource estimation across entire project following completion of drilling
- Necessary clearance and approvals currently being sought

WANDOO (Alumina)

- Total Inferred Bauxite resource at the Wandoo Project stands at 89.3Mt @ 41.75% Al₂O₃ following finalisation of Total Resource Report by Hackman & Associates Pty Ltd
- The project has so far received no less than six expressions of interest
- Evaluation of opportunities ongoing to deliver best outcome for expedited development of project
- Industry forecasts support continued growth of bauxite imports into China

TREASURE JV (Base Metals)

- Follow up of VTEM anomalies has commenced
- Further investigation by way of auger holes and/or soil geochemical survey planned

General

During the September 2011 Quarter, Iron Mountain focused primarily on the Miaree and Wandoo projects. At the Miaree Gold Project, geophysical and geochemical survey data was reassessed in conjunction with recent drilling results to identify targets for follow up drilling. Rehabilitation commenced in areas where no further work could be justified. Reconnaissance work on the southern Miaree Magnetite Project was also undertaken to determine access and pad preparation requirements for a planned +2000m RC drilling program with the aim of delineating sufficient magnetite mineralisation to support a resource estimate. During the quarter, the company continued to receive expressions of interest in Wandoo, all of which are currently being considered as possible options for the expedited development of the project. The Wandoo Project currently contains 89.3Mt of bauxite with the scope to substantially increase resources and target premium areas for possible DSO development. The company is also considering expressions of interest in its Victorian Heavy Mineral Sands Project in Western Victoria. Recently granted tenure covers several previously identified WIM-style heavy mineral sand deposits for which a significant open file exploration database is in the process of being evaluated. The location of company projects are shown in Figure 1 below.

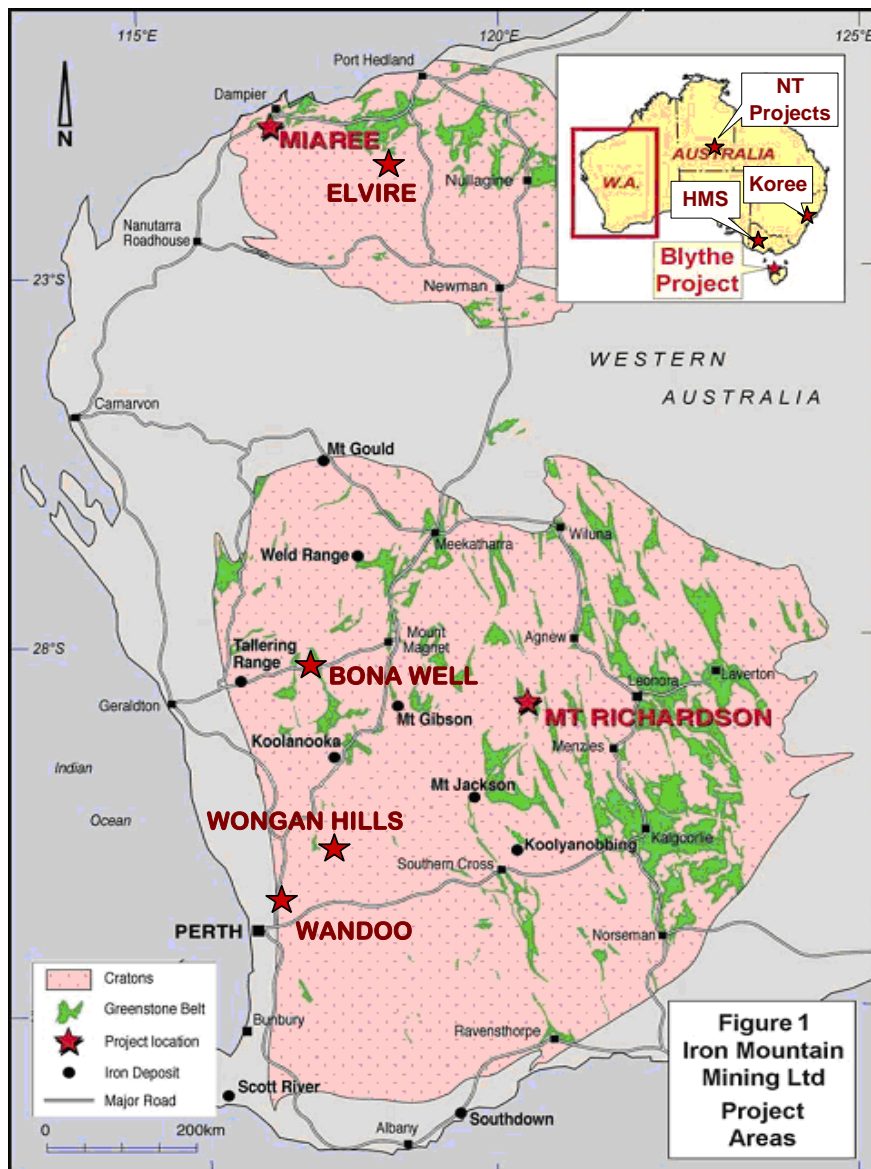


Figure 1 – Location of Iron Mountain Mining Projects in Australia.

WANDOO PROJECT

The Wandoo Bauxite Project is comprised of 13 granted exploration licences (E70/2444, E70/2692-93, E70/2943, E70/3124, E70/3146-47, E70/3712-15 & E70/3508-09) covering in excess of 950km² in the Darling Ranges, approximately 100km north of Perth, Western Australia (see Fig. 2)

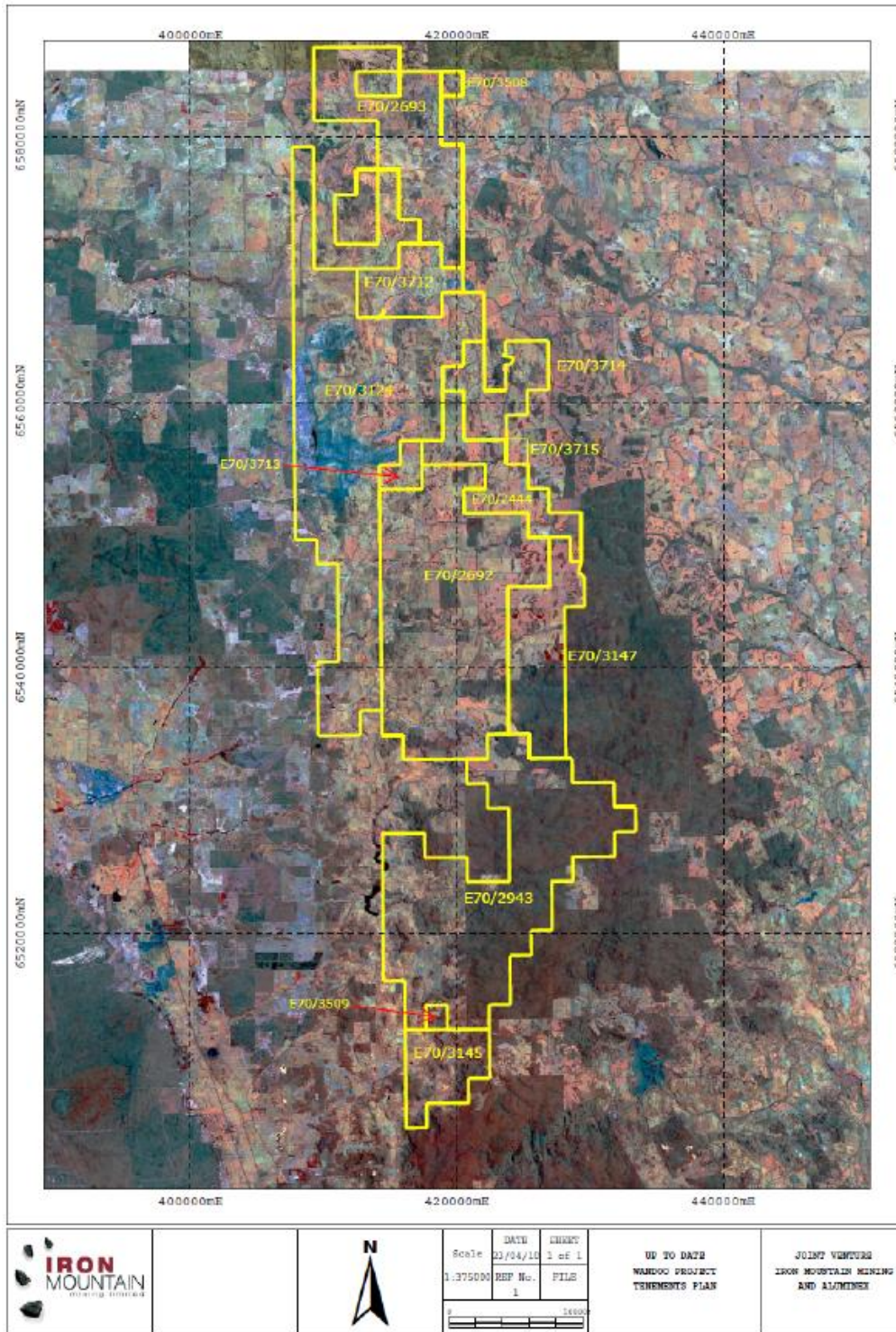


Figure 2 – Tenement location and land use cover of the Wandoo Project.

WANDOO BAUXITE RESOURCES

The Wandoo Bauxite Project Inferred Estimate Report by independent consultants Hackman & Associates was finalised during the September 2011 quarter. This expanded and detailed report is a consolidation of the four previously announced inferred resources at Central Bindoon, Central Wandoo, New Norcia and Area 459 announced between 16 March 2010 and 5 May 2011 (see Fig.3). The report was prepared in part to unify past and present exploration, analytical and estimation methodologies and in response to increasing unsolicited expressions of interest in the Wandoo Project. 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

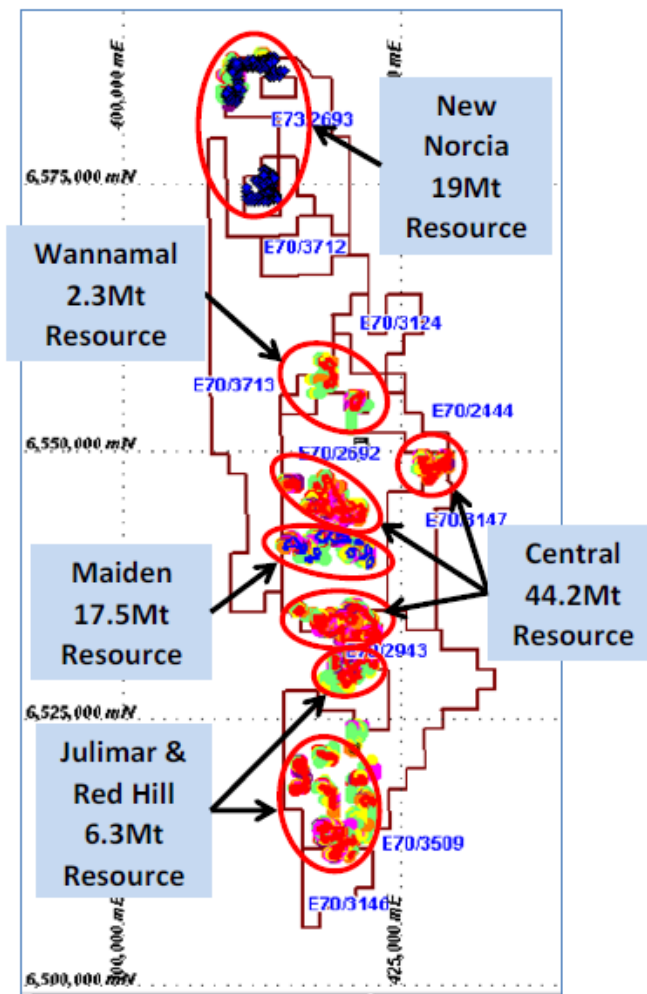


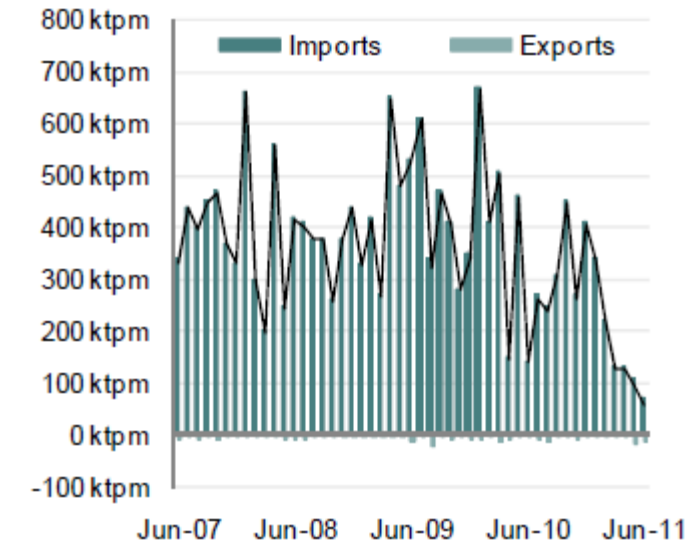
Figure 3– Total reported Inferred bauxite resource locations within the Wandoo Project tenements. (Note – Maiden drilling program collar locations are not colour coded to depict Total Al₂O₃ grade variance and rounding errors may be present).

No exploration was undertaken during the September 2011 quarter as the company focussed on assessing numerous approaches from parties requesting information on Wandoo. No less than six expressions of interest have so far been received by the company in relation to possible participation and involvement in the Wandoo Bauxite Project. The company is carefully evaluating all proposals with a view to negotiating an agreement that has the potential to expedite that development of the Wandoo Project via the injection of funding, expertise and industry networks.

BAUXITE/ALUMINA MARKET

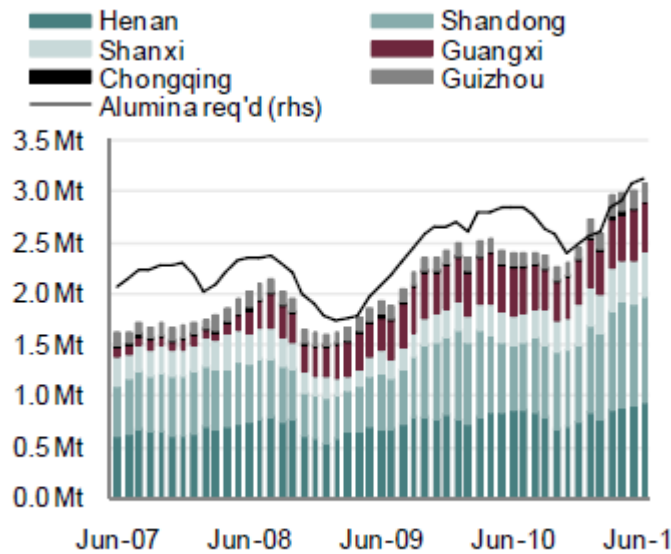
During the quarter, available data and analyst commentary continued to support forecasts for ongoing growth in Chinese bauxite imports. The reported collapse in China’s alumina imports (see Fig.4) has been mainly due to a significant increase in domestic alumina refining capacity (see Fig.5). In early August 2011, China’s spot alumina prices jumped 7% in response to speculative buying in anticipation of stronger alumina demand as more aluminium capacity comes on line. Shanghai metals Market reports that almost 1.5Mtpa of new aluminium capacity is on target for commissioning by 2012 which equates to an additional alumina supply requirement of 3Mtpa.

While the narrowing domestic-to-seaborne spot alumina price arbitrage will also continue to influence the alumina trade in China, the consensus is that Chinese bauxite imports will continue to grow as a result of the poor quality and cost of domestic supply and the increasing growth in domestic alumina production.



Source: China NBS, CBA

Figure 4 – China’s alumina trade.



Source: China NBS, CBA

Figure 5 – China’s domestic alumina output and requirements.

MIAREE PROJECT

The Miaree Project is held under a joint venture between Iron Mountain and Red River Resources Ltd (“Red River”) whereby Iron Mountain can earn up to 70% of the project. The Miaree Project is currently comprised of 3 exploration licences (E08/1350, E47/1309 & E47/1707) covering approximately 151km². The exploration licences cover approximately 25km of Miaree Magnetite Trend strike that occurs within the extensive Cleverville Formation, a geological unit of banded iron formation rich in magnetite (1.6Bt Cape Lambert magnetite deposit) and only recently reported as hosting surface gold occurrences (see Fig.6).

MIAREEE GOLD PROJECT

The Miaree Gold Project is contained within tenement E47/1309. As previously reported, the company completed a maiden drilling program in June 2011 comprised of 14 RC holes for 1406m. Another 8 holes were unable to be drilled because of inaccessible terrain and time constraints. The drilling was designed to test a variety of targets generated from mapping, geochemical sampling and costeaning over the course of the past 12 months.

Although the drilling was unable to replicate similar widths and high grades as sampled at surface, the results from this previously undrilled and under-explored area were sufficiently encouraging to warrant follow up evaluation and drilling. The area to the east of the high grade Cockatoo A zone including the significant Bergsma A anomaly is currently being assessed for inclusion in a forthcoming drilling program. Preliminary evaluation of the results from the two holes drilled at the Bergsma A & B contiguous anomalies suggest that a large portion of what is interpreted as a significant shear hosted geochemical anomaly has not been sufficiently tested (see Fig.7). The high grade Cockatoo and Walter zones will also be revisited with a view to determining whether any feasible options exist to exploit these high grade gold occurrences.

The company is continuing to work with structural geology consultants Solid Geology Pty Ltd to obtain an improved understanding of the structural controls to assist in identifying and prioritising structural and mineralised targets for the likely second phase of drilling at the Miaree Gold Project.

During the September quarter, rehabilitation of drilling sites and access tracks in accordance with Department of Mines and Petroleum requirements was undertaken where it was deemed no further work was warranted. Access to areas assessed as requiring further work was left intact.

The Miaree Project is currently a joint venture between Red River and Iron Mountain whereby Iron Mountain as manager has the option to earn up to 70%. Iron Mountain currently holds 25% after meeting the initial farm-in expenditure of \$1.25m and can earn an additional 45% by spending a further \$3.5m.

MIAREE MAGNETITE PROJECT

Work on re-assessing the potential of the Miaree Magnetite Project continued during the September quarter. The company has received advice that a competently designed and executed plan to drill and sample for magnetite within the project tenements, particularly E08/1350, has strong chance to host magnetite mineralisation at grades and widths that can support the estimation of resources of economic and strategic value. Work on identifying priority targets and establishing necessary QA/QC for sample analysis is ongoing.

Preliminary plans are for an initial program of 6-8 deep RC holes for a total of up to 2500m to be drilled within E08/1350, south-westerly adjacent to the Maitland Resource of 310Mt @ 34.7% Fe (ASX 4 July 2011) recently announced by Iron Ore Holdings Ltd (see Fig.8). Reconnaissance of the proposed drilling sites was completed in October 2011 and confirmed that limited site access and drill pad clearance would be required to undertake the proposed program of drilling from the northwest and southeast flanks of the southwest striking magnetite bearing range (see Fig.9). The company is currently in the process of obtaining all necessary clearances and approvals and sourcing drilling contractors. It is hoped that the proposed drilling program will be prior to the end of 2011 or in early 2012.

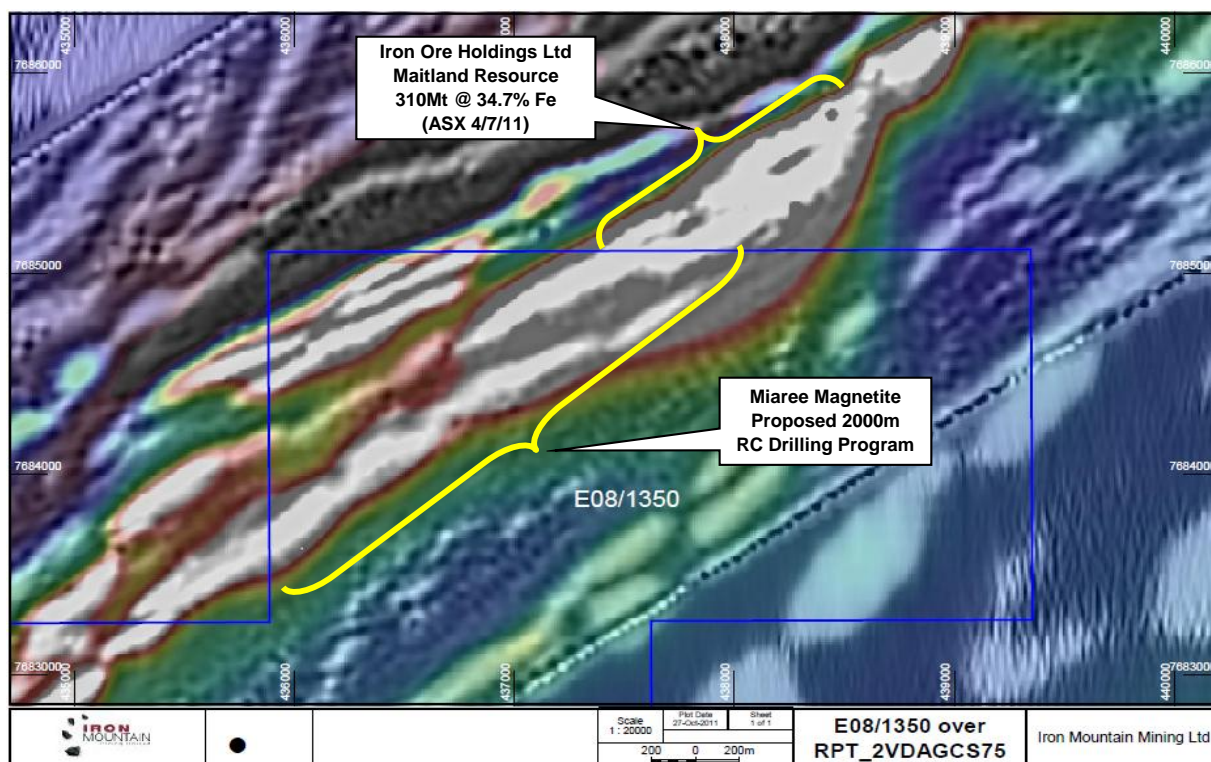


Figure 8– Proposed magnetite drilling target within E08/1350 over aeromagnetics.

MOUNT RICHARDSON PROJECT

Cliffs are the owner operators 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 2011 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).

During the September 2011 quarter, Kingsgate was unable to undertake exploration at Wongan Hills as a result of the land in question being under crop. The resumption of exploration is expected to occur in early 2012 however the exact date is dependant on crop maturity and the completion of harvesting.

The majority of the Wongan West JV is subject to a farm-in agreement with Red River Resources Limited and Iron Mountain Mining Limited 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% and 5% respectively.

BLYTHE PROJECT

The Blythe Project is currently subject to an Option to Acquire signed by Forward Mining Ltd and announced on 25 March 2011. Forward Mining Ltd intends to include the Blythe Project in Tasmania as the cornerstone asset in an Initial Public Offering targeted for the second half of 2011. Prior to the signing of the Option to Acquire, the Blythe Project was held 50:50 by Iron Mountain Mining Ltd and Red River Resources Ltd.

During the September 2011 quarter, Forward Mining Ltd continued to progress towards their anticipated IPO. Further updates will be announced as provided by Forward Mining Ltd.

NORTHERN TERRITORY PROJECT

Following General Meetings held on 27 May 2011, Iron Mountain now holds 100% equity interests in EL25894 (Florence Creek), EL25329 (Lucky U) and EL25346 (Treasure) in the Northern Territory (see Fig.10).

FLORENCE CREEK & LUCKY U

The Florence Creek and Lucky U tenements are located adjacent to each and cover a reduced 281km² northeast of Alice Springs. Following an ongoing project review of during the September 2011 quarter, applications for three pending exploration licences covering 41km² at Lucky U were withdrawn. No field work was undertaken at Florence Creek and Lucky U during the September 2011 quarter.

TREASURE JV

The Treasure Prospect is comprised of EL25346 covering 101km² and originally picked up as part of the Aluminex acquisition in December 2009 (see Fig. 15). The project 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.

Field follow-up by Mithril of VTEM anomalies detected on EL25346 commenced during the September 2011 quarter (see Fig.11). The source of these anomalies has not yet been resolved as there is no outcrop where the anomalies are located. Given the shallow nature of the soil cover, further field verification of these anomalies is planned for the next quarter using shallow auger holes and/or a soil geochemical survey. If positive results are achieved from this work, these anomaly targets will be advanced to drilling stage.

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 of the Mt Elvire Project commenced during the September 2011 quarter as part of an ongoing review to evaluate and prioritise the potential of company tenure in order to plan appropriate exploration where warranted. No field work was undertaken at Mt Elvire during the September 2011 quarter.

HMS PROJECT

The HMS Project is comprised of 5 exploration licences covering 624km² over 6 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 the Douglas, Kulwin and recently closed Echo HMS mines in Victoria as well as a Mineral Separation Plant in Hamilton, Western Victoria (see Fig.12). Relocation of mining equipment from the soon to be decommissioned Kulwin Mine to the Woonack, Rownack and Pirro (WRP) deposits 25km away has commenced.

The company has recently received expressions of interest in the Victorian HMS Project where there is potential to isolate premium accumulations of heavy minerals within identified offshore sheeted fine grained WIM-style deposits with possibly interbedded coarse grained strandline deposits. The company is assessing options to expedite the acquisition, digitisation and evaluation of the extensive open file drilling and exploration data package resulting from work undertaken by Rio Tinto predominantly between the early 1980's and late 1990's. The data includes substantial drilling coverage that is expected to allow the mapping of grain size, heavy mineral assemblages, depth and thickness of the identified heavy mineral sand deposits to identify priority target areas for exploration. No field work was undertaken at HMS during the September 2011 quarter.

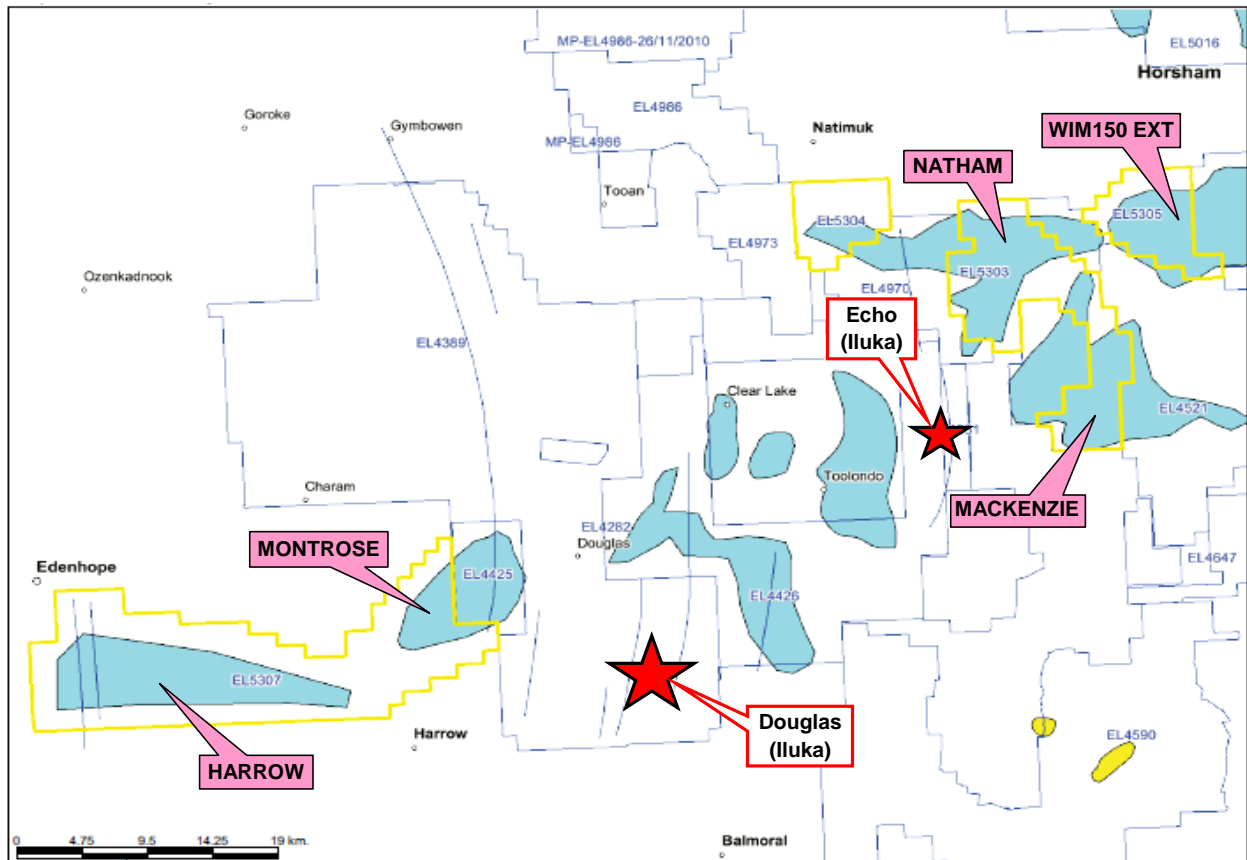


Figure 12 – Victorian HMS project showing project tenure (yellow), WIM-style deposits (light blue) and location of Iluka Douglas and Echo mineral sand mines.

MACQUARIE MARBLE AND LIME PTY LTD (KOREE LIMESTONE)

Iron Mountain has a 60% interest in Macquarie Marble and Lime Pty (MML) which exercised an option to acquire ML 1446 and surrounding EL 7084 at Wauchope, near Port Macquarie in New South Wales in 2008. The tenements cover the Koree Limestone quarry which contains a deposit of lightly metamorphosed limestone determined to be suitable for the production of a marble dimension stone product with waste to be crushed for agricultural lime.

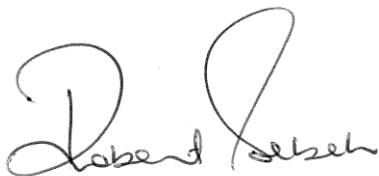
The company continues to progress negotiations for the divestment of this asset. A Deed of Settlement was drafted and presented to a prospective buyer to review and conduct standard due diligence. The company is confident that completion of the sale of this asset will occur by the end of the year.

BONA WELL PROJECT

Following a review of the Bona Well Project, it was determined that no further work was warranted and tenements E59/1194 and E59/1457 were surrendered during the September 2011 quarter.

EAST KIRUP PROJECT

Following a review of the East Kirup Project, it was determined that the allocation of exploration funds could not be justified and as such, the application for tenement E70/3886 was withdrawn during the September 2011 quarter.



Robert Sebek
Managing Director

31 October 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 mineralisation 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.

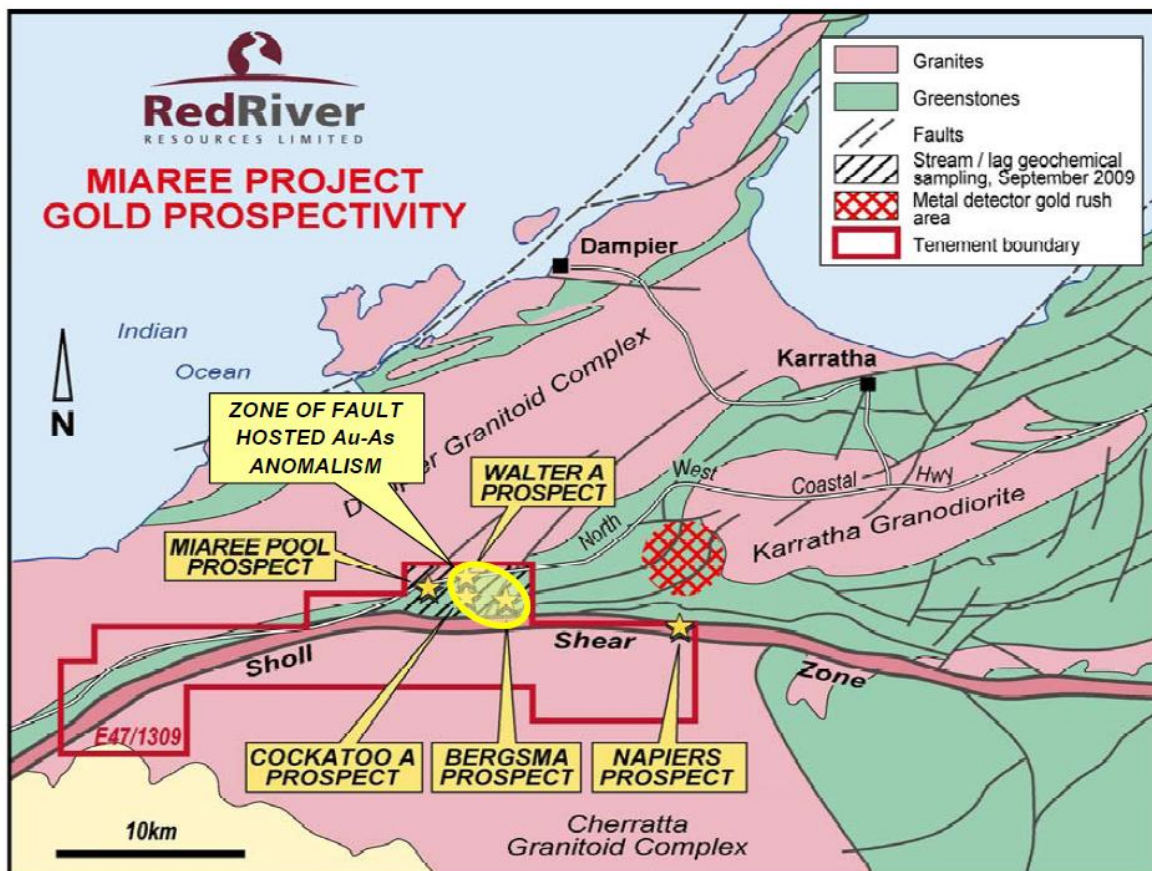


Figure 6 – Miaree Gold Project showing locations of fault related surface gold anomalism.

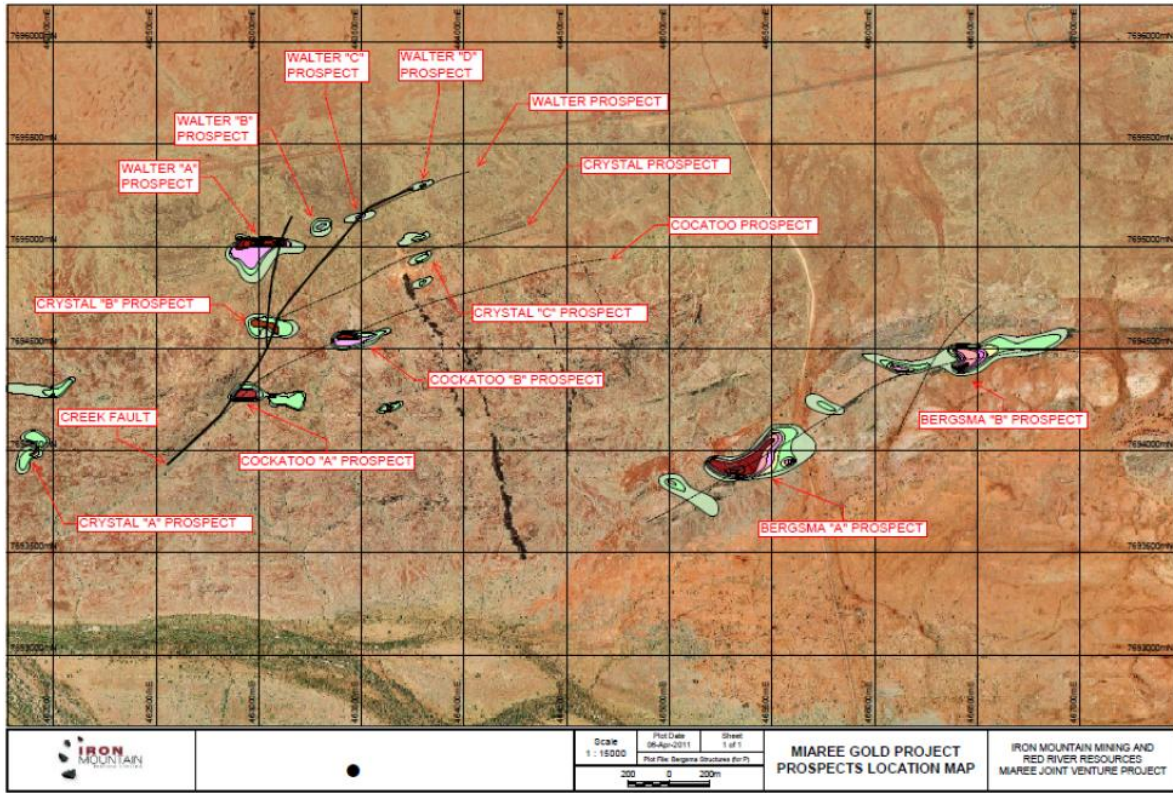


Figure 7 – Miaree Gold Project showing locations of Creek Fault and associated geochemical anomalism



Figure 9 – Proposed magnetite drilling target within E08/1350 looking southwest.

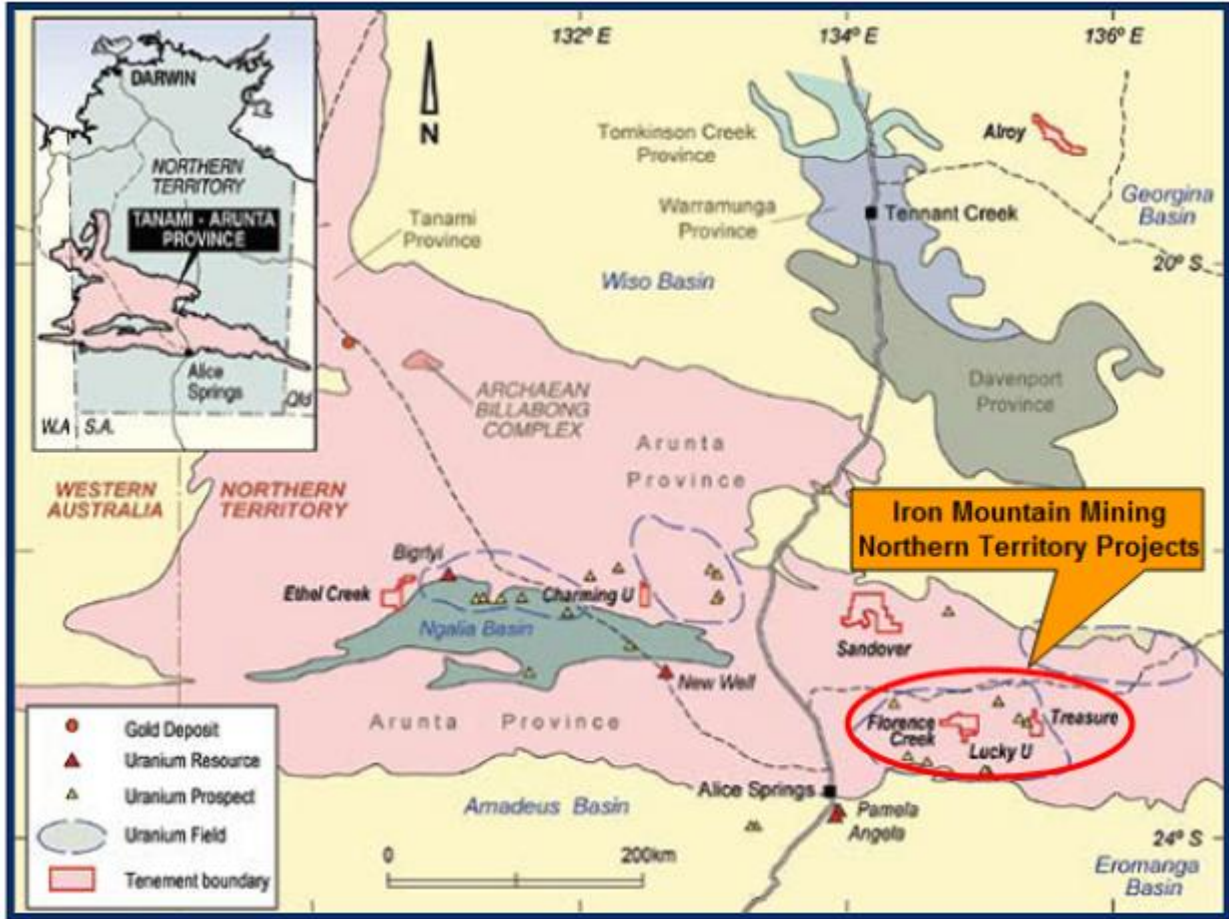


Figure 10 –Northern Territory Project locations (from Aluminex Resources Ltd)

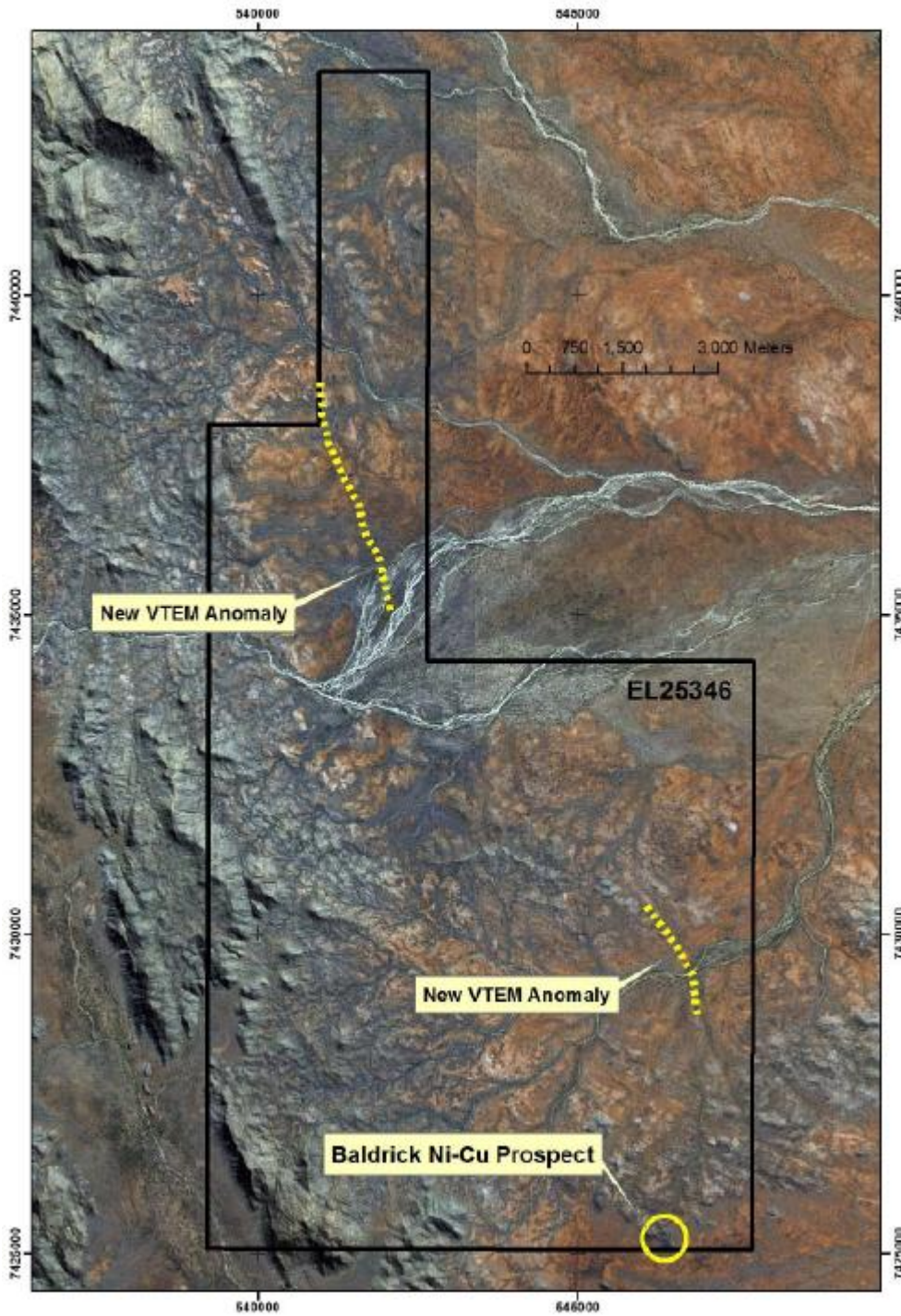


Fig.11 – Treasure JV tenement on ALOS Image showing location of VTEM anomalies.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

IRON MOUNTAIN MINING LIMITED

ABN

62 112 914 459

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(430)	(430)
(b) development	-	-
(c) production	-	-
(d) administration	(118)	(118)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	63	63
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material):		
- Rental Income	-	-
- Net GST Collected/Paid	-	-
- Option Fee Income	25	25
Net Operating Cash Flows	(460)	(460)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(593)	(593)
(c) other fixed assets	(3)	(3)
(d) security deposits	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
(d) security deposits	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material):		
- Orange Hills IPO Expenses	-	-
Net investing cash flows	(596)	(596)
1.13 Total operating and investing cash flows (carried forward)	(1,056)	(1,056)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,056)	(1,056)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,056)	(1,056)
1.20	Cash at beginning of quarter/year to date	4,852	4,852
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,796	3,796

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	129
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Directors Fees paid to Directors

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	292
4.2 Development	NIL
4.3 Production	NIL
4.4 Administration	234
Total	526

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	646	666
5.2 Deposits at call	3,150	4,186
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,796	4,852

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EL28217	Surrendered 29/08/2011	100%	0%
	EL28227	Surrendered 29/08/2011	100%	0%
	EL28228	Surrendered 29/08/2011	100%	0%
	E59/1194	Surrendered 06/09/2011	100%	0%
	E59/1457	Surrendered 06/09/2011	100%	0%
6.2 Interests in mining tenements acquired or increased	N/A	N/A	N/A	N/A

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-			
7.3 +Ordinary securities	135,586,881	132,086,881		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -		
7.5 +Convertible debt securities <i>(description)</i>	-			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-			
7.7 Options <i>(description and conversion factor)</i>	40,186,250 32,000,000	40,186,250 N/A	<i>Exercise price</i> 20 cents each 20 cents each	<i>Expiry date</i> 01/02/2012 01/05/2016
7.8 Issued during quarter				
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 Debentures <i>(totals only)</i>	-			
7.12 Unsecured notes <i>(totals only)</i>	-			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 31 October 2011

Print name: Suraj Sanghani

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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