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This document comprises an admission document in relation to AIM drawn up in accordance with the AIM Rules.

The Directors of Red Rock Resources plc, whose names appear on page 6 of this document, accept responsibility, individually and collectively, for the information contained in this document including responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the whole of the ordinary share capital of Red Rock Resources plc both issued and to be issued to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of these securities to the Official List. Neither the United Kingdom Listing Authority nor the London Stock Exchange plc has examined or approved the contents of this document. The Ordinary Shares are not dealt in on any other recognised investment exchange and no other such applications have been or are intended to be made.

It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on AIM on 29 July 2005.

RED ROCK RESOURCES PLC

(Incorporated in England and Wales with Registered Number 05225394)

Placing of 27,300,000 New Ordinary Shares at 2p per share and Admission to trading on the Alternative Investment Market

**Nominated Adviser and Broker
ARM Corporate Finance Limited**

Share capital immediately following Admission

<i>Authorised</i>			<i>Issued and fully paid</i>	
Amount	Number		Amount	Number
£10,000,000	10,000,000,000	Ordinary Shares of £0.001 each	£141,860	141,860,000

ARM which is regulated by The Financial Services Authority, is acting exclusively for the Company and no one else in connection with the Admission. Accordingly ARM will not be responsible to any other person other than the Company for providing the protections afforded to its own clients nor for providing advice to any other person in connection with Admission. The responsibilities of ARM, as Nominated Adviser, are solely to the London Stock Exchange. ARM is the Company's broker for the purposes of the AIM Rules. No representation or warranty, express or implied, is made by ARM as to the contents of this document (without limiting the statutory rights of any person to whom this is issued).

This document does not constitute an offer to sell or the solicitation of an offer to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States of America, Canada, Australia, South Africa or Japan. The Ordinary Shares have not been and will not be registered under the United Securities Act 1933 (as amended) nor under the applicable securities legislation of the United States or any province or territory of Canada, Australia, South Africa or Japan or in any country, territory or possession where to do so may contravene local securities law or regulations. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, South Africa or Japan or to any national, resident or citizen of the United States of America, Canada, Australia, South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdiction.

Copies of this document will be available free of charge to the public at the Registered Office of the Company at 3rd Floor, 55 Gower Street, London WC1E 6HQ from the date of this document up to and including the date which is one month following Admission.

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DEFINITIONS

In this document, unless the context requires otherwise, the words and expressions set out below shall bear the following meanings.

“AUS\$”	Australian dollars
“Act”	the Companies Act 1985 (as amended)
“Acquisition Agreement”	The agreement dated 13 May 2005 between IUL and the Company pursuant to which the Company acquired Mt Alfred as described in paragraph 5.6 of Part 5 of this document
“Admission”	admission of all the existing Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the rules of AIM as published by the London Stock Exchange
“ARM”	ARM Corporate Finance Limited, the Company’s Nominated Adviser and Broker which is regulated by The Financial Services Authority
“BIF”	Banded Iron Formation
“Articles”	the articles of association of the Company
“Board”	the directors of the Company whose names appear on page 6
“Company” or “RRR”	Red Rock Resources plc
“Consideration Shares”	the 1,000,000 new Ordinary Shares to be issued pursuant to the Acquisition Agreement at the Placing Price as described in paragraph 5.6 of Part 5 of this document
“CREST”	the computerised settlement system to facilitate the transfer of title in shares in uncertificated form, operated by CRESTCO Limited
“CRESTCO”	CRESTCO Limited
“Directors”	the directors of the Company
“Enlarged Company”	the Company as enlarged by the Proposals
“Existing Shares”	113,560,000 existing issued Ordinary Shares
“IUL”	Iron and Uranium Limited, a company incorporated in Western Australia with Australian Company Number 108 719 795, the vendor of the Mt Alfred property pursuant to the Acquisition Agreement
“JORC”	the Joint Ore Reserve Committee – Australian Institute of Mining & Metallurgy
“JORC Code”	Australasian code for reporting of identified mineral resources and ore reserves
“London Stock Exchange”	London Stock Exchange plc

“Oakover Purchase Agreement”	the agreement dated 13 May 2005 between (1) Callum Baxter (2) Paul Winston Askins (3) Bernfried Gunter Franz Wasse and (4) the Company pursuant to which the Company acquired the Oakover tenements as described in paragraph 5.7 of Part 5 of this document
“Official List”	the Official List of the United Kingdom Listing Authority
“Ordinary Shares” or “Shares”	ordinary shares of £0.001 each in the capital of the Company
“Option”	the right of IUL that passed to RRR on completion of the Acquisition Agreement to purchase the remaining 40% interest in Mt Alfred for A\$100,000 at any time up to 9th March 2007 as described in paragraph 5.6 of Part 5 of this document
“Placing”	the Placing of 27,300,000 new Ordinary Shares at a price of 2p per Ordinary Share
“Placing Agreement”	the conditional agreement dated 25 July 2005 between (1) ARM (2) the Company and (3) the Directors relating to the Placing, further details of which are contained in paragraph 5.3 of Part 5 of this document
“Placing Price”	2p per Ordinary Share
“Placing Shares”	27,300,000 new Ordinary Shares at the Placing Price
“Placees”	the subscribers to Placing Shares pursuant to the Placing
“Properties”	Mt Ida, Mt Alfred, Mt Hope, Savage River North, Arthur River, and the Oakover Tenements
“Proposals”	the Placing and Admission, and the associated issue of the Consideration Shares
“Purchase Agreements”	the RGM Purchase Agreement and the Oakover Purchase Agreement
“RGM”	Regency Mines plc, a company incorporated in England with registered number 5227458 and listed on AIM, and the parent company of RRR
“RGM Purchase Agreement”	the agreement dated 10 May 2005 between RGM and the Company pursuant to which the Company acquired Mt Ida, Mt Hope, Savage River North, and Arthur River as described in paragraph 5.5 of Part 5 of this document
“Shareholders”	holders of Existing Shares
“UK Listing Authority”	the competent authority for listing in the UK, which is part of the Financial Services Authority
“Vendors”	the parties to the Oakover Purchase Agreement and the Acquisition Agreement, being IUL, Callum Baxter, Paul Winston Askins, Bernfried Gunter Franz Wasse, Prosperity Asset Venture Limited, Christine Choow Lin Tan, Roderick McIllree, Florence Deng, and Dato Eddie Soong Kwong Choon

All amounts shown in this document are pounds and pence sterling unless shown to the contrary. As at the close of business on 20 May 2005 the rate of exchange between sterling and Australian dollars was £1: AUSS\$ 2.42.

EXPECTED TIMETABLE OF EVENTS

Publication of this document	25 July 2005
Admission and dealings expected to commence	29 July 2005
Shares credited to Crest accounts	29 July 2005
Share certificates expected to be despatched by	12 August 2005

PLACING STATISTICS

Placing Price per Placing Share	2p
Number of Ordinary Shares being placed	27,300,000
Placing Shares as a percentage of the enlarged issued Ordinary Share capital of the Company	19.2 per cent
Number of Ordinary Shares in issue immediately following completion of the Proposals	141,860,000
Net proceeds of the Placing	£476,000
Market capitalisation of the Enlarged Group on the basis of full subscription at the Placing Price	£2.8 million

DIRECTORS, SECRETARY AND ADVISERS

Directors
Andrew Ronald McMillan Bell (Chairman)
Kenneth Frank Watson (Managing Director)
John Watkins (Non-executive Director)

**Registered Office and
Directors' business address**
3rd Floor
55 Gower Street
London WC1E 6HQ

Secretary
Stephen Frank Ronaldson

**Nominated Adviser and
Broker**
ARM Corporate Finance Limited
12 Pepper Street
London E14 9RP

**Auditors and Reporting
Accountants**
Chapman Davis LLP
2 Chapel Court
London SE1 1HH

Solicitors to the Company
Ronaldsons Solicitors
55 Gower Street
London WC1E 6HQ

Solicitors to the Placing
Maclay Murray & Spens
5 Old Bailey
London EC4M 7JX

Principal Bankers
Coutts & Co
440 Strand
London WC2R 0QS

Registrars
Share Registrars Limited
Craven House
West Street
Farnham
Surrey GU9 7EN

PART 1

INFORMATION ON THE COMPANY

Introduction and Strategy

RRR has been established as a mineral exploration and development company. Its existing exploration interests are focussed on areas of iron ore and manganese potential in Western Australia and in Tasmania. The Board seeks to increase shareholder value by the systematic exploration and, where appropriate, development of these assets as well as possibly by joint venture and by the acquisition of additional projects and tenements.

The Directors combine extensive experience in both the mining and finance sectors. The Directors are experienced in the evaluation of mining assets, in raising funds on international capital markets, in evaluating acquisition and investment prospects and in the day to day management of public companies, as detailed in the paragraph "Directors" on page 6 of this document. The Directors believe that their expertise and experience will benefit the Company in the development of the Company's business.

Following a successful Placing and Admission to AIM, the Directors will undertake mapping, geophysics, and shallow drilling to evaluate the grade, extent, and metallurgical character of the mineralisation within its tenements. The results will be utilised in developing JORC Code compliant estimates of resource. The Directors believe that further funding of the Company will be required as work progresses.

Iron Ore and Manganese

Manganese is essential to iron and steel production by reason of its sulphur-fixing, deoxidising and alloying properties. Over 85% of manganese demand is estimated to come from the steelmaking industry. Other uses include aluminium alloys and dry cell batteries. Manganese is not substitutable in its major applications.

Mine production of manganese metal rose from an estimated 8,200,000 tonnes in 2003 to an estimated 11,000,000 tonnes in 2004.

Australia overtook South Africa as the largest producer of manganese in 2004, producing 3,300,000 tonnes and supplied most of the incremental production in that year. In 2003 Australia produced 1,200,000 tonnes.

Only Australia, South Africa, and Gabon produce significant quantities of metallurgical grade ore (47% or more manganese).

The Directors believe there will continue to be a strong demand for manganese and that the Pilbara region of Western Australia and Groote Eylandt in the Northern Territory of Australia are well placed to meet future growth in manganese demand from Asia and the Indian sub-continent. Iron ore is the source of primary iron for the iron and steel industries, and essential for the production of steel. 98% of all iron ore is used in steel-making. Substitution by scrap metal is possible in some uses, but an over 200% increase in the price of scrap metal in 2004 has made the economics of scrap metal utilisation unfavourable.

Mine production of iron ore rose by 7.8% from 2003 to 2004, from 1,160,000,000 tonnes to 1,250,000,000 tonnes.

The predominant factor in growth in demand for iron ore has been China, whose 2003 production of 200m tonnes of pig iron represented a compound growth rate of 9% p.a. from its 1992 level of 76m tonnes.

Australia and Brazil accounted for 34.3% of ore production, 40% of contained metal production, and 64% of iron ore exports in 2003, and in 2004 accounted for 35.2% of ore production. India accounted for 9.5% of iron ore exports in 2003.

The Directors believe continued export demand for high grade ore from Australia, and an increasing impact from the likely growth in Indian pig iron production may reduce India's ability to export iron ore.

The Directors believe conditions are favourable for the identification and development of high grade manganese and iron ore deposits in Australia, and that the Company's tenement portfolio has the potential to contain economic deposits of these metals.

Portfolio of properties

RRR has acquired nine tenements; four tenements at Oakover, Mt Ida, Mt Hope and Mt Alfred, all in Western Australia, and Savage River North and Arthur River in Tasmania.

Tenement	Application Date	Expiry Date	Area*	Other Relevant Information
Oakover Project				
E45/2638	21 April 2004	n/a	70 blocks	Purchase Agreement completed 13 May 2005 between Callum Baxter, Paul Askins, Bernfried Wasse and the Company
E45/2639	21 April 2004	n/a	28 blocks	Purchase Agreement completed 13 May 2005 between Callum Baxter, Paul Askins, Bernfried Wasse and the Company
E45/2640	21 April 2004	n/a	49 blocks	Purchase Agreement completed 13 May 2005 between Callum Baxter, Paul Askins, Bernfried Wasse and the Company
E45/2641	21 April 2004	n/a	70 blocks	Purchase Agreement completed 13 May 2005 between Callum Baxter, Paul Askins, Bernfried Wasse and the Company
Central Yilgarn Project				
E29/560	17 March 2004	n/a	56 blocks	Purchase Agreement completed 12 May 2005 between Regency Mines plc and the Company
E29/581	3 March 2005	n/a	70 blocks	Acquisition Agreement completed 13 May 2005 between Iron and Uranium Limited and the Company
E30/296	9 March 2005	n/a	25 blocks	Purchase Agreement completed 12 May 2005 between Regency Mines plc and the Company
Savage River Project				
E10/2005 (TAS)		n/a	61 sq km	Purchase Agreement completed 12 May 2005 between Regency Mines plc and the Company
E11/2005 (TAS)		n/a	71 sq km	Purchase Agreement completed 12 May 2005 between Regency Mines plc and the Company

*a block is an area as defined by reference to the Geodetic Datum of Australia. In terms of longitude and latitude a block comprises positions which are one minute apart.

As at the date of this document none of the tenements have been granted. Pursuant to the material contracts set out in paragraphs 5.5, 5.6 and 5.7 of Part 5 of this document, the Company is entitled to be the 100% beneficiary of the tenements.

MANGANESE – WESTERN AUSTRALIA – OAKOVER PROJECT

The Oakover Tenements

Red Rock's Oakover project comprises four tenements covering an area of approximately 695 km² and located in the Eastern Pilbara Region of Western Australia which is emerging as a world class manganese (and gold) province on the eastern margin of the Pilbara Craton.

The Archaean-Palaeoproterozoic rocks covered by the licenses are prospective for precious metals (gold), base metals (copper, lead, zinc) and manganese. Similar rock sequences 40 km away host Consolidated Minerals Ltd's Woodie Woodie manganese operations that have a global resource of 8Mt grading 48% Mn, where current production of manganese concentrate is approximately 600,000 tons per annum. Manganese mineralisation has been identified at numerous prospects by government geologists and company reports within the Company's tenements but these have had only cursory attention. Past exploration and current mining in the area confirm the prospectivity of Oakover tenements and past records returned manganese grades generally in excess of 25% and in some cases over 50%.

The Directors believe the tenements are prospective for containing economic manganese resources.

In addition, the Oakover tenements are proximal to the major Telfer gold mine, with measured and indicated gold resources totalling 400 Mt at 1.5 g/t gold. A number of strong gold in stream anomalies up to 591 ppb Au have been outlined within the current tenements, in a geological setting favourable for hosting large gold ore bodies and along a corridor that includes Telfer and the major Pilbara gold deposits, but no follow-up has been carried out.

Exploration Budget

RRR has proposed a total exploration budget for this group of properties to 31 December 2006 of approximately £95,000. These budgeted figures exceed the minimum annual expenditure commitments as prescribed by the Western Australian authorities.

IRON ORE – WESTERN AUSTRALIA – CENTRAL YILGARN IRON PROJECT

The Central Yilgarn Iron project is located in the central part of the Yilgarn Craton in Western Australia. The Yilgarn is well endowed with commodities such as gold, nickel, copper, and iron and contains a number of major mining camps. The project comprises three tenements; Mt Ida, Mt Alfred and Mt Hope, collectively covering approximately 460km². BIF strike-length is significant within each of the tenements. Results of previous surface sampling at Mt Ida include economic grades of hematite and goethite iron ore with supporting low phosphorus.

The tenements are located in a region with good infrastructure and existing iron ore production from the Koolyanobbing operations of Portman, a subsidiary of US based Cleveland Cliffs Inc. The operation is located approximately 150km southwest of the Company's tenements, and 175km west of Kalgoorlie. It currently produces some 5,000,000 tpa of ore that is shipped to Asian markets via the port of Esperance. Ore feed for the primary crushing facilities at Koolyanobbing has historically been sourced from deposits at Koolyanobbing, but more recently been supplemented with ore trucked from resources at Windarling and Mt Jackson, 100km north. An expansion of infrastructure from 5,000,000 tpa to 8,000,000 tpa is currently underway. Iron ore is sourced from BIF hosted ore-bodies in greenstone sequences; a similar geological setting to that at the Mt Ida, Mt Alfred, and Mt Hope areas. Metamorphism and deformation has typically altered original magnetite mineralisation in the BIF units in the area to hematite and goethite, with a corresponding increase in grades sometimes up to 67% Fe.

Exploration for gold, copper, uranium and nickel has been carried out in the Central Yilgarn area. However no systematic, modern efforts for iron ore have been carried out within the current tenements despite these areas showing demonstrated prospectivity for this commodity.

Mount Ida

The 175 km² Mt Ida licence area is located about 80 km northwest of the township of Menzies in the central Yilgarn region of Western Australia. The Mt Ida tenement includes two known, large, high-grade occurrences of BIF- hosted iron known as Mt Ida and Mt Mason and cover 7km x 3km and 4km x 2km respectively within an undulating line of hills rising up to 100m above the surrounding plain.

The BIF hosted iron accumulations of Mt Ida and Mt Mason were noted by government geologists as early as 1901, and in 1912, the Geological Survey of Western Australia (“GSWA”) published brief descriptions of the iron ore accumulations, with results of limited surface sampling up to 96.98% Fe₂O₃. In 1959, surface sampling at Mt Mason outlined a high-grade lens of hematite of 66.64% iron and 0.05% phosphorus. Limited sampling in 1970 of BIF in the west of the tenement returned between 54.6% iron and 65.8% iron. Results justified follow-up efforts but none were carried out.

No systematic exploration activities for iron ore have been carried out within the Mt Ida tenement despite the large strike extent of BIF and encouraging results from early work.

Mt Alfred

The Mt Alfred tenement is located 135km northwest of Menzies and 260km north of Southern Cross in the Southern Yilgarn region of Western Australia, covering an area of 210km². In the eastern parts of the tenement, large areas of BIF accumulation include multiple horizons of 15m to 100m in width over 14km of strike. These form a prominent line of north striking hills up to 90m above the surrounding plain level, and in the central parts show repetition of stratigraphy. Aeromagnetic data interpretation confirms the strike continuity of the BIF units within the Mt Alfred tenement and extensions for a further 75km south. A significant portion of the BIF extensions are held by Portman who intend to evaluate these with traditional methods of exploration for iron ore.

Exploration has taken place over the Mt Alfred tenement, but none has specifically been for iron ore. This is despite the confirmation of hematite mineralisation in the BIF units, and their large strike extent.

Mount Hope

The 75 km² Mt Hope tenement is located 60 km east of Menzies and 150 km northwest of Kalgoorlie in the central Yilgarn of Western Australia. Outcrop of BIF is prevalent in low relief, with colluvial cover over the flanking lithologies. BIF horizons range in thickness from 5m to 60m and tight folding is evident.

No exploration specifically for iron ore has been carried out, despite the confirmation of hematite and goethite mineralisation in the BIF, and its reasonable strike extent.

Exploration Budget

RRR has proposed a total exploration budget for this group of properties to 31 December 2006 of approximately £66,000. These budgeted figures exceed the minimum annual expenditure commitments as prescribed by the Western Australian authorities.

IRON ORE – TASMANIA

The Savage River North and Arthur River tenements have high prospectivity for iron ore, as they encompass the same lithological unit that hosts the Savage River Iron Mine; the Savage River North tenement is immediately north of, and along strike from, the mine.

The terrain is rugged, with deeply incised rivers and creeks, and elevations ranging from about 120m to 700m above sea level. There is a thick temperate rain forest cover. A pipeline road from the Savage River Mine traverses the length of the Savage River North licence, and the Arthur River licence can be accessed from logging tracks.

The Savage River Iron Mine deposit, a series of banded magnetite (with lesser pyrite) lenses, has been mined in two open pits over a strike length of three kilometres from 1965. The main ore body is up to 150 metres thick, and the global resources at June 2004 totalled 248.1 million tonnes with 49.6% recoverable magnetite. The reserves and resources for open-cut mining are sufficient for a planned mine life of up to 9 years, and there has been some examination of the feasibility of an underground operation in the northern part of the deposit. Magnetite concentrate is pumped from the mine site to a pellet plant and loading facility at Port Latta on the northwest coast of Tasmania via an 85 km long pipeline. Production of ore from the Savage River Iron Mine open cut in 2003/2004 totalled 5.1 million tonnes, with 2.2 million tonnes of pellets being produced. Savage River pellets currently contain about 66% iron.

Savage River North

The 71 km² Savage River North/pipeline Road tenement, which lies immediately adjacent to the currently producing Savage River magnetite iron ore mine, contains multiple prospective horizons each over a 10 km strike length. The potential to host large deposits is supported by regional aeromagnetics and government mapping showing continuous strike of prospective stratigraphy. No previous work specifically for iron ore is recorded.

Recent exploration has focused on the area around the late nineteenth century Specimen Reef gold mine. Interpretation of aero-magnetic data suggests that the Specimen Reef structure may extend for 2 km in either direction and has similarities to the settings of other Archaean and Proterozoic shear hosted gold deposits.

Arthur River

The 77 km² Arthur River/Hebe River tenement contains 20 strike kilometres of the same stratigraphy hosting the Savage River iron ore mine, as well as the Keith River iron prospect, where in the 1970s a 500m by 100m weathered gossan was found to contain 22% to 53% iron in the form of limonite and hematite. Aeromagnetics and government mapping confirm the continuous strike of prospective stratigraphy.

The area also hosts nineteenth century alluvial gold workings and an old copper mine.

Exploration Budget

RRR has proposed a total exploration budget for this group of properties to 31 December 2006 of approximately £13,000. These budgeted figures exceed the minimum annual expenditure commitments as prescribed by the Tasmanian authorities.

Directors

Details of the Directors are set out below:

Andrew Bell, MA, LLB, aged 50, Chairman

In the late 1970s Andrew Bell was a natural resources analyst at Morgan Grenfell & Co. His business experience encompasses periods in fund management and advisory work at financial institutions including Grieson Grant & Co and Phillips & Drew, corporate finance in Hong Kong, and private equity. Andrew Bell is currently Chairman of Regency Mines plc, a company listed on AIM, and a non-executive director of Ormonde Mining Plc, a company listed on AIM, Axiom Resources Ltd, a company listed on the Venture Exchange of the Toronto Stock Exchange, and Magyar Mining Plc. He is President of BellMin Limited and a director of Redstone Metals Pty Ltd.

Kenneth Watson, aged 67, Managing Director

Ken Watson is a mining entrepreneur and prospector with over 40 years of experience. After operational and supervisory roles in uranium and gold processing plants and copper mines, including Mount Isa Mines, and supervisory roles in open pit copper and coal production, he founded Kenrock Mining and Engineering Pty Ltd, an industrial and mining equipment company, designing, importing, manufacturing under license for U.S. manufacturers and exporting to the Asian region. Co-founder of the Golden Kilometre gold mine at Mt Pleasant near Kalgoorlie, Ken Watson has been active in recent years in mineral exploration, and is Managing Director of Regency Mines plc, a company listed on AIM, and Chairman of Redstone Metals Pty Ltd.

John Watkins, FCA, aged 61, Non-executive Director

John Watkins is a chartered accountant and a former partner of Ernst & Young and Neville Russell. He has considerable experience as a public company director, and is a director both of Starvest plc, a substantial shareholder of Regency Mines plc, the Company's controlling shareholder, and of Regency Mines plc itself. Both Starvest plc and Regency Mines plc are listed on AIM. He is Chairman of Lisungwe plc, a mineral exploration company.

The Placing

The Company is raising £546,000, before expenses, by the placing of 27,300,000 Ordinary Shares at the Placing Price. Assuming full subscription, the Placing Shares being issued will represent 19.2 per cent. of the issued share capital of the Company as enlarged by the Proposals.

Application has been made to the London Stock Exchange for the Consideration Shares, the Existing Shares and the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Consideration Shares, the Existing Shares and the Placing Shares on AIM, will commence on 29 July 2005.

The Placing is conditional *inter alia* on Admission. The Consideration Shares and the Placing Shares will rank *pari passu* in all respects with the Existing Shares of the Company.

Further details of the Placing are set out in paragraph 5.3 of Part 5 of this document.

Reasons for the Admission

The Directors believe that the admission of the Company's issued share capital to trading on AIM will provide future access to capital for the long term development of its business, increase the general awareness of the Company, enable RRR to acquire assets through the issue of equity and enhance the liquidity of the Company's issued share capital by attracting UK high net worth and institutional investors.

Use of Proceeds

The proceeds of the Placing will be used to finance the mineral exploration programme of the Company, and for general working capital purposes.

Lock-in and orderly market arrangements

The Directors are committed to the long term future of the Company. Their aggregate direct and indirect interests in the issued ordinary share capital of the Company immediately following Admission will amount to 101,250,000 Ordinary Shares, equivalent to approximately 71.4 per cent of the issued ordinary share capital of the Company at that time. The Directors and their connected persons have each undertaken not to dispose of any interest in their Ordinary Shares held by them for a minimum period of twelve months following Admission. Thereafter the Directors and their connected persons have each agreed to maintain an orderly market in relation to the sale of Ordinary Shares for a further twelve months by consulting with ARM prior to the sale of any Ordinary Shares, save as in certain specified circumstances, and, for as long as ARM is the Company's broker, they have agreed that they will not dispose of or acquire Ordinary Shares without first giving ARM the opportunity to effect such disposal or acquisition.

Regency Mines plc and their connected persons have undertaken not to dispose of any interest in Ordinary Shares held by them, which immediately following Admission will amount to 101,250,000 Ordinary Shares, for a minimum period of 12 months following Admission. Thereafter Regency Mines plc and their connected persons have each agreed to maintain an orderly market in relation to the sale of Ordinary Shares by consulting with ARM prior to the sale of any Ordinary Shares, save in certain specified circumstances, and, for as long as ARM is the Company's broker, they have agreed that they will not dispose of or acquire Ordinary Shares without first giving ARM the opportunity to effect such disposal or acquisition.

Starvest plc and their connected persons have undertaken not to dispose of any interest in Ordinary Shares held by them, which immediately following Admission will amount to 5,000,000 Ordinary Shares, for a minimum period of 12 months following Admission. Thereafter Starvest plc and their connected persons have each agreed to maintain an orderly market in relation to the sale of Ordinary Shares by consulting with ARM prior to the sale of any Ordinary Shares.

The Vendors and their connected persons have undertaken not to dispose of any interest in Ordinary Shares held by them, which immediately following Admission will amount to 13,000,000 Ordinary Shares, for a minimum period of twelve months following Admission. Thereafter the Vendors and their connected persons have each agreed to maintain an orderly market in relation to the sale of Ordinary

Shares by consulting with ARM prior to the sale of any Ordinary Shares, save in certain specified circumstances, and, for as long as ARM is the Company's broker, they have agreed that they will not dispose of or acquire Ordinary Shares without first giving ARM the opportunity to effect such disposal or acquisition.

Further details of these agreements are set out in Paragraph 5.4 of Part 5 of this document.

Working Capital

The Directors are of the opinion that, having made due and careful enquiry and having regard to the net proceeds received under the Placing, the working capital available to the Company will, from Admission, be sufficient for its present requirements, that is for at least the next 12 months from Admission.

Dividend policy

The nature of the Company's business means that it is unlikely that the Directors will recommend a dividend in the early years following Admission. The Directors believe the Company should seek to generate capital growth for its Shareholders. The Company may recommend distributions at some future date when it becomes commercially prudent to do so, having regard to the availability of RRR's distributable profits and the retention of funds required to finance future growth.

Taxation

The attention of prospective investors is drawn to the taxation section in paragraph 8 of Part 5 of this document.

Corporate governance

The Directors recognise the importance of sound corporate governance commensurate with the size of the Company and the interests of Shareholders. As the Company grows, the Directors intend that it should develop policies and procedures which reflect the Principles of Good Governance and Code of Best Practice as published by the Committee on Corporate Governance as amended from time to time (commonly known as the "Combined Code"). So far as is practicable, taking into account the size and nature of the Company, the Directors will take steps to comply with the Combined Code.

The Board will established an audit committee and a remuneration committee. The audit committee will meet at least twice each year and is responsible for ensuring the integrity of the financial information reported to shareholders and internal control systems. This committee, which will be chaired by the Chairman provides an opportunity for reporting by the Company's auditors. The remuneration committee, which will be chaired by the Chairman will meet at least once each year to determine the terms of employment and total remuneration of the executive Directors, including the granting of share options or participation in other incentive schemes. The objective of this committee is to attract, retain and motivate executives capable of delivering the objectives of the Company.

The Company will ensure, in accordance with and subject to the provisions of Rule 21 of the AIM Rules, that the Directors and applicable employees shall not deal in any of the Ordinary Shares during a close period (as defined in the AIM Rules) and will take all reasonable steps to ensure compliance by the Directors, and applicable employees with this Rule 21.

CREST

The Directors have arranged with CRESTCO for the Consideration Shares, the Existing Shares and the Placing Shares to be admitted to CREST with effect from Admission. Accordingly settlement of transactions in the Consideration Shares, the Existing Shares and Placing Shares following Admission may, if a shareholder wishes, take place within the CREST system. CREST is a paperless settlement procedure, which allows title to securities to be evidenced without a certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares under CREST.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain certificates will be able to do so.

Risk Factors

The Directors consider the following risks to be the most significant for potential investors in the Company. However, the risks listed do not necessarily comprise all those associated with an investment in the Company:

- The Properties or any of them may prove not to contain economically viable mineralisation, or other infrastructure or metallurgical factors may exist that prevent RRR bringing it into production.
- Historically prices of iron and manganese have usually been lower than current levels. It is possible future prices might fall to a level that makes the Company's projects uneconomic to develop or operate.
- The Company may be unable to effect an investment in an identified opportunity, as a consequence of which resources might have been expended fruitlessly on investigative work and due diligence.
- The Company's main strategic focus for investment will be in the mining and minerals sector and therefore the Company will be exposed to general exploration, mining and processing risks. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in the damage to, or destruction of, mines and or other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimise risk will be taken, operations are subject to hazards which may result in environmental pollution and consequent liability which could have an adverse impact on business, operations and financial performance of the Company.
- The Company will invest in exploration for and the development of resources which is speculative and involves a significant degree of risk. There is no assurance that such exploration will lead to commercial discoveries or, if there is a commercial discovery, that such reserves will be realisable. If reserves are developed, it can take a number of years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish ore reserves through drilling, to determine metallurgical processes to extract metals from ore and, in the cases of new properties, to construct mining and processing facilities. As a result of these uncertainties, no assurance can be given that the exploration programmes undertaken by the Group will result in any new commercial mining operations being brought into operation.
- The Company's total return and net assets can be significantly affected by currency movements.
- The Company may not be able to obtain such necessary consents as may be required under native title legislation in respect of any of its properties to allow it to explore or develop such property.
- Share market conditions, particularly those affecting mining and exploration companies, may affect the ultimate value of the Company's share price regardless of future operational performance.
- The Company is likely to face competition from other entities operating in its business sector, many of which may have significantly greater resources than the Company.
- The market price of the Ordinary Shares may not reflect the underlying value of the assets of the Company.
- The market in the Ordinary Shares may be illiquid or subject to sudden or large fluctuations and it may be difficult for an investor to sell his Ordinary Shares and he may receive less than the amount originally invested.
- A further issue of Ordinary Shares may be necessary for the Company to achieve its objectives.

- The Company is highly dependent upon the Directors. Whilst the Board has sought to and will continue to ensure that Directors and key employees are appropriately incentivised, their services cannot be guaranteed. The Group has a small management team and the loss of one or more executive or key employees may have a material adverse effect on the performance of the Company.
- Native title legislation in Australia has resulted in some uncertainty regarding proprietary rights over land including rights in and to mining tenements and access to those tenements. Whilst the Directors believe that all necessary legislation and regulations have been complied with outstanding native title claims may result in native title rights co-existing with the Company's rights over the various Western Australian tenements. While native title does not confer any rights to minerals on the traditional landowners the nature of such native title rights may confer the right to restrict access to the land upon the traditional landowners.
- The Company's current and future exploration, mining and processing activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. There can also be no assurance that they will be renewed or if so, on what terms.
- The Company does not have an established trading record. The Company's operations are at an early stage of development and success will depend upon the Directors' ability to manage the current project and to identify and take advantage of further opportunities which may arise.
- The successful extraction of base metals may require very significant capital and infrastructural investment. In addition, delays in the construction and commissioning of any of the Company's mining projects or drilling projects or other technical difficulties may result in projected target dates for related production being delayed and/or further capital expenditure being required. In common with all mining and drilling operations, there is uncertainty, and therefore risk, associated with operating parameters and costs resulting from the scaling up of extraction methods tested in laboratory conditions. The Company's ability to raise further funds will depend on the success of existing and acquired operations. The Company may not be successful in procuring the requisite funds and, if such funding is unavailable, the Company may be required to reduce the scope of its operations or anticipated expansion.

The investment described in this document may not be suitable for all those who receive it. Before making a final decision, investors in any doubt are advised to consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

Further Information

Your attention is drawn to Part 2 to 5 of this document, which provides additional information on the matters discussed above.

PART 2

ACCOUNTANTS REPORT ON RED ROCK RESOURCES PLC

Chapman
Davis LLP

CHARTERED ACCOUNTANTS

Tel. 020 7357 6008

Fax. 020 7357 6159

Email. cd@chapct.co.uk

2 CHAPEL COURT LONDON SE1 1HH

The Directors
Red Rock Resources plc
3rd Floor
55 Gower Street
London WC1E 6HQ

The Directors
ARM Corporate Finance Limited
12 Pepper Street
London E14 9RP

25 July 2005

Dear Sirs,

RED ROCK RESOURCES PLC (“the Company”)

Introduction

We report in connection with the proposed placing and admission of the Company’s ordinary share capital to trading on AIM. This report has been prepared for inclusion in the Admission Document dated 25 July 2005 (“the Document”).

The Company was incorporated on 8 September 2004 with registration number 5225394 as Red Rock Resources Limited and was re-registered as a public limited company under the name Red Rock Resources plc on 19 May 2005.

On incorporation, the Company had an authorised share capital of £10,000,000 divided into 10,000,000,000 Ordinary Shares of £0.001 each, of which two were issued, fully paid, to the Company’s ultimate holding company Regency Mines Plc (RGM), the subscriber to the Memorandum of Association of the Company.

On 12 May 2005 the number of shares issued and fully paid was increased from 2 Ordinary Shares of £0.001 each to 100,000,000 Ordinary Shares of 0.001 each, following the issue of 99,999,998 new Shares to RGM at a price of 0.002 per share in consideration for the purchase of a mining tenement in Western Australia.

Two further agreements to purchase mining tenements in Western Australia were completed under the following terms:

The Oakover Tenements for a consideration of (i) Australian Dollars (AUD) 250,000 of which AUD 60,000 was paid on completion, AUD 90,000 is payable on the successful listing on AIM and AUD 100,000 1 year after the date of the Agreement and (ii) the issue of 4,000,000 Ordinary Shares of £0.001 each at £0.002 per share on 13 May 2005.

The Mt Alfred Tenement for a consideration of the issue of 9,000,000 Ordinary Shares of 0.001 each at £0.002 per share. 8,000,000 Ordinary Shares were issued on 13 May 2005 and 1,000,000 Ordinary Shares are to be issued at £0.002 per share following the Company’s successful listing on AIM.

On 13 May 2005, pursuant to the RGM Purchase Agreement, 1,560,000 Ordinary Shares of £0.001 each were issued at par to two third parties in settlement of a pegging fee.

All the above expenditures have been capitalised into the total cost of the mining tenement held by the Company as at 20 May 2005.

The Company has not traded, prepared any financial statements for presentation to members, incurred neither profit nor loss, and has neither declared nor paid dividends or made any other distributions since the date of incorporation. There have been no transactions other than as described in Part 5 of the Document. Accordingly, no profit and loss account information is presented in this report.

Basis of preparation

The financial information set out below has been extracted from financial records of the Company for the period ended 20 May 2005, no adjustments being considered necessary. No audited financial statements have been prepared for submission to members in respect of any period since incorporation.

Responsibility

The financial records are the responsibility of the Directors of the Company (“Directors”). The Directors are also responsible for the contents of the Document in which this report is included.

It is our responsibility to compile the financial information set out below from the Company’s financial records. Our work has been undertaken so that we might state those matters we are required to state in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone for any other purpose for our work, for this report or for the opinions we have formed.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial records and whether the accounting policies are appropriate to the Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information set out below gives, for the purpose of the Document, a true and fair view of the state of affairs of the Company as at 20 May 2005.

BALANCE SHEET

		<i>As at 20 May 2005</i>
	Notes	£
Fixed assets		
Mining licences	2	330,865
Current Liabilities		
Amounts falling due within one year	3	105,305
		<hr/>
		225,560
		<hr/>
Capital and reserves		
Called up share capital	4	113,560
Share premium	5	112,000
		<hr/>
		225,560
		<hr/>

NOTES TO THE FINANCIAL INFORMATION

1. Accounting policies

The principal accounting policies, which have been consistently applied in the Company's financial information throughout the period under review, are as follows:

Basis of accounting

The financial information has been prepared under the historical cost convention and in accordance with applicable International Financial Reporting Standards.

Mining Licences

Long term interests are described as participating interests and are classified as fixed assets.

Fixed assets are originally stated at cost.

Provision is made for any impairment in the value of fixed asset.

2. Mining Licences

The company acquired the interest and rights to certain Australian mining tenements during the period. These are stated at cost using the balance sheet conversion rate of 2.42 Australian Dollars to one Pound Sterling.

As at 20 May 2005, the Company undertook an impairment review of its mining licences as a result of which, no provisions were required.

3. Current Liabilities

	<i>As at 20 May 2005</i>
Amounts owed under the Oakover agreement:	
Initial consideration	24,793
Deferred consideration	78,512
Amount owed under the Mt Alfred agreement:	
Provision for shares to be issued	2,000
	<hr/>
	105,305

The initial consideration creditor is due to Regency Mines Plc, the Company's holding company who settled the debt on the Company's behalf.

4. Share capital

	<i>As at 20 May 2005</i>
Authorised:	
10,000,000,000 Ordinary Shares of £0.001 each	10,000,000
Issued and fully paid:	
113,560,000 Ordinary Shares of £0.001 each	113,560

The Company was incorporated on 8 September 2004 with an authorised share capital of £10,000,000 divided into 10,000,000,000 Ordinary Shares of £0.001 each of which two were issued.

On 12 May 2005 99,999,998 Ordinary Shares of £0.001 each were issued to Regency Mines Plc fully paid, at £0.002 per share to acquire interest and rights to certain Australian mining tenements.

On 12 May 2005 the subscriber shares were transferred to Regency Mines Plc.

On 13 May 2005 as part consideration for the purchase of certain Australian mining tenements and a further 12,000,000 Ordinary Shares of £0.001 were issued at £0.002 per share.

On 13 May 2005 in settlement of a pegging fee a further 1,560,000 Ordinary Shares of £0.001 were issued at £0.001 per share.

5. Share premium

Premium on shares issued during the period was £112,000. There are no expenses of issue attributable to this premium.

6. Ultimate Holding Company

The Company's ultimate holding company is Regency Mines Plc a company incorporated in England.

Nature of financial information

The financial information presented above in respect of the period ended 20 May 2005 does not constitute statutory accounts.

Consent

We consent to the inclusion of this report in the Document and accept responsibility for this report for the purposes of the AIM rules.

Yours faithfully,

Chapman Davis LLP
Chartered Accountants

PART 3

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED COMPANY

Chapman
Davis LLP

CHARTERED ACCOUNTANTS

Tel. 020 7357 6008

Fax. 020 7357 6159

Email cd@chapct.co.uk

2 CHAPEL COURT LONDON SE1 1HH

The Directors
Red Rock Resources plc
3rd Floor
55 Gower Street
London WC1E 6HQ

The Directors
ARM Corporate Finance Limited
12 Pepper Street
London E14 9RP

25 July 2005

Dear Sirs,

RED ROCK RESOURCES PLC

We report on the *pro forma* statement of net assets as set out in Part 3 of the Admission Document dated 25 July 2005, which has been prepared, for illustrative purposes only, to provide information about how the proposed placing might have affected the financial information presented.

Responsibilities

It is the responsibility solely of the Directors of Red Rock Resources plc to prepare the *pro forma* statement of net assets.

It is our responsibility to form an opinion on the *pro forma* statement of net assets and to report our opinion to you. We do not accept any responsibility for any reports previously given by us or any financial information used in the compilation of the *pro forma* statement of net assets beyond that owed to those to whom the reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards and Bulletin "Reporting on *pro forma* financial information pursuant to the Listing Rules" issued by the Auditing Practices Board. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the *pro forma* statement of net assets with the Directors of Red Rock Resources plc.

Opinion

In our opinion:

- (i) the *pro forma* statement of net assets has been properly compiled on the basis stated;
- (ii) such basis is consistent with the accounting policies of Red Rock Resources plc; and
- (iii) the adjustments are appropriate for the purposes of the *pro forma* statement of net assets as disclosed.

Yours faithfully,

Chapman Davis LLP
Chartered Accountants

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

	Red Rock Resources plc per Accountants' Report as at 20 May 2005 (Note 1) £'000	Net proceeds of the Placing (Note 2) £'000	Unaudited pro forma adjusted net assets of Red Rock Resources plc on Admission £'000
Fixed Assets			
Mining licences	331	–	331
Current assets			
Cash at bank and in hand	–	430	430
Current liabilities			
Amounts falling due within one year	105	–	105
Net current (liabilities)/assets	(105)	430	325
Amounts falling due after one year	–	–	–
Net assets	226	430	656

Notes:

1. The pro forma net assets statement has been prepared by the Company to illustrate the combination of the effect of the proceeds of the Placing, together with its Net Assets as at 20 May 2005. Save for the adjustments outlined in note 2 no account has been taken of any trading or transactions since the balance sheet date of 20 May 2005.
2. The net proceeds of the Placing are based on the gross proceeds of £500,000 (being the minimum amount which must be raised by the Company for the Placing to become unconditional) less estimated expenses payable by the Company for the Placing and Admission of £70,000.

PART 4
CONSULTING GEOLOGIST'S REPORT
AL MAYNARD & ASSOCIATES

Consulting Geologists

www.geological.com.au

(ABN 95 336 331 535)

<i>9/280 Hay Street</i>	<i>Tel: (+618) 9388 1000</i>	<i>Mob: 04 0304 9449</i>
<i>SUBLACO WA 6008</i>	<i>Fax: (+618) 9388 1768</i>	<i>A/h: (618) 9443 3333</i>
<i>Australia</i>	<i>al@geological.com.au</i>	
<i>Australian & International Exploration & Evaluation of Mineral Properties</i>		

The Directors
Red Rock Resources plc
3/F, 55 Gower Street
London WC1E 6HQ

25 July 2005

and

The Directors
ARM Corporate Finance Limited
12 Pepper Street
London E14 9RP

Dear Sirs

INDEPENDENT GEOLOGISTS' REPORT – INTRODUCTION

At the request of Red Rock Resources plc (“Red Rock” or “the Company”) we have prepared this Independent Geologists' Report to provide the Directors of Red Rock with an independent assessment on the geological merits and proposed exploitation programmes of the Company's manganese and iron ore projects located in Western Australia and Tasmania for inclusion in this Admission Document preparation for the listing of the entire issued share capital of the Company on the AIM Market of the London Stock Exchange (“AIM”) in the United Kingdom (“UK”). This report complies with Chapter 19, paragraphs 19.14 to 19.16 of ‘The Listing Rules’ as published by the UK Listing Authority (“UKLA”).

This report has been prepared by Mr Allen J. Maynard, Principal of Al Maynard and Associates and Mr John D. Wyatt using the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports (“the Valmin Code”), which is binding upon members of the Australasian Institute of Mining and Metallurgy (“AusIMM”).

The reporting requirements place emphasis on competence, independence, transparency and public material disclosure, such that an informed, impartial reader can make a judgement as to the merit or otherwise of the projects described in this report.

Al Maynard & Associates (“Maynard”), an independent geological and exploration consultancy, has operated continuously since 1982 from a Perth, Western Australia base. Maynard has been responsible for the preparation of independent geological reports and valuations for numerous prospectuses and other purposes relating to mineral projects in all states of Australia and several other countries. For the purposes of this report, no specific field trips were undertaken to the project areas. The writers have a general familiarity with the three project areas from past experience for unrelated clients. In addition, sufficient information has been provided by available geotechnical data to form an opinion on the prospectivity of the various project areas.

Maynard has satisfied itself, and Red Rock has warranted in writing, that all material information in the possession of the Company has been fully disclosed to Maynard. A draft version of this report has been provided to the Directors of Red Rock for comment in respect of omission and factual accuracy.

Maynard has not independently verified ownership and current standing and is not legally qualified to do so; however, ownership details recorded by the Western Australian Department of Industry and Resources (“DoIR”) and the Tasmania Department of Infrastructure, Energy and Resources (“DIER”) were sighted by us. Maynard has not attempted to establish the legal status of the tenements with respect to any relevant environmental or access restrictions.

It is the opinion of Maynard that there is reasonable expectation that any tenement may contain economic mineralisation and that the tenements are worthy of continued exploration. Maynard considers that the exploration programs proposed by Red Rock are consistent with the status and mineral potential of the projects. However additional work, over and above that currently proposed by the Company, will be required to complete a full economic evaluation of any of its projects. It is not possible to accurately determine the outcome of exploration and considerable variation to the proposed exploration programme and budget may be required as new data becomes available.

Allen J. Maynard is a Corporate Member of The Australasian Institute of Mining and Metallurgy (“AusIMM”) and a Member of the Australian Institute of Geoscientists (“AIG”). He has the necessary relevant experience and competence to be considered an ‘Expert’ under the definitions provided by the Valmin Code; namely, 25 years experience in mineral exploration and evaluation and more than 20 years experience in mineral asset valuation. John D. Wyatt is a Fellow of The AusIMM and has more than 45 years experience in mineral exploration and mineral asset valuation and readily complies with the Valmin Code definitions of relevant experience and competence to be considered an Expert. Both Allen J. Maynard and John D. Wyatt have the relevant and appropriate experience, competence and independence to appraise the projects, and to be considered a ‘Competent Person’ under the definitions provided in Sections 19.12 and 19.13 of ‘The Listing Rules’ as published by the UK Listing Authority (‘UKLA’).

Neither Maynard nor any of its employees or associates has any vested material interest, direct, indirect or contingent, in Red Rock, nor in any of the mineral properties included in this report, nor in any other Red Rock asset; nor has any such interest existed in the past. Neither Maynard nor any of its employees or associates has had any shareholding in Red Rock nor any of Red Rock’s associated companies nor has the right to any shareholding in Red Rock nor any of Red Rock’s associated companies either now or at any time in the future. Maynard has had no input into the formulation of any of the mineral tenements under review and has acted purely as a consultant to provide an independent geological opinion on the Projects as described below.

The Company has warranted to Maynard that none of the information provided is confidential and not to be disclosed in our report. Fees for the preparation of this report are being charged at current commercial rates, with expenses reimbursed at cost. Payment of fees and expenses is in no way contingent upon the outcomes or conclusions of this document.

Maynard has not been involved in any part of the previous exploration of the Projects being reported on hereunder. Information used in the preparation of this report included that provided by Red Rock, together with published information in the public domain and reports sourced from relevant government agencies.

At no time during the course of preparation of the report did Maynard become aware of either withholding of information or of the changing of records to influence the conclusions of the report. Maynard has endeavoured to ensure that no error of fact is contained within the report, and any such error is neither intentional nor a deliberate effort to mislead.

Maynard has given consent to the Company to use this report as part of the Admission Document, to be published in connection with an application for all of the issued share capital of the Company to be traded on AIM, and to reference this report in any applicable disclosure document, provided that no portion be used out of context in such a manner as to convey a meaning which differs from that set out in the whole.

Yours faithfully

Allen J Maynard
BAppSc (Geol), MAIG, MAusIMM

John D Wyatt
B Sc (Hon), FAusIMM

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1. INTRODUCTION

1.1 PURPOSE OF REPORT

Al Maynard and Associates have been commissioned by Red Rock Resources plc to provide an independent geological assessment of the Australian Manganese and Iron Projects located in the States of Western Australia and Tasmania, Australia.

1.2 CONSTRAINTS OF REPORT

The scope of this report has been constrained by:

- Provision of Open File information as received by the various Mines Departments who are not responsible for the contents;
- No samples or drill core had been retained by the previous explorers, which would have allowed for re-sampling or at least a visual check of the mineralogy against reported assays.

1.3 INFORMATION SOURCES FOR REPORT

Maynard has relied in this report on the information supplied to us by Red Rock and its associates and Open File Mines Department information and other published data such as Geological Survey maps and records. This information is listed in the References. All reasonable inquiry has been made to determine the authenticity of the data.

2. THE MINERAL EXPLORATION PROJECTS

2.1 OAKOVER MANGANESE PROJECT E45/2638 – E45/2641 incl.

2.2 GENERAL

Red Rock's Oakover Project comprises four Exploration Licence Applications ("ELAs") numbered E45/2638 to E45/2641 inclusive covering 695 km² that are located in the Eastern Pilbara Region of Western Australia.

The Eastern Pilbara Region of Western Australia is emerging as a world class manganese (and gold) province. The manganese production from the Woodie Woodie mine owned and operated by Consolidated Minerals Ltd ("CML") accounts for 5% of the world's supply. CML is in the process of upgrading the mining and production facilities. This aims to achieve a 60% increase in its manganese production during the first half of 2005 after announcing in mid-December the completion of its A\$6.5 million expansion project, underpinning a new long-term production level of 1 million tonnes per annum.

Demand for increased manganese ore from Chinese steel mills is anticipated to at least remain steady if not increase over the next three years. There is a strong possibility that demand from India will increase over the next few years and thus contribute to further requirements for manganese ores. This represents probable sustainability of the manganese price for the mid-term future (5 to 8 years) and more than likely longer-term as the steel industry shows no signs of abating.

Manganese is essential to iron and steel production by virtue of its sulphur-fixing, deoxidizing, and alloying properties. Steelmaking, including its iron-making component, has accounted for most of the manganese demand. Among a variety of other uses, manganese is a key component of widely used aluminium alloys and is used in oxide form in dry cell batteries.

The current market for manganese is very strong with the Chinese Steel industry requiring an estimated 3.5 million tonnes of +45% Mn in 2004.

The tenements are situated on the eastern margin of the Pilbara Craton, some 250 kilometres east-southeast of Port Hedland, 1,300 kilometres north-northeast of Perth, and within 40 km to 80 km of the

Woodie Woodie mine. The East Pilbara region is an important contributor to the State's economy from the mining of iron ore, tantalum, manganese and gold.

The tenements are favourably located in a geological setting which consists of an older granite-greenstone basement and an unconformably overlying sequence of volcanic and sedimentary rocks of the Hamersley and Canning Basins.

Existing infrastructure is already in place from relatively nearby mining operations (Woodie Woodie manganese and Telfer gold mines) that will help accelerate the proposed exploration and possible development of the Oakover Project. This infrastructure includes a bitumen road all the way through to the deep-water port at Port Hedland, local pastoral station airstrips and overnight road transport of supplies for machinery and spare parts from the regional mining centre of Newman. Port Hedland is a major iron-ore exporting port providing access to Asian markets.

ELAs E45/2638 – E45/2641 cover Archaean-Palaeoproterozoic rocks that are prospective for precious metals (gold), base metals (copper, lead, zinc) and manganese. Manganese ore is hosted commonly hosted by the Pinjian Chert Breccia and Carawine Dolomite rock sequences. These rocks host Consolidated Minerals Ltd's ("CML") Woodie Woodie manganese operations that have a global resource of 8 Mt grading 48% Mn. Current production of manganese concentrate from Woodie Woodie is approximately 600,000 tpa. In the region, manganese mineralisation has also been identified at areas including Mt Sydney, Ripon Hills, Bee Hill and Rove Hill. Manganese mineralisation has been identified at numerous prospects within each of Red Rock's tenements but have only had cursory attention.

Also geologically significant is that the Oakover Project tenements are proximal to the major Telfer gold mine (Measured/Indicated 400Mt at 1.5 g/t Au) and the Nifty copper mine, where the Measured/Indicated resources total 28 Mt at 3.0% Cu. A number of strong gold in stream anomalies have been outlined within the current tenements but no follow-up has been carried out.

2.3. GEOLOGY AND MINERALISATION

The regional geology of the project area comprises the eastern part of the Archaean-Proterozoic Pilbara Craton, and to the east, portions of the Gregory Range granitic complex and the Paterson Orogen. These are overlain by Mesoproterozoic-Phanerozoic rock sequences of the North Carnarvon and Canning Basins. The basement of the Archaean granite-greenstone is characterised by linear to curvilinear granitoid sequences that envelop elongate and avoid granitoid complexes.

The greenstones include metamorphosed mafic to ultramafic volcanic rocks, felsic to intermediate volcanic rocks, clastic sedimentary rocks, cherts, banded iron formation ("BIF") and sills of mafic to ultramafic intrusives. The granitoid complexes are large, domal, composite bodies with some complexes containing enclaves of metamorphosed greenstones in layered mafic-ultramafic bodies.

The Canning Basin rocks consist of Palaeozoic-Mesozoic sequences which lie unconformably on Pre-Cambrian basement. The North Carnarvon Basin comprises post-Permian sediments. All the above have an extensive surficial cover derived from weathering, erosion and transport.

The structural setting of the Pilbara Craton is currently under review. In summary, the most conspicuous structures are broad, domal granitoid complexes separated by synformal greenstone belts, having broad lateral continuity. Alternative models suggest that modern plate-tectonic processes have operated in the evolution of the granitoid-greenstone-basement and that the major lineaments represented large-scale crustal features having a long history of development and reactivation.

Diagrammatic sections across the eastern side of the Pilbara Craton in the vicinity of Red Rock's Oakover Project have been derived from both geological mapping and geophysical (aeromagnetic) interpretation. This work reveals a series of near-vertical easterly dipping faults and shear zones, the most important of which are the Bamboo Creek Shear Zone and the Baramine, Camel Hump and Vines Fault/Thrust.

The geological and structural settings of the four tenements comprise Archaean aged basalts, tuffaceous sediments, dolomites and chert breccias which are overlain by the Proterozoic aged Pinjian Chert Breccia and Manganese Group sediments. Past sampling records returned manganese grades generally in excess of 25% Mn and as high as +50% Mn. These manganese-bearing sediments form part of the manganese-rich region of the Oakover Basin which was referred to as the 'Pilbara Manganese Province'.

There are three main manganiferous sedimentary source rocks in the East Pilbara area of which two, namely the Carawine Dolomite and the associated overlying Pinjian Chert Breccia occur within the Project area.

The current tenements cover strong surface gold anomalies of up to 591 ppb Au that are ready for follow-up work. The geological setting is highly favourable for hosting large gold ore-bodies especially of Telfer and Carlin type.

The project area lies at the east edge of the Archaean Pilbara Craton in an ancient continental margin setting, similar to the newly recognised Ashburton gold province, which hosts Sipas' Mt Olympus deposits at the south edge of the Craton. During the Proterozoic the Oakover area was an obliquely convergent continental collision regime, creating a set of westwardly directed thrusts, transgressional northwest trending faults and tensional north-south faults. This intense structural regime has created both a deep-tapping system for access of gold bearing fluids, and structurally prepared sites for gold mineralisation.

The giant Telfer gold deposit lies 140km to the east. It is significant that the Oakover Project gold anomalies lie in a corridor that includes Telfer and the major Pilbara gold deposits, such as Bamboo Creek. Also, there is a clear regional association with known manganese deposits, such as at Woodie Woodie and Ripon Hills, hosted in Carawine dolomite.

It is possible that these manganese deposits occur peripheral to a major undiscovered gold mineralised system, because in the outermost zone of some porphyry copper systems manganese is deposited after being leached out of the host rocks in the inner zones.

2.4 PREVIOUS EXPLORATION

Information about previous exploration in the immediate vicinity of the Oakover Project area is mainly confined to reports covering land adjacent to the Oakover River between the Braeside and Woodie Woodie Mining centres. At Braeside, near E45/2639, base metal (copper, lead, zinc) mining was carried out in the early 1900s. At Woodie Woodie, extensive deposits of Manganese have been found and mined associated with the Carawine Dolomite/Pinjian Chert Breccia host rocks. These deposits support CMLs current mining operation.

Within the company's tenements manganese mineralisation has been reported at numerous prospects by government geologists and company reports.

2.4.1 *Manganese*

In 1924, Government Geologist, Blatchford, reported manganese occurrences in the Barramine-Braeside region east of the Oakover River. In 1938, Finucane (GSWA geologist) mapped manganese occurrences west of the Braeside area. In the early 1950s, following the rise in price for manganese, extensive exploration of the Oakover River drainage basin was carried out. The main areas of known manganese mineralisation were assessed at Woodie Woodie, Mount Sydney, Ripon Hills, Mount Cooke, Syndam Hill, Skull Springs and Ant Hill, Bee Hill, Yarrie and Nimingarra (de la Hunty 1963). Production from WA in 1960 was reported as 434,563 tonnes grading 47.3% Mn.

In 1989 and early 1990s, again following an increase in the price of manganese, redevelopment of the Woodie Woodie mine occurred and other companies namely; CML (then Portman Mining Ltd), Hancock Mining, Pennant Resources, King Mining and Sovereign Resources carried out regional exploration that identified additional manganese mineralisation.

In 1993, Valiant Consolidated Limited (“Valiant”) discovered the Mike deposit near Woodie Woodie and also purchased the Woodie Woodie deposit from Portman Mining. These operations closed in 1998, following another downturn in the price of manganese. In April 1998, Portman changed its name to CML. Since that time, extensive exploration and development have led to CML becoming a leading world producer of manganese.

Table 1 below shows assays from surface samples taken by Valiant during its 1992-93 exploration program with one of the current tenements. The manganese values are comparatively high whilst the iron and silica values vary from low to high. The block ID refers to the graticular tenement blocks of one minute of latitude x one minute of longitude.

Table 1 – Selected results from Valiant’s sampling within Red Rock’s current tenements.

Block ID	Occurrence ID	Mn %	Fe %	Si %
804t	b301	50.64	0.96	9.58
804t	b311	53.4	2.95	4.42
804z	b292	49.67	6.65	4.04
949f	b026	51.66	5.44	2.85
949f	b027	53.74	3.35	3.22
949f	b054	54.24	4.41	1.86
949l	b031	53.77	2.74	5.54
949m	b012	51.1	8.73	4.5
949m	b045	45.44	13.1	3.19

Other records of manganese occurrences within the current tenements are briefly summarised below.

E45/2639

Braeside 1 – Abandoned minor open cut Mn mine in Pinjian Chert Breccia; supergene cavity fill in the dolomite; no production recorded; 3 areas of manganese mineralisation.

Koongalin Creek – Outcropping manganiferous occurrence within the Carawine Dolomite.

E45/2640

Outcamp Bore West – Several outcropping manganiferous occurrences confirmed from ground reconnaissance.

E45/2638

Ripon Hills Southwest – Located following aerial photo interpretation during the late 1960s.

Ripon Hills South – Outcropping manganese mineralisation. High grades (>48.5% Mn) returned from surface samples.

E45/2641

Ripon Hills Southeast – Supergene manganese mineralisation in chert breccia. Surface sampling returned results of +40% manganese.

CML’s Woodie Woodie mine is by far the leading producer of manganese in the area, past and recent exploration by others has identified additional manganese mineralisation at Bee Hill, Skull Springs, Ant Hill, Balfour Downs and most recently at Enacheddong some 50 kilometres south of Woodie Woodie.

The current market for manganese is very strong with the Chinese Steel industry requiring and estimated 3.5 million tonnes of +45% Mn in 2004-2005.

2.4.2 *Gold and other Base Metals*

In 1983-1984, CRA Exploration Ltd (“CRAE”) carried out exploration for stratiform shale hosted lead-zinc sulphides in the Lewin shale. This is a 500m thick succession of shale and chert of the Fortescue Group which underlies the Carawine Dolomite in the Ripon Hills area (E45/2641). Exploratory drilling intersected 175ppm Pb, 1820 ppm Zn and 558ppm Cu over one metre indicating that the base metal content was possibly a product of supergene enrichment.

Gold

In 1988, Newmont Australia Ltd (“Newmont”) carried out gold exploration at Braeside, east and south of E45/2639. Newmont’s exploration included helicopter assisted geological traverses and drainage geochemical sampling. The highest values obtained from sampling were 94ppm Pb and 4.7 ppb Au.

In 1990-1991, MIM Exploration Pty Ltd (“MIM”) carried out geochemical sampling through parts of the current tenements. MIM’s stream sediment sampling generated outstanding BLEG anomalies, one of which was followed up with soil sampling, but no further work was done by them, nor since by any other company. The best anomalies are Mesa/White Donkey, Ripon Hills, Robinson, Owen Hills, and Rocky Pool.

- Mesa/White Donkey – Two distinct clusters of highly anomalous BLEG anomalies, up to 590ppb in an area of 4km x 2km.
- Ripon Hills – Peak BLEG sample from broad sampling returned 130ppb Au with anomalism over an area of 2km x 1km.
- Robinson – Relatively poorly sampled anomalies to 120ppb, in an area of 2km x 1km.
- Owen Hills – Values to 16ppb in an area of 4km radius. Soil samples follow-up returned anomalous zones up to 40ppb, one of which is 600m long.
- Rocky Pool – Anomalous zone 3km x 500m with values to 21ppb.

Between 1992-1993, Pineview Pty Ltd carried exploration for gold and the Braeside area. Work included data review, aerial photography and geophysical interpretation. Eleven zones of interest were delineated.

In 1993-1994, CRAE carried out exploration for diamonds in the Carawine area, Oakover River Valley. Five magnetic anomalies were identified as prospective and one macro-diamond was recovered from a Permian aged, fluvio-glacial outcrop. No further work was recommended.

In 1993-1994, Normandy Exploration Ltd (“Normandy”) carried out exploration for gold and copper in the Gregory range area, to the south of Red Rock’s E45/2639. Normandy’s exploration failed to identify significant structural sites for mineralisation or copper-gold mineralisation.

2.5 PROSPECTIVITY

Past exploration, and current mining in the area for both base and precious metals, especially gold and manganese, confirm the prospectivity of Red Rock’s Oakover Project tenements.

In the company’s tenements of E45/2638-2641, prospective host rocks, namely Manganese Group (Woblegun Formation) sediments, Pinjian-Chert Breccia and Carawine Dolomite, have been identified.

Sampling carried out both within and west of E45/2641 has identified extensive manganese mineralisation associated with the favoured Pinjian Chert Breccia and underlying Carawine Dolomite, which elsewhere are currently being mined for economic grade (+45%Mn) manganese.

Detailed exploration is planned by Red Rock of these host rocks, initially in E45/2639 and E45/2640.

2.6 PROPOSED EXPLORATION AND EXPENDITURE

The general thrust of the proposed exploration for all the licences is very similar in that as much detailed background information as possible will be acquired, interpreted and compiled into separate databases prior to drill testing.

Specifically, what is proposed is a logical sequence of events that will include: acquisition and processing of Landsat Data; air photo interpretation; data compilation and target generation; ground reconnaissance and mapping and rockchip sampling. Target areas will then be tested with RC drilling to determine tenor and extent of manganese mineralisation.

A summary table of the proposed exploration expenditure is included at the end of this report.

3 CENTRAL YILGARN IRON PROJECT

3.1 GENERAL

The Central Yilgarn Iron project comprises three ELAs being E29/560 Mt Ida, E29/581 Mt Alfred and E30/296 Mt Hope, collectively covering approximately 460km². Banded Iron Formation (“BIF”) strike-length is significant within each of the tenements. Results of previous surface sampling at Mt Ida include economic grades of hematite and goethite iron ore with supporting low phosphorus. The tenements are located in a region with good infrastructure and existing iron ore production from the Koolyanobbing operations of Portman Ltd.

Access to each of the tenements is good with sealed and formed gravel roads directly linking the regional centre of Kalgoorlie with each project area. A spur line at nearby Menzies provides a rail link to deepwater port facilities at Esperance.

Exploration for gold, copper, uranium and nickel has been carried out in the Central Yilgarn area. However no systematic, modern efforts for iron ore have been carried out within the current tenements despite these areas showing demonstrated prospectivity for this commodity.

3.2 GEOLOGY AND MINERALISATION

The tenements are in the central parts of the Yilgarn Craton in Western Australia. The Yilgarn block is a segment of stable Archaean crust composed of typical greenstone belts of volcanic, sedimentary, and intrusive sequences interspersed between large areas of granitic lithologies. The Yilgarn is well endowed in commodities such as gold, nickel, copper, and iron. Major gold camps include Kalgoorlie, Southern Cross, Leonora, Meekatharra and Wiluna. Nickel production is sourced from the Mt Keith, Kambalda, Lake Johnston, Forrestania and Ravensthorpe areas. Iron production in the Yilgarn is predominantly from the Koolyanobbing area in the Central Yilgarn, with smaller operations in the Northwest Yilgarn that include Tallering Peak.

Tenements of the Central Yilgarn Iron project cover parts of the generally north- striking Ularring and adjacent Illaara Greenstone Belts. These belts comprise basalt, intrusive ultramafic units, acid volcanics, interlayered clastic sediments, and BIF bounded by granite to the east and west. Significant structural deformation has resulted in regional scale folding, strong foliation, medium-high metamorphic grades and thrust-repetition of stratigraphy. Importantly, metamorphism and deformation has altered original magnetite mineralisation in the BIF units to hematite and goethite with a corresponding increase in grade up to 67% Fe.

3.2.1 *Koolyanobbing Iron Operation*

Koolyanobbing Iron is owned and operated by Portman Ltd (“Portman”), which is a subsidiary of US based Cleveland Cliffs Inc. The operation is located approximately 150km southwest of the Mt Ida, Mt Alfred and Mt Hope tenements, and 175km west of Kalgoorlie. It currently produces some 5,000,000 tpa of ore that is shipped to Asian markets via the port of Esperance. Ore feed for the primary crushing facilities at Koolyanobbing has historically been sourced from deposits at Koolyanobbing, but more

recently been supplemented with ore trucked from resources at Windarling and Mt Jackson, 100km north. An expansion of infrastructure from 5,000,000 tpa to 8,000,000 tpa is currently underway.

Deposits at Koolyanobbing were first mined in 1948 by the Western Australian Government to supply the charcoal iron industry at Wundowie near Perth. Further deposits were developed in the mid 1960s by BHP Ltd, who operated the mine until 1983. Portman resumed mining in 1994 under a Joint Venture agreement with the Anshan Iron and Steel Complex of China. In 2000 Portman took 100% ownership and looked toward expanding the Koolyanobbing operation with increased ore feed from satellite ore-bodies at Mt Jackson and Windarling.

Iron ore is sourced from BIF hosted ore-bodies in greenstone sequences; a similar geological setting to that at the Mt Ida, Mt Alfred, and Mt Hope areas. The primary iron formation, which has been strongly folded and thickened, is composed of banded magnetite-talc schist and quartz-magnetite containing some pyrite, and siderite and massive pyrite containing some specular hematite, magnetite and graphite.

The original Dowd's Hill deposit at Koolyanobbing had a strike length of 900m, varied from 50m to 300m in width, and extended for 50m to 80m below the current ground level. The ore comprised hard, massive goethite, coarse grained, friable specular hematite, some massive fine grained hematite, yellow limonite, and minor magnetite. Bands of chlorite schist and friable iron-leached jaspilite also occur within the ore zones. The average grade of the ore between 1967 to 1972 when 8Mt was mined was 61.4% Fe, 0.13% P with 6% LOI. In 2004, global resources (Inferred, Indicated and Measured) of goethite and hematite ore for the Koolyanobbing, Mt Jackson and Windarling ore-bodies was 149.5Mt at 62.13% iron, 0.11% phosphorus and 6.71% LOI.

3.3 MT IDA (E29/560)

3.3.1 *Known Mineralisation*

The Mt Ida iron project is located 80km northwest of Menzies in the central Yilgarn region of Western Australia and lies in the Ularring greenstone belt. It comprises an EL application numbered E29/560 that covers an area of 175km². Access from Kalgoorlie is via the sealed Wiluna Road to Menzies then by the formed Menzies-Sandstone road that traverses the southern parts of the tenement. Access within the project area is via pastoral and survey station tracks. Regional infrastructure is good, with formed roads from Mt Ida to Menzies, then rail spur lines at Menzies for ore transport to Esperance.

The Mt Ida tenement includes two known, large, high-grade occurrences of BIF-hosted iron similar to that supporting the Koolyanobbing Iron Ore operations of Portman. The two occurrences are known as Mt Ida and Mt Mason and cover 7km x 3km and 4km x 2km respectively within an undulating line of hills up to 100m above the level of the surrounding plain. The large size of the BIF occurrences is highlighted by regional aeromagnetic data which shows significant magnetic highs at the Mt Ida and Mt Mason prospects.

BIF at the Mt Ida occurrence has been subject to intense folding and has been partially obscured by laterite. Its western margin is defined by almost vertical cliffs that drop approximately 70m to a granite plain below. Dip is approximately 45° to the west. The Mt Mason occurrence lies 12km northwest with sub-parallel BIF horizons forming a prominent ridge, dip is moderate to the west.

3.3.2 *Previous Exploration*

The BIF hosted iron accumulations of Mt Ida and Mt Mason were noted by government geologists as early as 1901, however it was over 10 years later that the first prospecting work commenced. In 1912, the Geological Survey of Western Australia ("GSWA") published brief descriptions of the iron ore accumulations, with results of limited surface sampling up to 96.98% Fe₂O₃. In 1959, surface sampling at Mt Mason outlined a high-grade lens of hematite of 66.64% iron and 0.05% phosphorus.

Further sporadic sampling was carried out at Mt Mason in 1970 by private prospectors. Results of sampling in the west of the tenement returned between 54.6% iron and 65.8% iron. Results justified follow-up efforts but none were carried out.

No systematic exploration activities for iron ore have been carried out within the Mt Ida tenement despite the large strike extent of BIF and encouraging results from early work.

3.4 MT ALFRED LICENCE (E29/581)

3.4.1 *Known Mineralisation*

The Mt Alfred tenement is located 135km northwest of Menzies and 260km north of Southern Cross in the Southern Yilgarn, covering an area of 210km². Access from Kalgoorlie is via the sealed Wiluna Road to Menzies then by the formed Menzies-Sandstone road that traverses the tenement from north to south. Access within the project area is via pastoral station tracks.

Rocks of the Illaara greenstone belt constitute an interlayered metamorphosed sequence of greywacke sediments, BIF, basic and acid volcanic rocks, together with coarse grained basic and ultramafic intrusive rocks. Granitic lithologies bound the belt's eastern and western margins. Folding is ubiquitous in the BIF throughout the area. These are represented by major flexures of the whole units about south-plunging axes, and by small scale folds intraformational to the fine-scale layering.

Eastern parts of the tenement include large areas of BIF accumulation, while central parts show repetition of this stratigraphy. In the east, multiple BIF horizons cover 14km of strike and form a prominent line of north striking hills that are up to 90m above the surrounding plain level. BIF units are between 15m and 100m wide and are easily accessible from nearby station tracks. Hematite and goethite mineralisation has been confirmed by previous workers but no analytical data including iron is recorded.

Aeromagnetic data interpretation confirms the strike continuity of the BIF units within the Mt Alfred tenement and extensions for a further 75km south. A significant portion of the BIF extensions are held by Portman who intend to evaluate it with traditional methods of exploration for iron ore.

3.4.2 *Previous Exploration*

The iron ore prospectivity of the Mt Alfred area was first recognised by Clough and Sons Pty Ltd in the late 1960s who acquired licences over the area to evaluate the extensive strike of BIF. However, all its efforts became focused on the Mt Caudan discovery south of Southern Cross and, as a consequence, no work was completed at Mt Alfred.

Between the mid 1970s and mid 1990s, Norgold Ltd, the Electrolytic Zinc Company Ltd and Sipa Resources Ltd carried out exploration for gold and copper. Work included stream sediment sampling, rock-chip sampling, and drilling; but even though much BIF was sampled in the course of exploration, analysis did not include iron. Drilling immediately north of the Mt Alfred tenement returned 2m at 0.41g/t gold.

In the mid 1970s Uranerz Australia Pty Ltd briefly evaluated the eastern shores of Lake Barlee (that impinges on the western parts of the tenement) for uranium. Anomalous results were returned but no resource was defined.

In summary, although much exploration has taken place over the Mt Alfred tenement, none has specifically been for iron ore. This is despite the confirmation of hematite mineralisation in the BIF units, and their large strike extent.

3.5 MT HOPE LICENCE (E30/296)

3.5.1 *Known Mineralisation*

The Mt Hope tenement is located 60km east of Menzies and 150km northwest of Kalgoorlie in the central Yilgarn of Western Australia, covering an area of 75km². Access to Mt Hope from Kalgoorlie is via the sealed Wiluna Road to Menzies then the formed Evanston-Menzies Road that passes across the south of tenement. Pastoral tracks provide reasonable access within the tenement.

As at Mt Ida, the Mt Hope tenement covers rocks of the Ularring greenstone belt that comprise generally north striking interlayered metamorphosed basalt, felsic volcanic, sedimentary and BIF units, with lesser intrusive ultramafic units. Rocks within the tenement form a 12km long, northwesterly striking spur off the main belt that dips moderately west.

Outcrop of BIF is prevalent in the north of the tenement, but relief is subtle when compared to the 90-100m peaks at Mt Alfred and Mt Ida. Flanking lithologies are largely covered by colluvium with only minor subcrop of basalt and sedimentary rocks. BIF horizons range in thickness from 5m to 60m and tight folding is evident. Hematite and goethite mineralisation has been observed but no analytical data including iron is recorded.

3.5.2 *Previous Exploration*

Between 1987 and 1989 gold exploration was carried out over the tenement by the Carpentaria Exploration Company Pty Ltd following interpretation of regional aeromagnetics. The intense, discontinuous magnetic high in the centre of the Mt Hope tenement was confirmed to be caused by a remnant BIF horizon. Follow-up work included stream sediment sampling, rock-chip sampling and RAB drilling. However, as with Mt Alfred, no analysis included iron.

Stockdale Exploration Ltd carried out exploration for diamonds over the Mt Hope tenement between 1994 and 1995. Work included a detailed aeromagnetic survey, stream sediment sampling, loam sampling and RC drilling. Chrome spinels were recovered from stream sediment sampling of nine aeromagnetic anomalies. However, the spinels were considered to be derived from unrelated ultramafic rocks with no kimberlitic affinities. Drilling returned negative results for kimberlites. The magnetic anomalies were attributed to mafic-rich granite, banded iron-formation and gabbro. No analysis for iron was carried out.

In summary, as with Mt Alfred, exploration has taken place over the Mt Hope tenement but none specifically for iron ore. This is despite the confirmation of hematite and goethite mineralisation in the BIF, and its reasonable strike extent.

3.6 PROSPECTIVITY

3.6.1 *Mt Ida*

Mt Ida is an obvious target for a modern exploration. Historical results from government sampling demonstrate mineralisation of an economic tenor combined with ample strike lengths (4km and 7km) of BIF. Surface sampling results include 66.64% iron with supporting low phosphorus (0.05%) and significant target tonnage is available above the level of the surrounding plain. Regional infrastructure is good, with formed roads from Mt Ida to Menzies, then rail spur lines at Menzies for delivery of ore to deepwater loading facilities at Esperance.

3.6.2 *Mt Alfred*

Mt Alfred also warrants exploration for iron ore with multiple horizons of hematite and goethite mineralised BIF strike. BIF stratigraphy forms a prominent line of hills that continue for some 14km and stand up to 90m above the surrounding plain. Aeromagnetic data confirms continuity of BIF within the tenement and also strike extensions for a further 75km south. Much of the southern BIF extensions are held by Portman who intend to evaluate the ground with traditional methods of iron ore exploration.

3.6.3 *Mt Hope*

Mt Hope is located 60km west of Menzies, and 40km south of Mt Ida. It contains significant BIF strike length of up to 12km, confirmed by detailed aeromagnetic interpretation and field work. Surface sampling has confirmed hematite and goethite mineralisation is present, and evaluation of grade and tonnage, by modern exploration methods, is warranted.

3.7 PROPOSED EXPLORATION AND EXPENDITURE

The company has proposed to compile and interpret all available geological, geochemical and geophysical data, to generate target areas. Drilling of target areas will follow.

This will include:- acquisition and processing of Landsat data, data compilation, target generation and mapping and rockchip sampling. Then RC drilling will be used to test the target areas.

A summary table of the proposed exploration expenditure is included at the end of this report.

4.0 SAVAGE RIVER IRON PROJECTS

4.1 GENERAL

This project comprises two ELA's of E11/2005 Savage River North and E10/2005 Arthur River. Both tenements have high prospectivity for iron ore, because they encompass the same lithological unit that hosts the Savage River Iron Mine; the Savage River North tenement is immediately north of, and along strike from, the Mine.

The terrain is rugged, with deeply incised rivers and creeks, and elevations ranging from about 120m to 700m above sea level. There is a thick temperate rain forest cover. A pipeline road from the Savage River Mine traverses the length of the Savage River North licence, and the Arthur River licence can be accessed from numerous logging tracks.

The tenements are located in the so called Arthur Lineament, which is a broad 10 km wide northeast-southwest trending zone of increased schistosity and metamorphism within Proterozoic quartz-mica schists, dolomites and amphibolites. Apart from the Savage River Iron deposit, the belt hosts deposits of magnesite, gold, and copper.

Large deposits of magnesite hosted in dolomite are known in and adjacent to the Arthur River tenement, but these are held by competitors who have title by way of Exploration Licences and Retention Licences specifically for non metallic elements.

4.2 GEOLOGY

The Neoproterozoic to Cambrian major tectonic belt known as the Arthur Lineament passes through the tenements. It contains an assemblage of metasediments and amphibolite called the Arthur Metamorphic Complex, flanked by relatively un-metamorphosed rocks on either side. A number of major faults, thrusts and shear zones are known or can be seen on magnetic imagery.

The geology of the Arthur Metamorphic Complex, especially away from the Savage River Mine, is not well understood because of lack of study and detailed mapping. The dominant lithological association comprises pelite and carbonate-rich schist, with lesser amphibolite and minor quartzose schist and carbonate. Greenschist facies assemblages of quartz, white mica, chlorite, albite, carbonate and rare biotite comprise the schist, while the amphibolite comprises actinolitic amphibole, albite, epidote, chlorite, carbonate, quartz and magnetite. The amphibolite is generally tholeiitic in composition, mainly extrusive with possible intrusive units.

The complex has been recently interpreted to have formed in the Cambrian by collision of a Neoproterozoic island arc with a continent to the east.

In the Savage River area, the Bowry Formation greenschists, amphibolites and associated volcanics may represent metamorphosed and deformed submarine mafic volcanics. Here the Bowry Formation hosts the Savage River stratiform volcanogenic, magnetite-pyrite deposits, and sub-economic stratiform magnesite ores.

The Bowry Formation hosts the Specimen Reef gold deposit in the Savage River tenement, and the Keith River pyritic deposits in the Arthur River tenement. Locally the Proterozoic sequences are covered by Permian sedimentary rocks and Tertiary basalt.

4.3 SAVAGE RIVER IRON ORE DEPOSIT

The Savage River Iron deposit was discovered in 1877 by the government surveyor, Charles Sprent, but was not brought into production until 1965. The deposit is a series of banded magnetite (with lesser pyrite) lenses, which have been mined in two open pits over a strike length of three kilometres. The main orebody is up to 150 metres thick. The ore minerals are magnetite with lesser pyrite, minor chalcopyrite and trace sphalerite, rutile and ilmenite. The gangue is tremolite, actinolite, dolomite, quartz, antigorite and chlorite.

The global pre-mining resource was 371 Mt @ 31.9% Fe in magnetite. The global resources at June 2004 totalled 248.1 million tonnes with 49.6% recoverable magnetite. The reserves and resources for open-cut mining are sufficient for a planned mine life of up to 9 years, and the previous owners were examining the feasibility of an underground operation in the northern part of the deposit. Additionally the Long Plains magnetite deposit, located eight kilometres south of the Savage River mine contains up to 30 million tonnes of magnetite mineralisation.

Magnetite concentrate is pumped from the mine site to a pellet plant and loading facility at Port Latta on the northwest coast of Tasmania via an 85 km long pipeline. Production of ore from the Savage River open cut in 2003/2004 totalled 5.1 million tonnes, with 2.2 million tonnes of pellets being produced. Savage River pellets currently contain about 66% iron.

In February, 2005, Ivanhoe Mines sold the Savage River iron ore mine to a subsidiary of Stemcor Holdings Limited, of London, U.K. The purchase price consisted of two initial payments totalling US\$21.5 million, plus a series of contingent, escalating-scale annual payments based on the annual Nibrasco/JSM (Japanese Steel Mills) pellet price. The escalating-scale payments are to be made over five years, beginning March, 2006. If a US\$65 a tonne benchmark price is maintained over the five-year period between April 2005, and March 2010, the total consideration Ivanhoe will receive for the sale of the mine will be US\$122.75 million.

The February 2005, pellet-price settlement between two of the world's largest iron producers (CVRD and Rio Tinto) and Japanese steel mills was 71.5% higher than the 2004 benchmark pellet price of US\$38.10 a tonne, boosting the 2005 pellet price settlement to approximately US\$65.30 a tonne.

4.4 SAVAGE RIVER NORTH (EL11/2005)

4.4.1 *Known Mineralisation*

Specimen Reef was one of the very first mineral deposits discovered in Tasmania. It was probably found in the 1870s by stream panning, and by 1880 there were adits developed on two levels. Access into this rugged area in those early days would have been extremely difficult and active mining ceased about 1900, by which time three adits had been constructed.

The reef consisted of white quartz, siderite and pyrite with some visible gold and minor chalcopyrite. Shoots of high grade auriferous quartz 48m and 3.6m long and 0.5 to 1m wide and 60m deep plunged SE at about 45 degrees. The reef was at the contact of quartzite and slate. An eastern cross-cut from the No.2 Tunnel suggests that the early miners were searching for parallel structures but no records of success exist.

No records of production exist. On the eastern bank of Davis Creek old workings and dumps containing galena occur. There are no historic records.

4.4.2 *Previous Exploration*

Prospecting in the Savage River area around the turn of the twentieth century resulted in the discovery of the auriferous Specimen Reef.

Virtually no other work was undertaken until the early 1960s when the area was acquired by Savage Resources Limited ("Savage"). This early work by Savage concentrated on iron ore exploration

principally south of Savage River. In the 1980s Savage extended exploration work north of Savage River, looking mainly for gold.

Within the tenement Savage established gridded areas known as Davis Creek and Specimen Creek where a variety of geological, geochemical and geophysical surveys were undertaken, culminating in 1982 with drilling programs in the Specimen Reef area.

Of the 15 diamond drill holes the only encouragement was the first hole, DDH SPC 1, which intersected a narrow but very high grade zone, 0.2m @910g/t Au. Unfortunately, it was not until the last year of tenure that Savage located the plans of the mine workings, which showed that most of the holes did not test the reef.

Savage attempted to deepen several holes with limited success, so that ultimately only 3 holes intersected the reef. Two of these probably missed the main shoot and, in the third, the reef interval was not assayed. Based on this unsatisfactory drill program, and the old mine plans, Newnham in 1996 concluded that there is one, possibly two, narrow gold bearing structures, with no broader low grade zones surrounding these.

In the Davis Creek Grid area to the north of Specimen Creek, Savage carried out geochemical soil sampling, geological mapping and ground magnetic surveys. The magnetic data is noisy and complex and the geochemical results are generally low order with some minor gold responses. In the same areas, Savage also conducted stream sediment geochemical sampling. Near, but not at, the old Davis Creek workings lead anomalies to 900ppm and zinc anomalies to 345 ppm were generated but were not followed up by further work.

In 1996 Goldstream Mining NL/ Titan Resources NL commenced exploration. They commissioned L Newnham to conduct a review of the Specimen Reef area (referred to above), and conducted a detailed helicopter-borne magnetic survey. In 1997 they tested the Specimen Reef with two diamond drill holes, intersecting 2m at 0.56g/t Au in one hole and only 0.05g/t from the reef position in the other hole. Silicification and probably sericitisation are widespread in both holes, and a sheeted system of siderite-quartz-minor pyrite veins cuts both altered and unaltered schist, but these carry no gold. In 1998-1999 detailed petrological studies were undertaken on the drill core.

The aero-magnetic data was interpreted, suggesting that the Specimen Reef is within a north east trending structure which may extend for 2km in either direction and that the Specimen Reef system has many similarities to Archaean and Proterozoic shear hosted deposits. The exploration target concept was widened to include iron formation hosted gold deposits. A stream sediment geochemical survey was completed but results were apparently compromised by widespread contamination caused by historical mining.

4.5 ARTHUR RIVER (EL 10/2005)

4.5.1 *Known Mineralisation*

Traces of alluvial gold were known in the 1860s and 1870s. Around 1876, Chinese prospectors were mining payable gold from the Hellyer River. It is considered likely that river terraces further downstream on the Arthur River near the old Victory Mine were being worked at the same time.

The Campbell Hydraulic Gold Mining Company was sluicing gravels on the south side of the Arthur River near the Victory Mine around 1895. Grades up to 2g/t Au in the alluvium were reported, but average grades were low.

The Victory Mine was opened in the early 1890s and worked for copper via an adit. Chalcopyrite and malachite occur with hematite at the contact of dolomite and schist. Minor gold is also present. Production was apparently insignificant.

Magnesite was first discovered by P B Nye in 1925 in the Lyons River- Keith River areas. A joint venture between Mineral Holdings Australia and CRA in 1982 delineated deposits of moderate to high grade at Lyons River and Keith River.

In the 1970s several other styles of mineralisation in the Bowry Formation in the south of the Tenement were discovered. These include the Keith River Gossan, and the Lyons River copper prospect. Both the Keith River Gossan and the Lyons River prospect are discussed in more detail below.

4.5.2 *Previous Exploration*

In 1965 Picklands Mather and Co International held over 10,000 km² in northwestern Tasmania. An extensive regional stream geochemical survey was conducted and although a number of geochemical anomalies were detected, and some re-sampling occurred later, no further work was undertaken. Unfortunately, records of this sampling program are no longer held in open file by the State Government agency, Mineral Resources of Tasmania.

In 1970 Mineral Holdings Aust. Pty. Ltd (“MHA”) commenced exploration by ground checking aerial-magnetic anomalies especially near the old Victory Mine. MHA later formed joint ventures with CRAE. A large gossan at Keith River was investigated in some detail, culminating in two diamond drill holes. The gossan occurs over an area of 500m x 100m, and contains 22% to 53% iron in the form of limonite and hematite, with low occurrences of elements such as copper and gold.

Drilling showed that the primary source material was lenticular stratiform pyrite with minor magnetite and trace chalcopyrite hosted in dolomite, siltstone, shale, quartzite and amphibolite. Copper and zinc content was less than 1500 ppm, and gold content from composite 30m samples was less than 1.2g/t Au. Weathering and gossan development here is deep compared to normal Tasmanian weathering profiles; there is evidence that the gossan is Permian in age.

An aeromagnetic anomaly 2.4 kilometres downstream from the Old Victory Mine was found to be associated with an amphibolite carrying quartz – carbonate – pyrite – chalcopyrite veins, associated with a small irregular magnetite body.

In 1972 a copper occurrence was investigated in the bed of the Lyons River by CRAE. Here phyllite, chlorite schist, and dolomite with some layers of magnesite were recognised as the same lithological unit as hosts the Keith River Gossan. Fresh sulphides are disseminated, being mainly pyrite and minor chalcopyrite.

In 1973 Esso Exploration and Production Australia Incorporated (“Esso”) flew an extensive Input EM survey, followed by regional and local geological reconnaissance, failing to delineate areas warranting their further exploration.

From 1979 to 1986 Geopeko, initially solely and later in joint venture with CRAE, conducted exploration. Geopeko’s original target was stratiform tungsten mineralisation of the Mittershill type along the Arthur Lineament. The occurrence of mafic volcanics, with deep-water quartzite, meta pelite and black shale, was considered favourable but initial sampling was disappointing. CRA extended the targets to include shale hosted lead-zinc mineralisation.

Work done included reprocessing the Esso Input EM survey, conducting a magnetic and radiometric survey. Follow-up work included geological mapping, ground geophysics and stream sediment and bedrock geochemistry. All targeted EM/magnetic anomalies were found to be due to Permian black shales and Tertiary basalt. Anomalous gold was found near the Arthur River at 367300E/5442 000N4 (300ppb in minus 80 mesh samples and 29ppb in cyanide leached samples) and this was unsuccessfully tested with a few lines of shallow auger holes to find the source.

Most of CRAE’s efforts were focussed on magnesite. Interestingly they found that the magnesite horizons carried traces of gold and platinoids. Gold values ranged up to 0.4g/t, platinum to 0.015g/t and palladium to 0.020 g/t. The gold was assumed to be very fine grained because it was not observed in thin section.

In 1990 Geopeko again was active in a search for gold and base metals including stratiform Cu-Zn-Ag (Mt Isa – McArthur River type) and stratiform copper-zinc deposits of the Besshi Type. Work included a geophysical review (aeromagnetism and gravity) and water geochemistry. The water geochemistry program gave results that were difficult to interpret and so overall this was not a viable program.

In 1987 Betoota Proprietary Limited (and others), held the area but conducted only a desk review of previous exploration and a geological interpretation based on aerial-magnetics. Similarly in 1994 Allstate Explorations NL did interpretative work on a 1993 government conducted magnetic survey, but no ground exploration follow-up was done.

In 1996 Goldstream Mining NL/Titan Resources NL carried out only a few stream sediment samples before withdrawing from the area.

4.6 PROSPECTIVITY

There is no reported exploration specifically directed to iron deposits of Savage River type in this ground despite their immediate proximity to the Mine and despite the fact that the aerial-magnetics clearly indicate that the same highly magnetic units trend north of the Mine into the tenements. The reason for this seems to be a combination of poor markets for iron in the past, relative ruggedness and inaccessibility of the terrane.

Thus a priority for future exploration of the tenements would be to target the best magnetic features and evaluate these on the ground for the presence of magnetite bodies.

Minor magnetite lenses were reported by Nye in the Arthur River area when searching for base-metals and minor magnetite occurs in drill holes below the Keith River gossan, so a systematic search may find major deposits.

The Keith River gossan is potentially a source of iron ore. It is large, has iron content to 52% in its unprocessed state, and apparently has low abundances of deleterious trace elements. The primary source rock is pyritic, but weathering is very deep here compared to normal Tasmanian profiles, offering a potential resource of limonitic/hematitic iron.

In the past, exploration has focussed on the obvious magnesite potential. Title to magnesite is not available to the Company, but the magnesite bearing sequences lie within the Bowry Formation, which hosts all known mineralisation types in the area, including the Savage River magnetite deposits, the Specimen Reef gold deposit, the Victory copper deposit and the Keith River pyritic deposits.

Research has shown that there are several base and precious metals targets which should be followed up:

(a) In the Savage River North Licence;

- The Specimen Creek gold deposit was found to lie in a large shear system, the bulk of which is unexplored,
- At Davis Creek there are old workings with lead on the dumps and nearby there are significant lead and zinc anomalies in stream sediments, suggesting that a larger lead/zinc mineralised system may be present.

(b) In the Arthur River Licence:

- The magnesite units carry low abundances of gold and platinoids. Thus these units are precious metal targets in their own right. There is a significant stream sediment gold anomaly generated by CRA (300ppb in minus 80mesh and 29 ppg BLEG) which has not been adequately explored. Historic sluicing of alluvial gold in the Arthur River area also suggests that there are bedrock sources of gold which have not been found.
- The old Victory copper mine and surrounds has not been systematically explored with modern exploration techniques.

The Savage iron deposit is popularly regarded as a stratiform volcanogenic, magnetite-pyrite deposit. The geological setting has been likened to the Japanese Sambagawa Metamorphic Belt, in which there are narrow linear belts containing high pressure metamorphic assemblages, and the successions comprise thick continentally derived clastic sediments with rift-related basaltic volcanics. That belt hosts the Besshi style volcanogenic Cu-Zn-Ag-Au deposits.

Because some of the gold and copper deposits of the area are associated with magnetite bearing rocks and because albite is a commonly reported alteration mineral, it has been speculated that the area is prospective for Iron-Oxide-Copper-Gold deposits of Olympic Dam type.

4.7 PROPOSED EXPLORATION AND EXPENDITURE

Exploration proposed by the Company for the tenements includes research and compilation of previous exploration activities, target generation, rockchip sampling and geological mapping. Follow-up of selected targets with detailed ground based magnetic surveys and drilling is recommended.

A summary table of the proposed exploration expenditure is included in the following section.

5.0 PROPOSED EXPLORATION EXPENDITURE

Red Rock has proposed exploration programs for each of its projects that involves systematic research and compilation of existing exploration information, acquisition and integration of relevant geophysical data, geological mapping, geochemical sampling and drill testing of resultant targets. Details of expenditure are shown in Table 2.

Table 2 – Red Rock Resources Proposed Expenditure (18mth Period)

Aust State	Project	Sub Project	Tenement No	Expenditure £ Jul 05-Jun 06	Expenditure £ Jul 06-Dec 06
WA	East Pilbara Manganese	Ripon Hills West	E45/2638	£10,250	£16,400
WA		Koongalin Creek	E45/2639	£10,660	£4,100
WA		Outcamp Bore	E45/2640	£18,450	£8,200
WA		Owen Hills	E45/2641	£10,250	£16,400
WA	Central Yilgarn Iron	Mt Ida	E29/560	£20,910	£8,610
WA		Mt Alfred	E29/581	£10,250	£16,400
WA		Mt Hope	E30/296	£4,100	£6,150
TAS	Arthur River Iron	Arthur River	E10/2005	£2,050	£4,100
TAS		Savage River	E11/2005	£2,460	£4,100
			Total	£89,380	£84,460
			Cumulative Total	12 mth Exp £89,380	18 mth Exp £173,840

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7.0 GLOSSARY OF TECHNICAL TERMS

Adit	A nearly horizontal passage from the surface by which a mine is entered.
Alluvium	Unconsolidated detrital material deposited by a stream or river
Alteration zone	Zone within which rock-forming minerals have been chemically changed.
Anomalism	Said of geochemical and geophysical data which deviates from regularity.
Arenite	General term for consolidated sedimentary rock composed of sand-sized particles.
Argillaceous	Descriptive of a fine-grained rock (argillite) formed of clay-sized material.
Biotite	Common rock-forming mineral of the mica group.
Breccia	Fragmented rock with angular fragments.
Carbonate	Common mineral type consisting of carbonates of calcium and magnesium.
Cainozoic	A division of geological time from 65 million years to the present.
Chalcopyrite	An important ore of copper with the chemical formula $CuFeS_2$
Chloritised	Altered by the formation of the mineral chlorite (a soft green aluminium-iron-magnesium silicate).
Colluvium	Loose soil or rock fragments accumulated by slow down-slope creep or rain wash, as found at base of slopes and hill-sides.
Conglomerate	A rock composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.

Cretaceous	A division of geological time from about 135 to 65 million years ago.
Dip	Angle that a structural surface, ie a bedding or fault plane, makes with the horizontal measured perpendicular to the strike of the structure.
Dolomite	A calcium-magnesium carbonate sedimentary rock.
Epithermal	A term applied to those deposits formed in and along fissures or other openings in rocks by deposition at shallow depths from ascending hot solutions.
Facies	The sum total of the features which are particularly characteristic of a rock type and which are considered to have been formed under similar conditions.
Fault	A fracture in rock along which there has been relative displacement of the two sides either vertically or horizontally.
Fluorite	The calcium fluoride mineral CaF_2
Fold	A bend in the strata or any planar structure.
Gabbro	A coarse grained igneous rock, low in silica and with a high level of mafic minerals.
Garnet	Aluminium silicate mineral formed during metamorphism, containing variable amounts of iron, magnesium, manganese and calcium.
Geochemistry	The study of the abundance of elements in rocks by chemical methods.
Granite	A plutonic rock consisting essentially of alkalic feldspar and quartz.
Granodiorite	A coarse-grained igneous rock containing quartz, plagioclase and potassium feldspar with biotite, hornblende or pyroxenite.
Greisen	A pneumatolytically altered granitic rock composed largely of quartz and mica.
Hydrothermal	Pertaining to heated water, particularly of magmatic origin associated with the formation of mineral deposits or the alteration of rocks.
Igneous	Rocks resulting from the crystallisation of molten magma, either intrusive or volcanic.
Intrusion/intrusives	A body of igneous rock that invades older rocks.
JORC	Joint Ore Reserves Committee
Limonite	Field term for hydrous ferric oxide minerals formed by the weathering (oxidation) of iron bearing minerals.
Lithology	Composition and texture of rock.
Magnetite	A black magnetic oxide of iron with the formula $\text{FeO} \cdot \text{Fe}_2\text{O}_3$.
Malachite	A copper carbonate mineral found in the oxidized zone of copper deposits.
Marble	A metamorphic rock composed essentially of calcite and/or dolomite.

Metamorphic	The process by which changes are brought about in rocks by the agencies of heat, pressure and chemically active fluids.
Mineralisation	The concentration of metals and their chemical compounds within a body of rock.
Molybdenite	A grey soft mineral, the principle ore of molybdenum with the formula MoS_2
Mullock	Waste rock
Ore	Mineral bearing rock that may be mined and treated at a profit.
Palaeozoic	Era in geological history from 600 to 250 million years ago.
Porphyry	A felsic or sub-volcanic rock with large crystals set in a fine ground mass.
Proterozoic	The younger of the two periods in the Precambrian Era, covering from 2500 to 590 million years ago.
Ppm	Parts per million.
Pyrite	A pale bronze iron sulphide mineral with the formula FeS_2 .
RL	Reduced Level, a surveying term that defines the elevation of a point relative to a datum.
Sandstone	Detrital sedimentary rock consisting of sand-sized particles of minerals or rocks which have been derived from pre-existing rocks by processes of weathering and/or erosion.
Schist	A metamorphic rock with a platy or foliated texture.
Sediment	Rocks formed by the deposition of solids from water.
Sericite	A fine-grained member of the platy group of micaceous minerals containing potassium and aluminium – frequently a product of alteration.
Serpentine	A hydrothermally altered, magnesium-rich rock dominated by serpentine minerals..
Shale	A sedimentary rock consisting of very fine particles of minerals which have been derived from pre-existing rocks by processes of weathering and/or erosion
Shear	A fracture in rock similar to a fault.
Skarn	General term for rocks nearly entirely composed of lime-bearing silicates and derived from nearly pure limestones and dolomites into which large amounts of Si, Al, Fe and Mg have been introduced.
Splay fault	A secondary shear or fault divergent from the principal structure.
Structural	Pertaining to geological structure.
Strike	The course or bearing of a bed or layer of rock.
Syncline	A fold in rock strata that is concave upwards with a core of younger rocks.
Tailings	Finely ground waste product from the crushing and grinding of ores.

Tectonic	Pertaining to the forces involved in, or the resulting structures of, movements in the earth's crust.
Topography	The physical features of a region.
Thrust	A low angle, compressional fault.
Volcanic	Descriptive of rocks originating from volcanic activity.

PART 5

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company is registered in England and Wales, having been incorporated on 8 September 2004 under the Companies Act 1985 (“Act”) with registered number 05225394 as a company limited by shares with the name Red Rock Resources Limited. The liability of members is limited.
- 1.2 The principal legislation under which the Company operates is the Act.
- 1.3 On listing the Company will have no subsidiaries.
- 1.4 On 19 May 2005, pursuant to resolutions of shareholders passed on 12 May 2005, the Company converted to a public limited company, and adopted new Articles of Association. On 26 May 2005 the Registrar of Companies issued a certificate entitling it to do business under the provisions of section 117 of the Act.

2. Share capital

- 2.1 On incorporation, the Company had an authorised share capital of £10,000,000 divided into 10,000,000,000 ordinary shares of £0.001 each of which two were issued, fully paid, to the subscriber to the memorandum of association of the Company.
- 2.2 On 10 May 2005 a resolution was passed authorising the Directors to allot relevant securities and subsequently, pursuant to the Acquisition Agreement and the Purchase Agreements, the number of shares issued and fully paid was increased from 2 Ordinary Shares of £0.001 each to 113,560,000 Ordinary Shares of £0.001 each.
- 2.3 On 10 May 2005, the Company entered into the RGM Purchase Agreement pursuant to which Mt Ida, Mt Hope, Savage River North and Arthur River tenements were acquired by the Company for a consideration of £200,000 satisfied by the issue of 99,999,998 Shares at £0.002 per Share. The RGM Purchase Agreement was completed on 12 May 2005.
- 2.4 On 13 May 2005, the Company entered into the Acquisition Agreement pursuant to which 60% of the Mt Alfred tenement was acquired by the Company, the consideration being satisfied by the issue of 9,000,000 Shares at £0.002 per Share, including 1,000,000 Consideration Shares. On completion the Company issued 8,000,000 Shares at £0.002 per Share.
- 2.5 On 13 May 2005, the Company entered into the Oakover Purchase Agreement pursuant to which the Oakover tenements were acquired by the Company for a consideration of AUS\$250,000 and the issue of 4,000,000 Shares at £0.002 per Share.
- 2.6 On 13th May 2005, pursuant to the RGM Purchase Agreement Callum Baxter and Paul Winston Askins each subscribed for 780,000 Shares at £0.001 per Share.
- 2.7 On Admission the Company intends to allot a further 27,300,000 Ordinary Shares for cash at £0.02 per share pursuant to the Placing.

2.8 The authorised and issued share capital of the Company immediately following Admission, including the Consideration Shares, the Existing Shares and the Placing Shares, will be as follows:

Authorised		ordinary shares of £0.001 each	Issued and fully paid	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£10,000,000	10,000,000,000		£141,860	141,860,000

2.9 The Ordinary Shares will rank pari passu in all respects including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares from the date of this document.

2.10 Following Admission, the Ordinary Shares may be held in either certificated or uncertificated form.

2.11 Save as disclosed in this document:

- no share or loan capital of the Company has been issued or is proposed to be issued;
- no person has any preferential subscription rights for any share capital of the Company;
- no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option; and
- no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company.

2.12 By written resolutions passed on 12th May 2005 the Directors are authorised to allot, create, deal with or otherwise dispose of relevant securities (within the meaning of section 80(2) of the Act) up to a maximum aggregate nominal amount of £5,000,000 to such persons (including any director) on such terms and at such times as they think fit as if section 89(1) of the Act did not apply to such allotment. This authority remains in force for two years from the date of the resolutions. In addition the Directors are authorised to grant options over a maximum of 5,000,000 Ordinary Shares.

2.13 There are no listed or unlisted securities issued by the Company not representing the share capital.

3. Memorandum and articles of association

3.1 In this paragraph 3, references to the “Statutes” are references to the Act and every other Act for the time being in force concerning companies and affecting the Company.

3.2 The principal objects of the Company are set out in full in clause 4 of the memorandum of association and include carrying on the business of a general commercial company.

3.3 The articles of association of the Company (the “Articles”) contain, inter alia, provisions to the following effect:

Transfer

Title to and interests in securities of the Company may be transferred without a written instrument in accordance with statutory regulations from time to time made under the Statutes. Except as may be required by any procedures implemented pursuant to the Articles in accordance with the Statutes, all transfers of shares may be effected by transfer in writing in any usual or common form or in such other form as shall be approved by the Directors. The instrument of transfer shall be signed by or on behalf of the transferor and, if the shares being transferred are partly paid, by the transferee. The Directors may refuse to register any transfer of any share that is not fully paid and they may refuse to register the transfer of any share on which the Company has a lien. They may also refuse to register a transfer of any share in favour of more than four

joint holders as transferees, a transfer in respect of more than one class of share and a transfer which has not been lodged at the Company's registered office or such place as the board may determine and which is not accompanied by the certificates for the shares to which it relates.

Voting rights

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held (as to which there are none at present) every member present in person or by proxy shall upon a show of hands have one vote and every member present in person or by proxy shall upon a poll have one vote for every share held by them.

Dividends

The profits of the Company available for distribution and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and interests. No dividend may exceed the amount recommended by the Board of Directors.

Return of capital

If the Company shall be wound up, the liquidator may, with the authority of an extraordinary resolution, divide among the members in kind the whole or any part of the assets of the Company and may determine how such division shall be carried out between members or classes of members

Variation of rights

If at any time the capital is divided into different classes of shares all or any of the rights or privileges attached to any class may, subject to the provisions of the Act, be varied or abrogated either (a) in such manner (if any) as may be provided by such rights, or (b) in the absence of any such provision either with the consent in writing of the holders of three fourths of the nominal amount of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the issued shares of that class.

Changes in share capital

The Company may by ordinary resolution increase its share capital, cancel any unissued shares, consolidate all or any of its share capital into shares of larger amount and subdivide its shares into shares of smaller amount. Subject to the provisions of the Statutes, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any manner authorised by law.

Purchase by the Company of its own shares

Subject to the provisions of the Statutes, the Company may purchase its own shares.

Unclaimed dividends

Any dividend unclaimed after a period of 12 years from the date it became due for payment shall be forfeited and shall revert to the Company.

Borrowing powers

The Directors may exercise all the powers of the Company to borrow and, subject to the Statutes, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as collateral for any debt, liability or obligation of the Company or of any third party.

Directors

Unless otherwise determined by ordinary resolution, the number of directors shall be not less than two.

4. Directors' and other interests

- 4.1 The interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and the persons connected with them (within the meaning of Section 346 of the Act) which have been notified to the Company pursuant to Sections 324 and 328 of the Act or are required to be disclosed in the Register of Directors' Interests pursuant to Section 325 of the Act in the issued share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as at the date of this document and immediately following Admission are and will be as follows:

<i>Name</i>	<i>Number of Ordinary Shares at the date of this document</i>	<i>Percentage of issued capital at the date of this document</i>	<i>Number of Ordinary Shares immediately following Admission</i>	<i>Percentage of issued capital immediately following Admission</i>
Andrew Bell (<i>Note 1</i>)	100,000,000	88.1%	101,250,000	71.4%
Kenneth Watson (<i>Note 1</i>)	100,000,000	88.1%	101,250,000	71.4%
John Watkins (<i>Note 2</i>)	100,000,000	88.1%	106,250,000	74.9%

Note:

1. The interests of Andrew Bell and Kenneth Watson and persons connected with them noted above are indirect interests held through Regency Mines plc.
 2. The interests of John Watkins and persons connected with him noted above are indirect interests held through Regency Mines plc and Starvest plc.
- 4.2 Save as disclosed above, none of the Directors nor any member of their respective immediate families nor any person connected with the Directors (within the meaning of Section 346 of the Act) has any interest, whether beneficial or non-beneficial, or by way of options, in any share capital of the Company.
- 4.3 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 4.4 Save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.
- 4.5 Save as disclosed in paragraph 4.1, the Company is only aware of the following persons who, immediately following Admission, directly or indirectly, jointly or severally, hold or will hold 3 per cent. or more of the ordinary share capital of the Company or exercise or could exercise control over the Company:

<i>Name</i>	<i>Number of Ordinary Shares immediately following Admission</i>	<i>Percentage of issued capital immediately following Admission</i>
Regency Mines plc	101,250,000	71.4%
Starvest plc	5,000,000	3.5%
City Equities Limited	10,000,000	7.1%

- 4.6 Elenchus Ltd, a company of which Andrew Bell is a director, has executed a consulting agreement dated 17 May 2005 with RRR, which provides for a monthly fee of £2,083 from 1 July 2005, reviewable six months after Admission. Under the terms of the consultancy agreement Elenchus Ltd has undertaken to provide the services of Andrew Bell for up to six days per month for the business of the Company. The contract is terminable on three months' notice.
- 4.7 Kenneth Watson has executed a service contract dated 18 May 2005 with RRR, which provides for an annual fee of AUS\$66,000 from 1 July 2005, reviewable six months after Admission. The contract is terminable on three months notice. Kenneth Watson is expected to spend six days per month on the business of the Company.
- 4.8 John Watkins has a director's appointment letter dated 18 May 2005. The letter appoints him as a director of the Company at an annual fee of £12,000 (plus VAT if applicable). John Watkins is expected to spend one day per month on the business of the Company.
- 4.9 RGM charges RRR for office costs, accounting and secretarial services on normal commercial terms.
- 4.10 Save as disclosed in paragraphs 4.6, 4.7 and 4.8 above, there are no contracts, existing or proposed, between any Director and the Company.
- 4.11 There is no arrangement under which any Director has agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.
- 4.12 It is estimated that under the arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors for the eighteen months ending 31 December 2006 will be approximately £93,000.
- 4.13 In addition to the directorships in the Company the Directors hold or have held the following directorships within the five years immediately prior to the date of this document:

Name	Current Directorships	Past Directorships
Andrew Bell	Axiom Resources Ltd (Canada) Bellmin DOOL (FYRM) Bellmin s.r.o (Slovakia) Celestial Mines Ltd Chenrock Ltd Condorex Ltd Eastmine Kft (Hungary) Exploraciones Condor SA (Chile) Elenchus Ltd Fafner Secretarial and Administration Ltd Feltar Ltd General Mining Ltd Gold and Base Metals Ltd Huszar Mining Ltd Madagascar Mining Ltd Magyar Mining PLC Minera Condor SA (Chile) Mull Energy Ltd Pacific Resources Corporation Ltd Pan Resources Ltd Panax Ltd Range Mines Ltd Redstone Metals Pty Ltd (Australia)	Alanway Ltd Churchill Mining plc Tagg NPD (UK) Ltd The Housing Loan Corporation PLC

Name	Current Directorships	Past Directorships
	Regency Mines plc Regency Resources Ltd (Australia) Sand Harvester Ltd St Stephen Gold s.r.o. (Slovakia) The Italian Gold Field Ltd Thor Mining PLC Vespasian Sp. z o.o. (Poland) Zeus Energy Ltd	
Kenneth Watson	Iron and Uranium Ltd (Australia) Mindanao Resources NL (Australia) Pacific Resources Corporation plc PTT Resources Pty Ltd (Australia) Redstone Metals Pty Ltd (Australia) Redstone Minerals Pty Ltd (Australia) Regency Mines plc Regency Resources Ltd (Australia) Saltwest Pty Ltd (Australia)	Eco Vista Pty Ltd (Australia) Fieldpark Corp. Pty Ltd (Australia) Hasson Prospecting Pty Ltd (Australia) Nicu Metals Ltd (Australia) Shannon Gold Pty Ltd (Australia)
John Watkins	A World of Software Ltd AWOS Retail plc AWOS Facilities Ltd Lisungwe plc Regency Mines plc Starvest Nominees Ltd Starvest plc, formerly Web Shareshop (Holdings) plc The Web Shareshop Ltd Trustee Services Company Ltd	Amro Biotech plc AO Realisations Ltd Army of Ants International Ltd Auto Online Ltd CardAid Ltd City Insider Ltd Eurodeal Publishing Ltd GivingWorks, formerly The London Partnership Guild Conferences Ltd, formerly Insider Conferences Ltd Guild Group Ltd, formerly Insider Publishing Ltd Guild of Shareholders Nominees Ltd Insider Publishing Ltd LII (1997) Ltd The Guild Equity Research Ltd The Guild Giants.com Ltd The Guild Investor Ltd The London Partnership Ltd The Private Investment Exchange.com Ltd The Private Investment Market.com Ltd UK Growth Stocks Ltd Visual Bible Society XYZ Holdings Ltd

- 4.14 In 1993 a fall in the value of properties held as a security for its loans following the substantial fall in property values of the early 1990s resulted in The Housing Loan Corporation PLC, a company of which Andrew Bell was non-executive chairman, going into administrative receivership. The company was dissolved in 2001. No criticism of the directors was made.
- 4.15 Andrew Bell entered into an individual voluntary arrangement (“IVA”) with his creditors in 1993 (High Court No. 709 of 1993). Andrew Bell had made or was guarantor of borrowings secured on properties, including development properties. Following a substantial rise in interest rates and decline in capital values at the beginning of the 1990s, he was left with debts he could not meet and was advised to enter into an IVA. The IVA concluded on 31 December 1997.
- 4.16 John Watkins was a non executive director of Auto Online Limited from 18 May 1999 to 17 December 2001. An administrative receiver was appointed on 13 December 2001 following which the company was dissolved on 15 June 2004. There has been no criticism of any of the directors.
- 4.17 Save as disclosed above none of the Directors has:
- any unspent convictions in relation to indictable offences;
 - had any bankruptcy order made against him or entered into any voluntary arrangements;
 - been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
 - been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership;
 - been publicly criticised by any statutory or regulatory body (including recognised professional bodies); or
 - been disqualified by a court from acting as a director of any company or from acting in the management or conduct of affairs of a company.

5. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business of the Company, have been entered into by the Company and are or may be material:

5.1 Nominated Adviser Agreement

An agreement dated 25 July 2005 between ARM and the Company pursuant to which ARM has been appointed to act as the Company’s Nominated Adviser. Under the agreement the Company has agreed to pay ARM an ongoing nominated adviser fee of £12,500 per annum (plus VAT) payable quarterly in advance, to be reviewed upwards on completion of the first transaction following Admission. This agreement is for an initial period of one year from the date of Admission and thereafter, may be terminated by ninety days written notice by either party.

5.2 *Broker Agreement*

An agreement dated 25 July 2005 between ARM and the Company pursuant to which ARM has agreed to act as the Company's broker from Admission (the "Broker Agreement"). Under the Broker Agreement, the Company has agreed to pay to ARM a commission of 5.0 per cent. of all funds raised by ARM in connection with the Placing and an annual fee of £10,000 (plus VAT) payable quarterly in advance, to be reviewed upwards on completion of the first transaction following Admission. This agreement is for an initial period of one year from the date of Admission and thereafter, may be terminated by ninety days written notice by either party.

5.3 *Placing Agreements*

Under the Placing Agreement dated 25 July 2005 between the Company (1); ARM (2) and the Directors (3) the Company has agreed to pay ARM a financial advisory fee of £22,500 (plus VAT) in respect of advice given in connection with the Admission of the Company's entire issued share capital to trading on AIM. Out of this fee ARM has agreed to apply £10,000 thereof towards the subscription of 500,000 Shares at 2p per share.

The Company and the Directors have given certain warranties and indemnities as to the accuracy of information contained in this document and other matters in relation to the Group and its business. The Placing Agreement is conditional, inter alia, on Admission.

5.4 *Lock-in Agreements*

The Lock-in Agreements between ARM, and each of the Directors, Regency Mines plc, Starvest plc and the Vendors and their connected persons were entered into on 25 July 2005 under which the Directors, Regency Mines plc, Starvest plc and the Vendors and their connected persons have agreed with ARM not to dispose of any interest in Ordinary Shares in the Company for a period of 12 months from the date of Admission, except in limited circumstances. These agreements also contain orderly market provisions for the Directors, Regency Mines plc, Starvest plc and the Vendors which apply for a further period of 12 months after expiry of the lock-in period.

5.5 *RGM Purchase Agreement*

An agreement dated 10 May 2005 between RGM and the Company whereby the Company acquired the Mt Ida, Mt Hope, Savage River North and Arthur River tenements for a consideration of £200,000, satisfied by the issue to RGM of 99,999,998 Shares at £0.002 per Share. The agreement was completed on 12 May 2005. On 13 May 2005 pursuant to the agreement, Callum Baxter and Paul Winston Askins each subscribed 780,000 Shares at £0.001 per Share.

5.6 *Acquisition Agreement*

An agreement dated 13 May 2005 between IUL and the Company whereby the Company acquired a 60% interest in the Mt Alfred tenement from IUL for the issue of 8,000,000 Shares at £0.002 per Share and 1,000,000 Consideration Shares to be issued following Admission at the Placing Price. Pursuant to the agreement the Company issued 1,400,000 Shares at £0.002 per Share to each of Prosperity Asset Venture Limited (a company beneficially owned by the family of Tan Lam Fatt), Christine Choow Lin Tan, Roderick McIllree, Florence Deng, Dato Eddie Soong Kwong Choon, and 500,000 Shares to each of Callum Baxter and Paul Winston Askins. Following Admission, a further 500,000 Shares will be issued at the Placing Price to each of Callum Baxter and Paul Winston Askins. Pursuant to the Acquisition Agreement, the rights of IUL to acquire the remaining 40% of the Mt Alfred Tenement for AUSS\$100,000 before 10 March 2007 from Paul Askins and Callum Baxter passed to the Company.

5.7 *Oakover Purchase Agreement*

An agreement dated 13 May 2005 between (1) Callum Baxter (2) Paul Winston Askins (3) Bernfried Gunter Franz Wasse and (4) the Company whereby the Company acquired the Oakover tenements from Callum Baxter and Paul Winston Askins for a cash consideration of AUS\$250,000 and the issue of 4,000,000 Shares at £0.002 per Share. On completion 1,800,000 Shares were issued to each of Callum Baxter and Paul Winston Askins and 400,000 Shares to Bernfried Gunter Franz Wasse and a payment of AUS\$27,000 was made to each of Callum Baxter and Paul Winston Askins and AUS\$6,000 to Bernfried Gunter Franz Wasse. Following Admission, the Company will pay AUS\$40,500 to each of Callum Baxter and Paul Winston Askins and AUS\$9,000 to Bernfried Gunter Franz Wasse, and on or by 13 May 2006 the Company will pay AUS\$45,000 to each of Callum Baxter and Paul Winston Askins and AUS\$10,000 to Bernfried Gunter Franz Wasse.

Save as disclosed above, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation and which are or may be material.

6. **Litigation**

There are no legal or arbitration proceedings (including, to the knowledge of the Directors, any such proceedings which are pending or threatened by or against the Company) which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position of the Company.

7. **Working capital**

The Directors are of the opinion that, having made due and careful enquiry and having regard to the net proceeds received under the Placing, the working capital available to the Company will, from the date of Admission, be sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

8. **Taxation**

UK Taxation

General

The statements set out below are intended only as a general guide to the tax position under current UK taxation law and practice and apply only to certain categories of UK persons. The summary does not purport to be a complete analysis or listing of all the potential tax consequences of holding Ordinary Shares.

Prospective purchasers of Ordinary Shares are advised to consult their own tax advisers concerning the consequences under any tax laws of the acquisition, ownership and disposition of Ordinary Shares in the Company. Shareholders who may be subject to tax in any jurisdiction other than the UK should consult their professional advisers without delay.

The statements do not cover all aspects of UK taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on the acquisition, ownership or disposition of Ordinary Shares in the Company by particular investors. The statements are not applicable to all categories of Shareholders, and in particular are not addressed to

- (i) Shareholders who do not hold their Shares as capital assets;
- (ii) Shareholders who own (directly or indirectly) 10 per cent. or more of the Company;
- (iii) special classes of Shareholders such as dealers in securities or currencies, broker-dealers, or investment companies;
- (iv) Shareholders who hold Ordinary Shares as part of straddles, hedging or conversion transactions; or

- (v) Shareholders who hold Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or otherwise).

Taxation of Dividends and Distributions

- (a) Under current UK legislation, no UK tax will be withheld from any dividend paid by the Company.
- (b) An individual Shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company will be entitled to a tax credit which such shareholder may set off against his total income tax liability on the dividend. The tax credit will be equal to 10 per cent. of the aggregate of the dividend and the tax credit (the “gross dividend”), which is also equal to one-ninth of the cash dividend received. A UK resident individual Shareholder who is liable to income tax at the starting or basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such shareholder’s liability to income tax on the dividend. However, to the extent that the gross dividend falls above the threshold for the higher rate of income tax the UK resident individual Shareholder will have further tax to pay. The tax credit will be set against but not fully match his or her tax liability on the gross dividend and the Shareholder will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend received).
- (c) UK resident Shareholders who are not liable to UK tax on dividends, including pension funds and charities, will not be entitled to claim repayment of the tax credit attaching to dividends paid by the Company.
- (d) Subject to certain exceptions for traders in securities, a Shareholder that is a company resident for tax purposes in the United Kingdom and which receives a dividend paid by another company resident for tax purposes in the UK will not generally have to pay corporation tax in respect of it. Such shareholders will not be able to claim repayment of tax credits attaching to dividends.
- (e) Non UK resident individual Shareholders will be taxed on dividends paid by the Company on an arising basis. Broadly, the UK tax liability for non-UK residents will be restricted to the amount of the tax credit. However, this is subject to the Shareholder’s personal circumstances and further advice should be obtained if the Shareholder has other UK source income or is claiming relief for tax allowances in the UK.
- (f) Non-UK resident Shareholders will not generally be able to claim repayment from the Inland Revenue of any part of the tax credit attaching to dividends paid by the Company.
- (g) A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law. Shareholders who are not resident in the UK for tax purposes should consult their own tax advisers concerning tax liabilities on dividends received from the Company.

Taxation of Chargeable Gains

- (h) A disposal of Ordinary Shares in the Company by a Shareholder who is either resident or ordinarily resident for tax purposes in the UK will, depending on the shareholder’s circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of the taxation of chargeable gains in the UK.
- (i) Broadly, Shareholders who are not resident or ordinarily resident for tax purposes in the UK will not be liable for UK tax on capital gains realised on the disposal of their Ordinary Shares unless such Ordinary Shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency or for the purpose of such branch or agency. Such Shareholders may be subject to foreign taxation on any gain under local law.

- (j) A Shareholder who is an individual and who has, on or after 17 March 1998, ceased to be resident or ordinarily resident for tax purposes in the UK for a period of less than five complete tax years and who disposes of the Ordinary Shares during that period may also be liable to UK taxation of chargeable gains (subject to any available exemption or relief) as if, broadly, the disposal was made in such Shareholder's year of return to the UK.

Stamp Duty

No UK stamp duty will be payable on the issue by the Company of Ordinary Shares. Transfers of Ordinary Shares for value will give rise to a liability to United Kingdom *ad valorem* stamp duty, or stamp duty reserve tax, at the rate in each case of 0.5 per cent of the amount or value of the consideration (rounded up in the case of stamp duty to the nearest £5). Transfers under the CREST system for paperless transfers of shares will generally be liable to stamp duty reserve tax.

Any person who is in any doubt as to his or her tax position or who may be subject to tax in any jurisdiction other than the UK should consult their own professional adviser.

9. General

- 9.1 The Directors believe, the minimum amount which must be raised by the Company pursuant to the Placing is £500,000.
- 9.2 The proceeds of the Placing are expected to be £546,000. The estimate of expenses of the Proposals, which are all payable by the Company, is approximately £70,000 (excluding VAT). This amount includes commissions of approximately £9,500 payable by the Company. The estimated net proceeds of the Placing will be £476,000.
- 9.3 The accounting reference date of the Company is 30 June and the first audited accounts will be made up to 30 June 2005.
- 9.4 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:
- 9.4.1 received, directly or indirectly, from the Company within 12 months preceding the date of this document; or
- 9.4.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:
- (a) fees totalling £10,000 or more; or
- (b) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or
- (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 9.5 The financial information contained in Parts 2 and 3 of this document does not constitute full statutory accounts as referred to in section 240 of the Act.
- 9.6 Chapman Davis LLP has given and not withdrawn their written consent to the inclusion in this document of references to their name in the form and context in which they appear and its reports in Parts 2 and 3 of this document and accept responsibility for these reports.
- 9.7 ARM has given and not withdrawn their written consent to the issue of this document with the inclusion of their name and references to their name in the form and context in which they appear.
- 9.8 Al Maynard & Associates has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to its name in the form and context in which they appear and its report in part 4 of this document and accept responsibility for this report.

- 9.9 Save as set out in this document, the Directors are not aware of any significant factors that have influenced the Group's activities.
- 9.10 Save as set out in this document, no commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this document relates or of his procuring or agreeing to procure subscriptions for such securities.
- 9.11 No paying agent has been appointed by the Company.
- 9.12 Save as disclosed in this document, no payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.
- 9.13 Save as disclosed in this document, there are no patents or other intellectual property rights, licences or particular contracts which are, or may be, of fundamental importance to the business of the Company.
- 9.14 Save as disclosed in this document, there are no investments in progress which are significant.

10. Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of the Company, 3rd Floor, 55 Gower Street, London WC1E 6HQ during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until at least 30 days after the date of Admission:

- 10.1 the memorandum and articles of association of the Company;
- 10.2 the Accountants' Report set out in Parts 2 and 3 of this document;
- 10.3 the agreement and Director's contract and letter of appointment referred to in paragraphs 4.6 to 4.8 of this Part 5;
- 10.4 the material contracts referred to in paragraph 5 of this Part 5; and
- 10.5 the letters of consent referred to in paragraphs 9.6 to 9.8 of this Part 5.

Publication of this document

Copies of this document will be available free of charge to the public at the Registered Office of the Company, 3rd Floor, 55 Gower Street, London WC1E 6HQ from the date of this document up to and including the date which is one month following Admission.

25 July 2005