5 June 2009

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

Independent Magnetic Modelling Estimates Approximately 1800 Million Tonnes as a Global Exploration Target at the Miaree Magnetite Trend.

HIGHLIGHTS

- Modelling of aeromagnetic data has provided a total estimate of approximately 1800 million tonnes of magnetite-bearing jaspilite [1 & 2] to a depth of 250m for the Global Miaree Magnetite Trend within tenements E47/1309 and E47/1707 approximately 30 km southwest of Karratha,Western Australia.
- Magnetic modelling has also highlighted the potential to encounter additional magnetite mineralisation beyond the extent of existing drilling.

BACKGROUND

The Red River Resources Ltd/Iron Mountain Mining Ltd Joint Venture carried out 5,800 m of reverse circulation drilling over the Miaree Magnetite Trend within E47/1309, E47/1707 and E08/1350 during the December quarter of 2008. This program comprised 58 drill holes over 13 drill sections. **Magnetite intersections of up to 150m @ 30.1% Fe were encountered**. The drilling shows strong correlation between magnetite mineralisation and magnetic field strength. **Peak aeromagnetic field strengths correspond to the thickest sub-vertical magnetite bearing beds of 50-85m true width carrying grades of around 30% Fe**.

As this was the first round of drilling over the project area, not all the drill holes were optimally situated. As a consequence, the joint venture engaged the independent consultants, Southern Geoscience Consultants to review the aeromagnetic data in order to:

- Calculate a Global Exploration Target for the Miaree Magnetite Trend
- Delineate magnetite-rich jaspilite in undrilled areas so that future exploration work can be more effective.

REVIEW OF MAGNETIC MODELLING

Twenty five forward magnetic models have been generated from airborne magnetic data collected from the Miaree Magnetite Trend in order to obtain estimates for the volume/tonnage of the highly magnetic east-west striking magnetite bearing jaspilite sequence (see Figure 1 which shows these highly magnetic zones).

Using an assumed density of 3.4 t/m^3, a total of approximately 1800 million tonnes has been estimated for the first 250 vertical metres below surface within E47/1309 and E47/1707.[1 & 2]

The modelling based estimate has been compared with results on four drilling traverses from the late 2008 program. This comparison shows the modelled based estimates to be realistic. The magnetic modelling strongly suggests that additional drilling along strike beyond the late 2008 program will encounter magnetite mineralisation that is similar to the previously reported intersections.

TECHNICAL NOTES

[1] According to Southern Geoscience Consultants, this estimation is considered to be possibly +/- 40% (giving a range of 1,100 to 2,500 million tonnes). Overall, the modelling exercise has provided tonnage estimates for the Miaree jaspilite sequence that are considered broadly indicative and strongly suggest that the magnetite deposit easily exceeds 1,000 million tonnes.

[2] The potential quantity and grade of the Global Miaree Magnetite Trend is conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration results will result in the determination of a mineral resource. The Joint Venture partners now plan a program of Davis Tube metallurgical determinations in order to proceed to this stage.

REGIONAL SETTING

The late 2008 drill hole layout is shown in Figure 2. It should be noted that magnetite additional to the Exploration Target calculations occurs in E08/1350, outside of the area studied by Southern Geoscience. Examples of drilled cross sections are shown in Figures 3 and 4.The infrastructure surrounding the Miaree Magnetite Trend is shown in Figure 5.

J. Karajas
Managing Director 5 June 2009.

The information within this report as it relates to geology and mineral resources was compiled by the Managing Director Mr John Karajas. Mr Karajas is a Member of the Australian Institute of Geoscientists. Mr. Karajas 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 Karajas consents to the inclusion in the report of the matters based on information in the form and context which it appears.

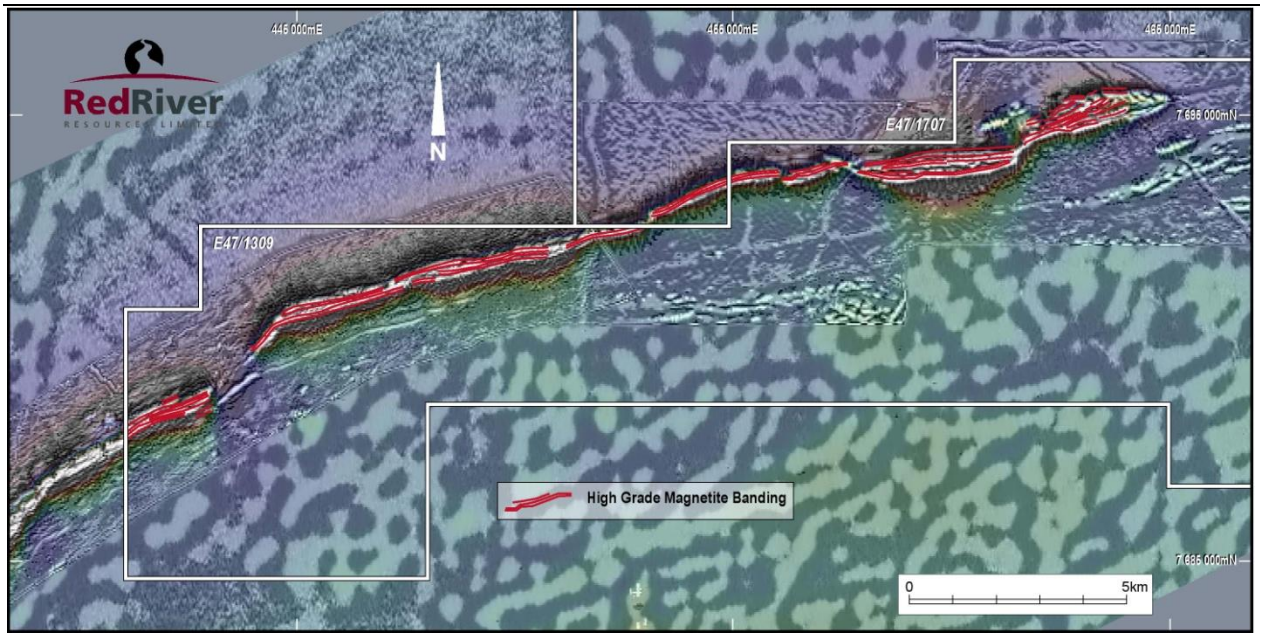

Figure 1

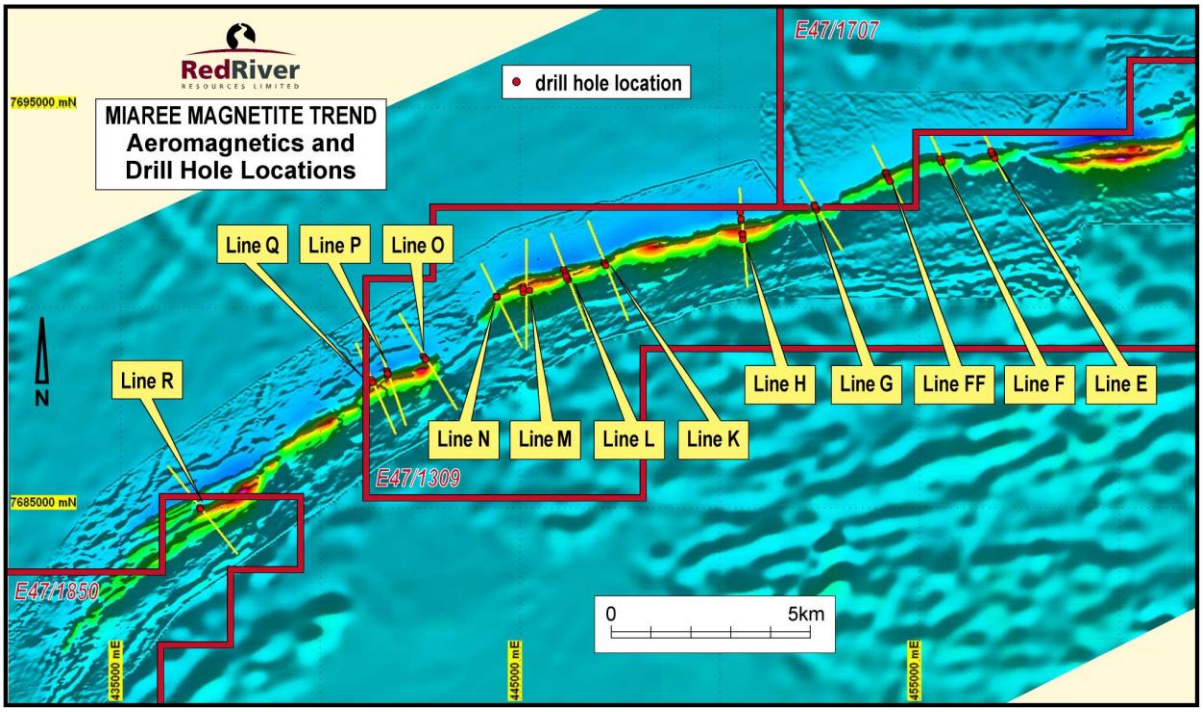

Figure 2: Miaree Magnetite Trend Drill Hole Locations

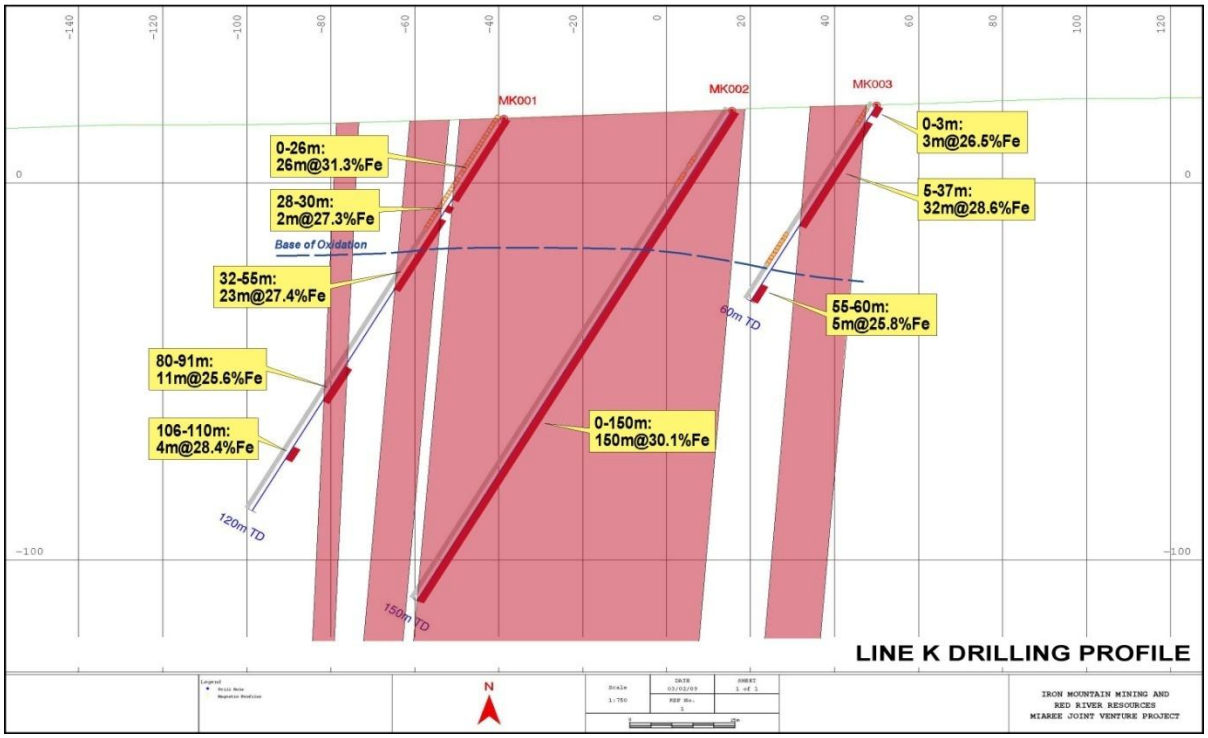

Figure 3

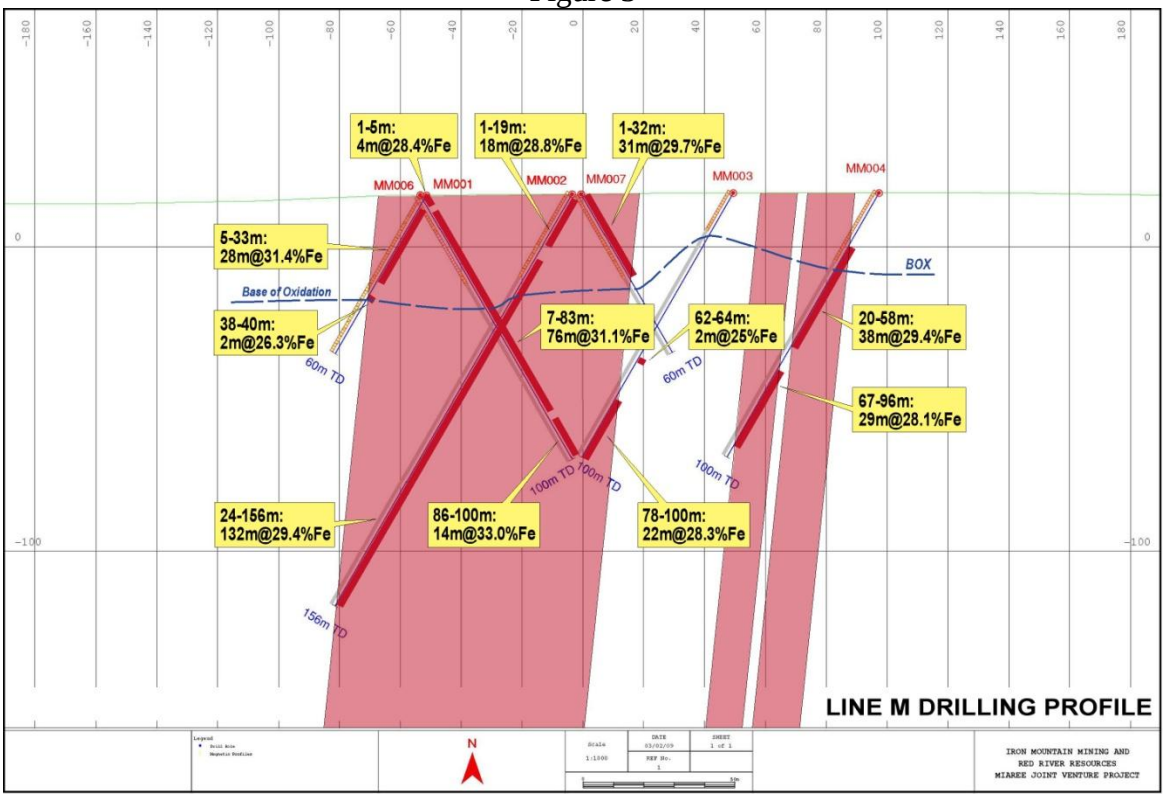

Figure 4

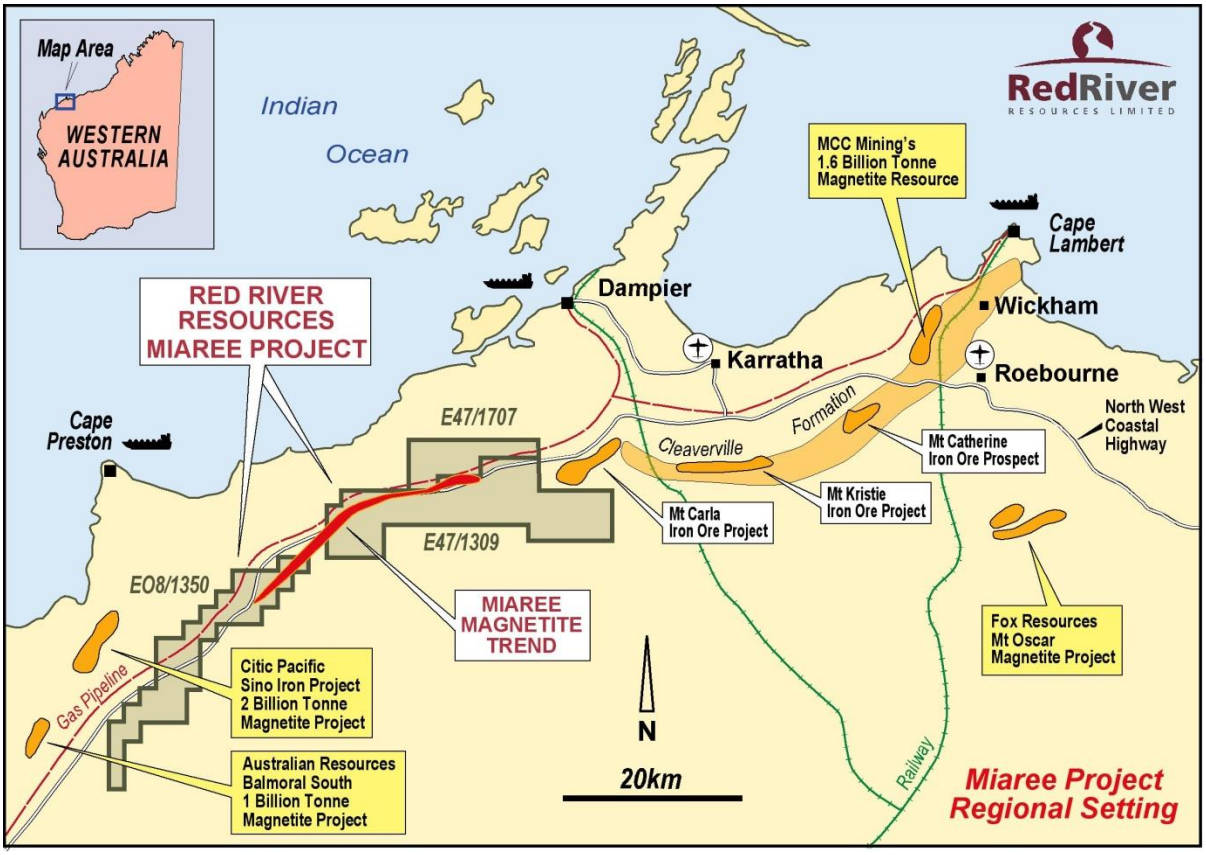

Figure 5

ENDS