ACN 112 914 459

11th Floor
16 St Georges Tce
Perth
WA 6000

24 May 2007

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

ACQUISITION OF ADDITIONAL ACREAGE : MIAREE AND WONGAN HILLS : JOINT VENTURE WITH RED RIVER RESOURCES LIMITED

- **Agreement to earn up to 70% of two Red River projects in Western Australia.**
- **Exploration targets include large-scale magnetite deposits at Miaree, near the Cape Lambert magnetite deposit, and hematite at Wongan Hills.**
- **Both areas are close to transport and energy infrastructure and have known mineralisation**

Iron Mountain Mining Limited ("Iron Mountain") wishes to announce that it has entered into a Heads of Agreement (HOA) with Red River Resources Limited ("Red River") to allow Iron Mountain to explore for iron ore over the following areas in Western Australia:

- Miaree near Karratha in the Pilbara
- Wongan Hills, 130 kilometres north east of Perth.

Under the terms of the HOA, Iron Mountain can earn an interest of up to 70% for a total expenditure of $4.75 million.

MIAREE

The Miaree Magnetite Trend occurs within the Kaninda East (EL47/1309) and Kaninda West (EL/08/1350) Exploration Licences (See Figure 1) and comprises approximately 30 kilometres strike length of Cleaverville Formation, a geological unit rich in magnetite. This is the same formation that hosts the Cape Lambert magnetite deposit, approximately 60 kilometres to the east. The aeromagnetic field strength at Miaree is similar to that at Cape Lambert. Published magnetite grades at Cape Lambert are in the range 40-45% and based on the geophysical similarity, magnetite grades over the Miaree Magnetite Trend are inferred to be similar. (See Figure 2)

Modelling of the aeromagnetic data supplied by Red River, (Figures 2 & 3) suggests that the Miaree Magnetite Trend has potential to host a very large magnetite resource. The area is adjacent to the North West Coastal Highway, near to the coast and the Dampier to Bunbury gas pipeline. (See Figure 1)

Iron Mountain considers the recent field work by Red River to be significant. It has outlined zones of hematite enrichment, in the Cleaverville Formation,. Samples from these zones have been submitted by Red River for analysis.

WONGAN HILLS

Figure 4 shows the distribution of aeromagnetic highs, in the Wongan Hills area indicative of banded iron formation. The area is inferred, by Red River, to hold good potential for the discovery of Direct Ship Ore. The project area is located adjacent to a railway line.

TERMS OF THE HOA.

The HOA applies to the following tenements:
-Miaree: E47/1309, EL08/1350, ELA47/1707
-Wongan Hills: E70/2437, E70/2343, E70/2728.

Iron Mountain has the right to conduct a due diligence study for Thirty (30) days from execution of the HOA. If Iron Mountain elects to proceed beyond the due diligence period, then the company will have an exclusive option to enter into a Joint Venture to commence upon both parties obtaining shareholder approval.

Mr David Zohar is a substantial shareholder and Director of both companies, which makes the agreement a "related party transaction". Therefore the agreement requires ratification by shareholders at Extraordinary General Meetings of each company, after receipt of an independent experts report stating that the proposed transaction is "fair and reasonable". Iron Mountain will pay for the report to both companies.

Iron Mountain may earn an initial 25% interest in the Exploration Licences by paying the sum of $50,000 to Red River Resources within 7 days of shareholders approval and by expending $1,250,000 on exploration of the project areas over a period of 2 years commencing on the date of shareholders approval.

During the period of exclusive expenditure by Iron Mountain, the company shall be the operator of the Exploration licences and shall be responsible for maintaining them in good standing.

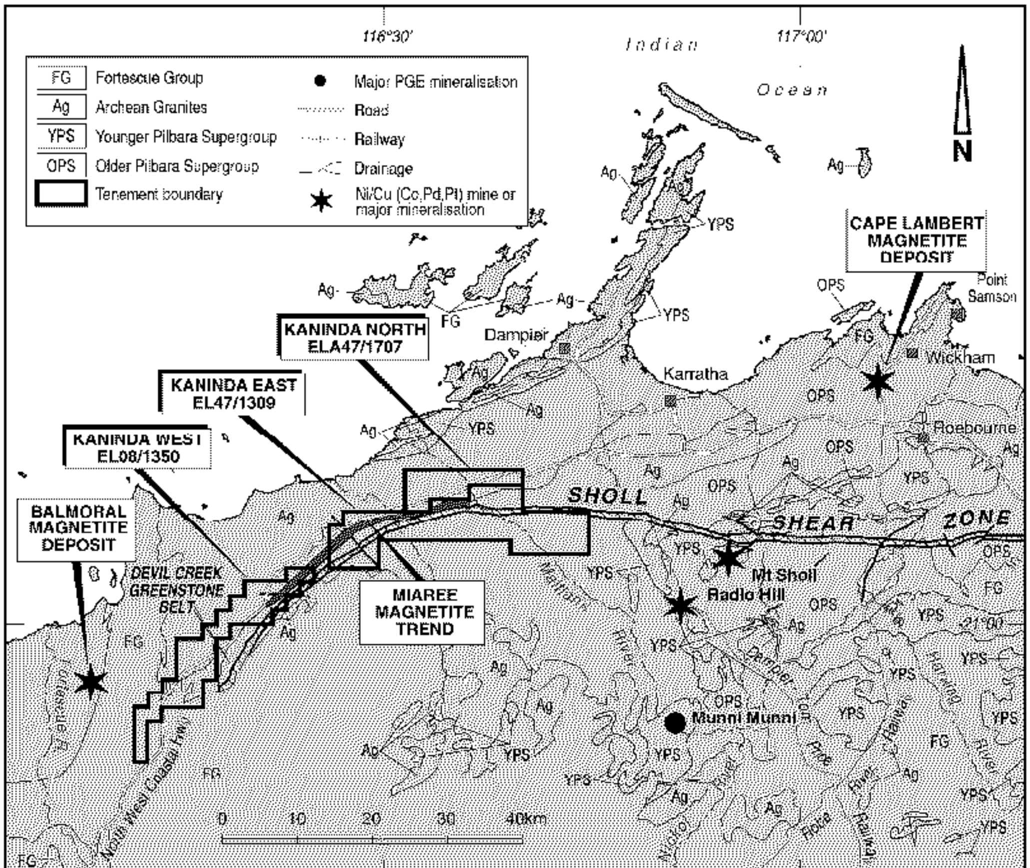
Iron Mountain may withdraw from the Joint Venture if it has conducted exploration which meets the minimum expenditure requirements of the Western Australian Department of Industry & Resources for the period of one year. If it withdraws prior to expending $1,250,000, it shall not have earned any interest in the exploration licences. However should Iron Mountain withdraw from any of the Exploration Licences covered by the Heads of Agreement its expenditure on that tenement will continue to be counted as expenditure towards the joint venture.

Iron Mountain may then earn a further 24% interest by expending $1,500,000 taking its total equity to 49%.

Iron Mountain may then earn a further 21% by expending $2,000,000, taking its total equity to 70%

G K Whitehouse
Managing Director 24 May 2007

The information within this report as it relates to geology and mineral resources was compiled by the Managing Director, Mr Keith Whitehouse. Mr Whitehouse is a Member of the Australasian Institute of Mining and Metallurgy and a Chartered Professional (Geology). He 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 Whitehouse consents to the inclusion in the report of the matters based on information in the form and context which it appears.



KANINDA WELL TENEMENTS
Location of Miaree Magnetite Trend

Figure 1

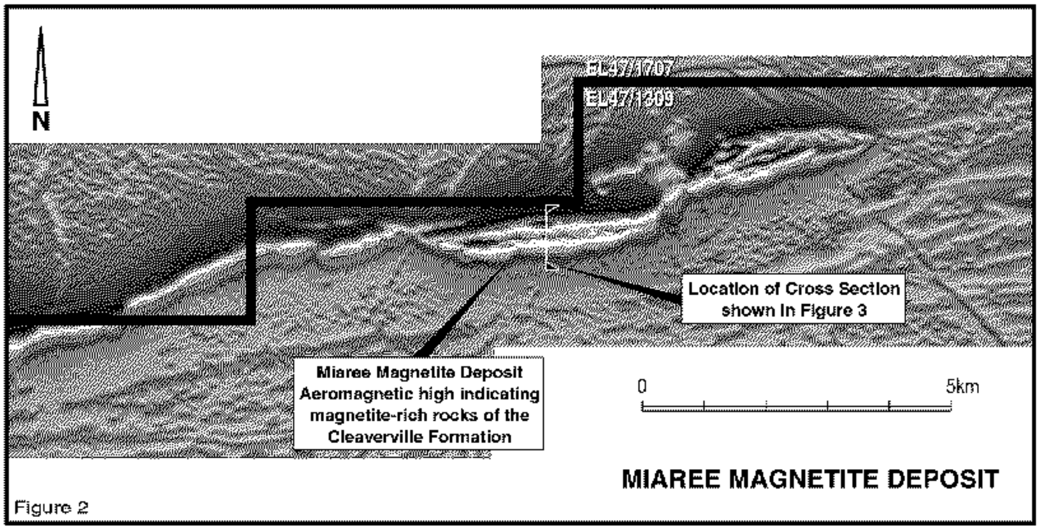


Figure 2

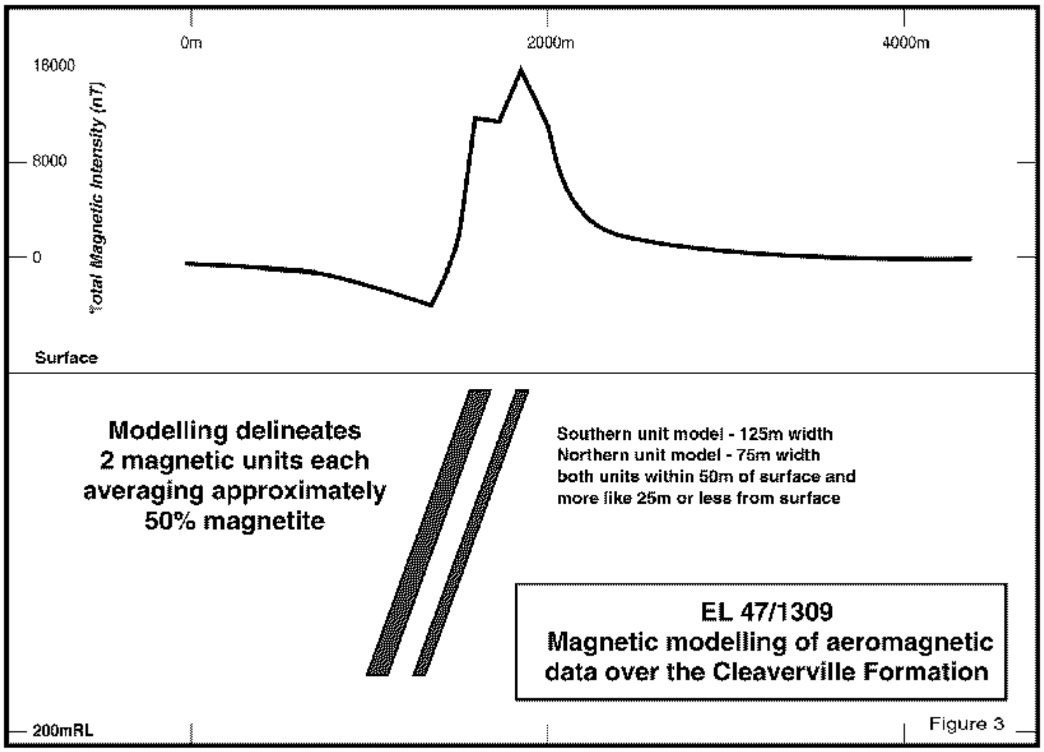
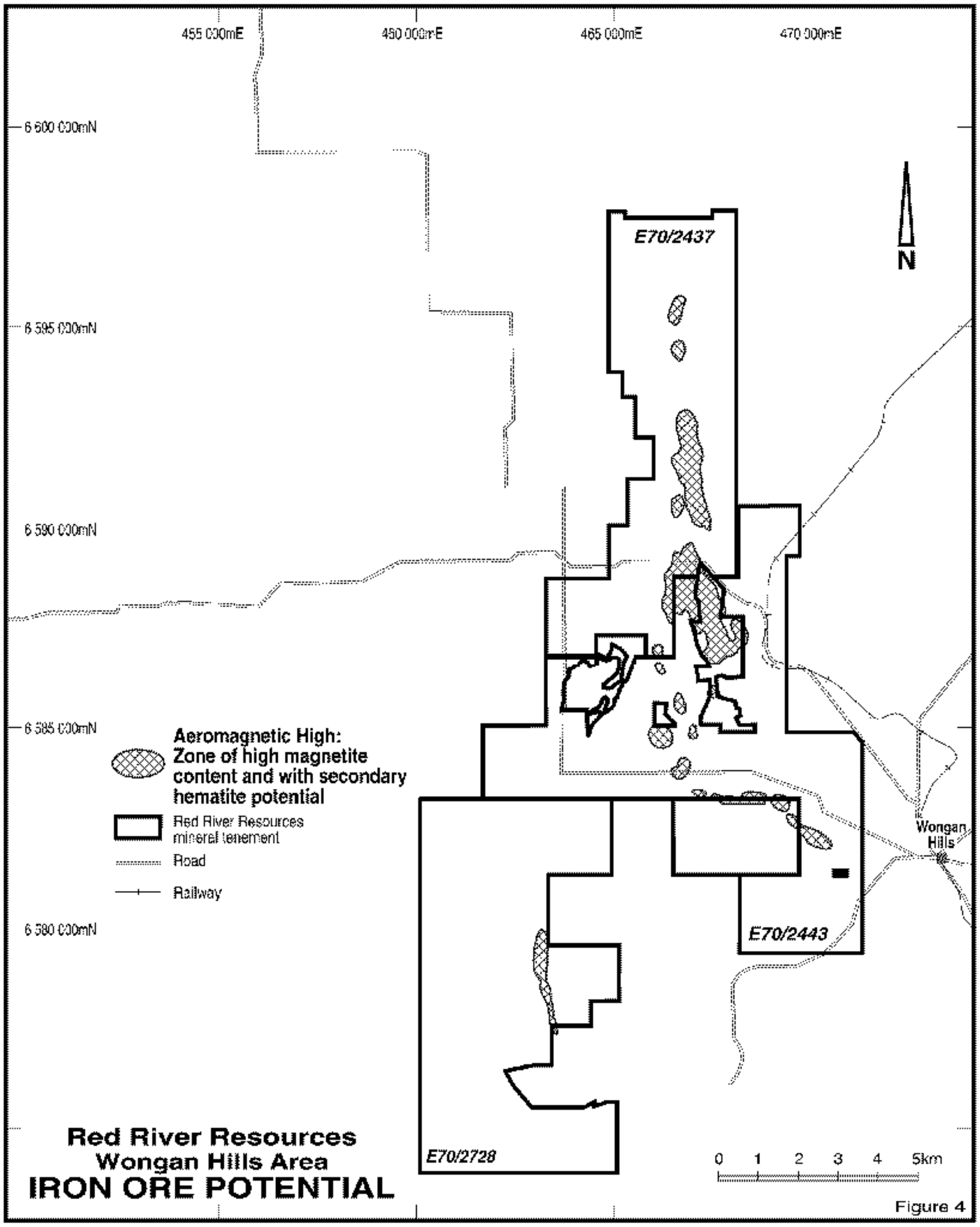


Figure 3


455 000mE
460 000mE
465 000mE
470 000mE
6 600 000mN
6 595 000mN
6 590 000mN
6 585 000mN
6 580 000mN
N
E70/2437
E70/2443
E70/2728
Wongan Hills
Aeromagnetic High:
Zone of high magnetite content and with secondary hematite potential
Red River Resources mineral tenement
Road
Railway
0 1 2 3 4 5km
Red River Resources
Wongan Hills Area
IRON ORE POTENTIAL
Figure 4