



ASX ANNOUNCEMENT

24 February, 2012

Stage II Exploration Drilling Update: Zhongqu Project

Highlights:

- Assay results have been received from the first 6 drill holes from Stage II program at Xinqu mine (Zhongqu Project).
- Drill hole ZQ6L022 targeting the down plunge trend of Ore Body #1 for the first time returned a significant intersection of 7.3m at 16.02 g/t Au including 3m at 28.23 g/t Au.
- Drill holes ZQ6L018, 019, 020, 021 and 028 targeting Ore Body #3 and returned best intersection of 8.75m at 4.36 g/t Au in Hole 20.
- The gold mineralisation defined by the drilling to date appears to exist as discrete lenses rather than continuous structures. The implications for tonnage are being assessed.
- Samples from another 4 drill holes are currently being assayed and results are imminent.

Drilling update

Two rigs have been operating from two underground drill chambers on the 6 Level which is the lowest working point of the Xinqu underground mine at 3580 mRL at the Zhongqu project.

Assays were returned for 6 drill holes with the best assays summarised in Table 1. Details of the drill holes and locations are provided in Table 2 and Figure 1.

Holes ZQ6L018 to ZQ6L021 and ZQ6L028 were targeting the extension and continuity of Ore Body #3. The assays helped define the western and upper margins of the mineralisation intersected in previous drilling.

- Hole 18 targeted 50m above the previously reported Hole 14 (31m at 4.61 g/t Au) and got a best result of 7m at 1.09 g/t Au.
- Holes 19 and 20 tested the western extent of Ore Body #3 below Level 6 and intersected mineralisation with best results of 3m at 4.58 g/t Au and 8.75m at 4.36 g/t Au respectively.
- Holes 21 and 28 tested the continuity of the mineralisation around 6 Level and returned a best result of 2.20m at 7.16 g/t Au in Hole 21 and no significant result in Hole 28.

Hole ZQ6L023 is an uphole targeting the extension of Ore Body #1, the first hole to test this structure, and returned an intercept of 7.3m at 21.39 g/t Au including 3m at 41.30 g/t Au. This was a promising result for the first drillhole into this target.

The implications of these results are that:

1. The first drillhole into the proposed Ore Body#1 extension has opened up the possibility of a new high grade zone which was also targeted by drill hole ZQ6L023 completed 40m vertically below Hole 22 (assays awaited).
2. The western boundary of Ore Body #3 up to 100m below level 6 has been partially defined to constrain the target JORC resource.

Table 1: Summary of assay results – Significant drill intercepts								
Hole	Target	From (m)	To (m)	Interval (m)	Au (g/t)		Interval (m)	Au (g/t)
ZQ6L018	OB#3	128	130	2.00	1.94			
ZQ6L019	OB#3	110	113	3.00	4.58	<i>including</i>	1.00	12.00
ZQ6L020	OB#3	163.0	171.75	8.75	4.36	<i>including</i>	2.10 0.55	7.99 16.40
ZQ6L021	OB#3	26.00	31.40	2.48	1.87			
		52.25	57.40	2.20	7.16	<i>including</i>	1.70	8.13
ZQ6L028	OB#3			NSI	NSI			
ZQ6L022	OB#1	76.6	83.9	7.30	16.02	<i>including</i>	3.30	28.23

Table 2. Details of holes drilled in Stage II program to date									
HoleNo	Zone	EastBJ3	NorthBJ3	Elev	TDepth	Azim	Dip	Chamber	Rationale
XQ6L018	34	515265.500	3773173.000	3579.42	155.3	025	-14.0	204-2	Test mineralisation updip of hole 014
XQ6L019	34	515265.500	3773173.000	3579.42	140.4	008	-15.0	204-2	Test mineralisation extent and west of 014
XQ6L020	34	515265.500	3773173.000	3579.42	230.2	008	-40.0	204-2	Test mineralisation immediately west of 014
XQ6L021	34	515345.520	3773257.500	3578.78	124.0	010	-38.0	200-1	Test continuation of GRD/LMST contact and minz
XQ6L022	34	515345.000	3773256.000	3578.50	146.9	060	30.0	200-1	Test down plunge mineralisation of OB#1
XQ6L023	34	515345.000	3773256.000	3578.50	150.0	048	0.0	200-1	Test projected down plunge position OB#1
XQ6L024	34	515265.500	3773173.000	3579.42	178.3	025	-53.0	204-2	Test mineralisation between holes 13 and 14
XQ6L025	34	515265.500	3773173.000	3579.42	180.0	025	10.0	204-2	Test updip mineralisation from hole 018
XQ6L026	34	515265.500	3773173.000	3579.42	130.0	040	-30.0	204-2	Test mineralisation to east of 014 and updip of hole 015
XQ6L027	34	515345.000	3773256.000	3578.50	88.6	345.0	-10.0	200-1	Test mineralisation to the west of hole 010
XQ6L028	34	515345.000	3773256.000	3578.50	121.7	010	15.0	200-1	Test updip mineralisation from hole 010

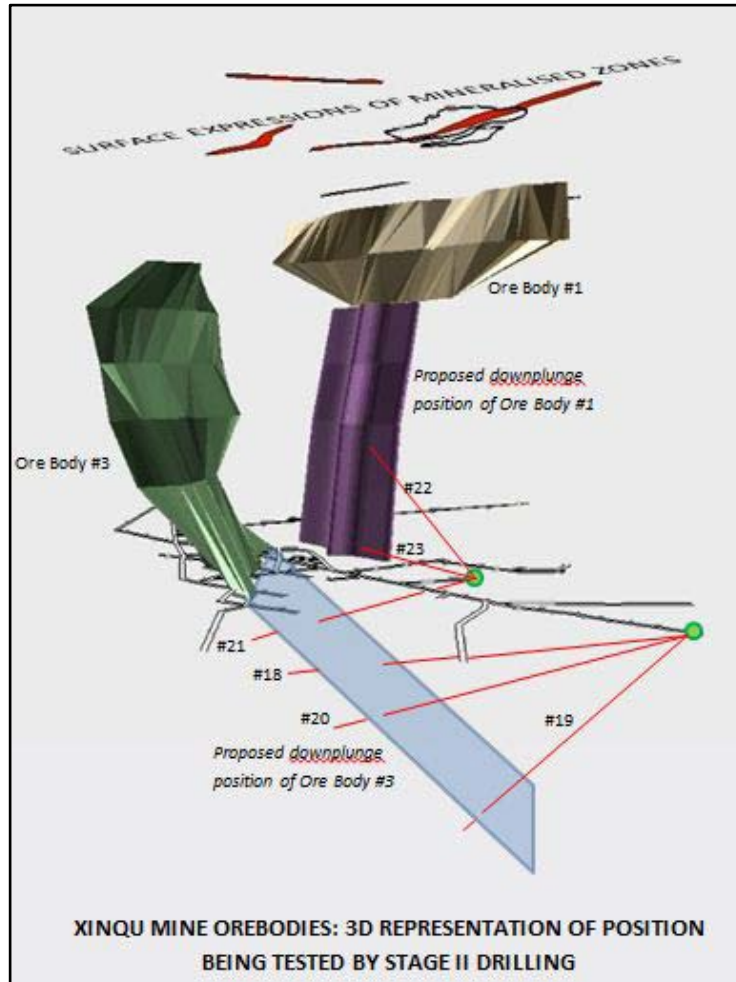


Figure 1: Oblique 3D section (looking NE) of mapped and modelled ore bodies #1 and #3 which have been exploited at Xinqu mine. The red lines show the traces of the initial drillholes testing Ore Body #3 below Level 6 (in blue) and the proposed extension of Ore Body #1 above Level 6 (in purple).

Depending on the results obtained from Hole 23 and subsequent interpretation, follow up drill holes may be required in the light of the significant result obtained in Hole 22 which was the first hole to probe the down plunge extend of Ore Body #1.

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About Red Mountain Mining Limited

Red Mountain Mining (ASX: RMX) is a gold explorer incorporated in Australia in May 2006 and which listed on the ASX in September 2011 with two prime projects in China. The Company's strategy is to unlock the potential of 'under-developed' gold projects in China by introducing Australian mining methods and improving efficiencies to gain significant production and exploration upside. It has spent more than five years examining potential project acquisitions in China.

The Company has binding acquisition agreements to acquire 51% of the **Zhongqu project** (operating gold mine and infrastructure) and 90% of the **Diebu project** (advanced exploration).

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Andrew Richards, who is a member of The Australasian Institute of Mining and Metallurgy. He is a full time employee of Arc Resources Pty Ltd which is providing consulting services to Red Mountain Mining Ltd.

Andrew Richards has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Andrew Richards consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.