



31 May 2010

ASX Release

Cliffs Asia Pacific Iron Ore Pty Ltd Exercises Option to Purchase over Mt Richardson and is to Pay A\$6,000,000

Iron Mountain Mining Ltd ("Iron Mountain", ASX: IRM) is pleased to announce that it has received notification from Cliffs Asia Pacific Iron Ore Pty Ltd ("Cliffs") of its exercise of its option to purchase Iron Mountain's Mt Richardson tenements, E29/571-I and E77/1267, in Western Australia. Under the terms and conditions of the Option Agreement, Cliffs will make a payment of AUD 6,000,000 to Iron Mountain which represents the balance of the consideration payable under the Option Agreement. Settlement is expected to occur within the next 6 weeks.

The Option Agreement over the Mt Richardson Project was announced by Iron Mountain on 13 August 2008. Under the terms of the Option Agreement, Cliffs has the right to explore and the option to acquire total ownership of the project subject to agreed milestones and payments totalling AUD 10,000,000 of which Cliffs has paid AUD 4,000,000 to date. In addition, a royalty of 2% on average/tonne FOB sales value of iron ore product that departs the Mt Richardson tenements will be payable to Iron Mountain 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.

Cliffs decision to exercise the Option to Purchase is viewed as a vote of confidence in the potential of Mt Richardson to host an economic iron ore deposit. Iron Mountain will use the funds to advance its portfolio of exploration projects including the recently acquired Wandoo Bauxite Project north of Perth where drilling has recently commenced.

Robert Sebek
Managing Director

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The information within this report as it relates to geology and mineral resources was compiled by 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 Ltd 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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