ASX ANNOUNCEMENT 30 JULY 2012

June Quarter 2012 Report

HIGHLIGHTS

- **Non-binding term sheet signed for the proposed acquisition of significant gold resources and copper-gold assets ("Assets") in the Philippines from Mindoro Resources Ltd (Mindoro).**

- **Binding Share Sale Agreement in relation to the proposed acquisition of the Mindoro Assets signed post quarter end.**

MINDORO ACQUSITION

Highlights

- Proposed acquisition of significant gold resources and copper gold assets in the Philippines containing an Indicated Resource of 10,150,000 tonnes @ 1.2g/t for 393,000 contained ounces of gold and 1,427,800 ounces of silver and an Inferred Resource of 3,800,000 tonnes @ 0.88g/t for 108,000 contained ounces of gold and 210,000 ounces of silver, with significant further exploration potential ("Acquisition").
- High grade gold intercepts below and not within the JORC resources include 61m @ 5.1g/t, 64m@ 3.5 g/t, and 26m @ 4.03g/t which give walk up drill targets to expand the known resource.
- Well established and recognised social and environmental "license to operate" within the Philippines.
- Red Mountain Mining acquiring a proven and experienced exploration team located in Philippines.
- Transaction strongly in line with Red Mountain Mining's strategy and provides a unique opportunity to apply modern Australian mining techniques to the acquired gold projects.
- Post quarter end the company had completed comprehensive due diligence and had signed the binding Share Sale Agreement.

Acquisition price

Consideration for the proposed acquisition of the Mindoro Assets will comprise:

- 100,000,000 fully paid ordinary shares in the capital of Red Mountain Mining ("Shares") escrowed for 12 months from completion; and
- 50,000,000 performance shares in the capital of Red Mountain Mining ("Performance Shares") that convert into Shares if, within 12 months of completion of the Acquisition, both (a) the gold resource across the Assets

ASX code: RMX
ABN 40 119568106

COMPANY DIRECTORS
Neil Warburton
Executive Chairman & Acting CEO
Keith Rowe
Executive Director
Michael Wolley
Non-Executive Director
Shannon Coates
Company Secretary

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increase to 600,000 ounces at a JORC Indicated level; and (b) a scoping study is completed on the Assets that confirms that the development of a mine is economically viable, where the scoping study must have a minimum of 50% conversion of the 600,000 ounces Indicated JORC Resource to mineable reserves. These shares will be voluntarily escrowed for up to 12 months once vested.

Mindoro intends to make an in specie distribution of the initial 100,000,000 Shares on a pro rata basis after 12 months of completion. The 50,000,000 Performance Shares (if milestones are achieved) will be distributed in specie to Mindoro shareholders up to 24 months after completion.

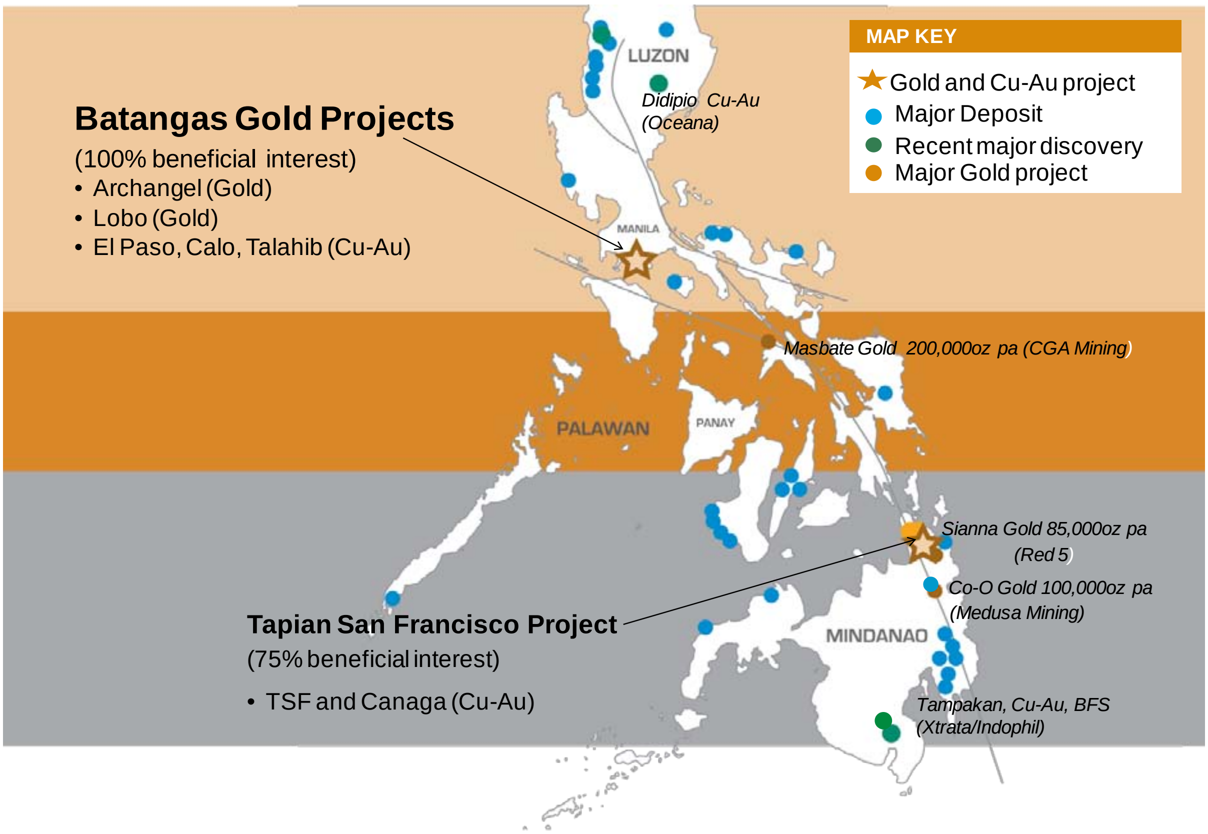
Following completion of the Acquisition, current Red Mountain Mining shareholders will retain an approximate 35% to 44% interest in the expanded group (depending on the final number of shares issued).

CORPORATE

- Red Mountain Mining remained in a strong financial position with $4.39 million in cash and no debt as at 30 June 2012.
- Red Mountain Mining elected to withdraw from the Zhongqu Framework Agreement in China on 23 April.

PHILIPPINE ACQUISITION

Figure 1: Portfolio of projects in key mining districts in Philippines.



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Remaining Conditions Precedent

As at today's date, the outstanding conditions precedent to the Acquisition include:
• Shareholder approval of Red Mountain Mining;
• Board and executive appointments;
• Completion of the restructuring of Mindoro's Philippines subsidiary MRL Gold Phils. Inc. whereby the assets and beneficial rights to the assets are transferred to another Mindoro subsidiary owned by Red Mountain Mining (Singapore) Pte Ltd ;
• Toronto Stock Exchange approval of the sale of Mindoro assets for shares;
•The entity which houses the projects, being Red Mountain Mining (Singapore) Pte Ltd (on a consolidated basis inclusive of their Philippines subsidiaries) having net positive working capital of at least $10,000 at the time of completion of the transaction; and
• Red Mountain Mining preparing an Independent Expert's Report and Independent Accountant's Report.

The parties have agreed that the working capital requirement for Red Mountain Mining will apply as at 31 August 2012, rather than as previously agreed, and will comprise $3.8 million (plus or minus 5%).

Completion of the Acquisition is now expected to occur in late September 2012.

Updated Indicative Transaction Timeline

• 4 September: Red Mountain Mining shareholder meeting.
• 24 September: Complete transaction and issue of new shares to Mindoro.

Subsequent Events

Subsequent to the quarter end, as announced on 24 July 2012, the Company executed a binding Share Sale Agreement in relation to the Acquisition.

Further, the Company has appointed Indodrill contractors to commence drilling the high grade "feeder zone" targets under and adjacent to the current gold resources at Archangel on the Batangas Project. The initial results from this drilling program are expected in late August 2012.

The first hole in the initial program to be drilled (PDH-A) has been designed to target the existing known high grade feeder structure and potential down dip extensions. The results of this hole will be used for structural and geological interpretation for future holes.

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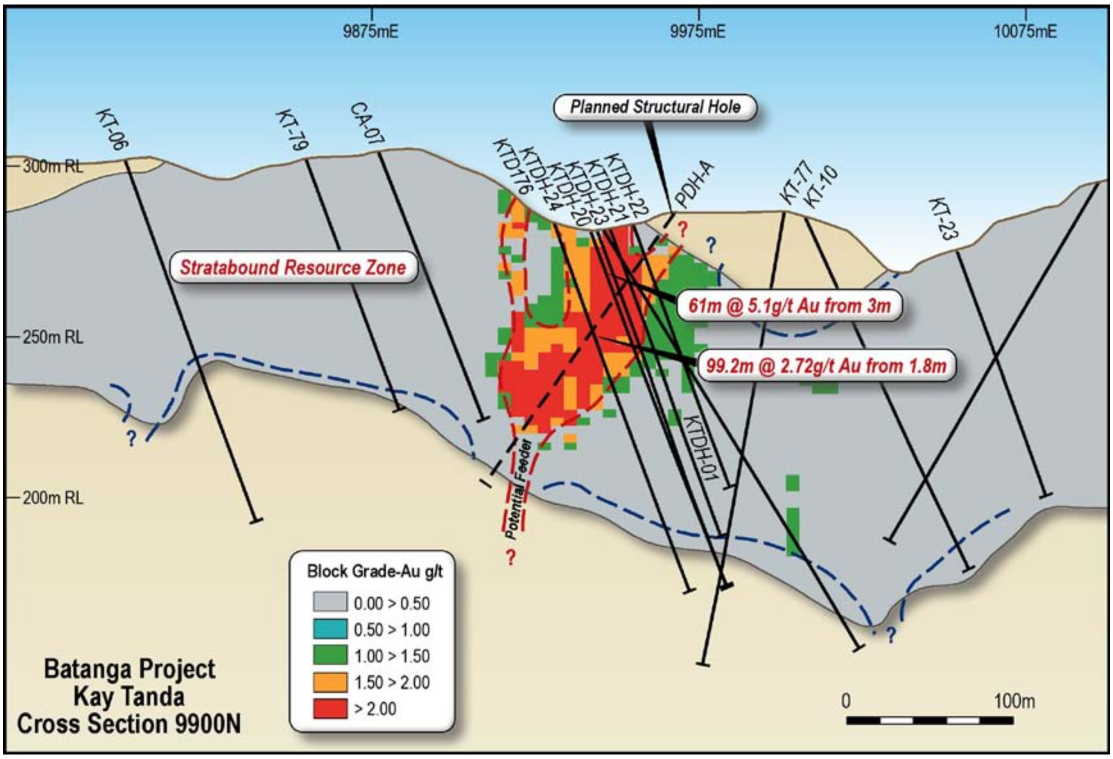

Cross Section of first Hole (PDH-A) at Kay Tanda resource, Archangel Project, Batangas.

ZHONGQU PROJECT, GANSU

During the quarter, the Company sought to renegotiate the financial terms and extend the option exercise timing of the Zhongqu Project Framework Agreement, whereby Red Mountain Mining had an option to acquire a 51% equity interest in the operating gold mine for US$45 million.

Whilst there was potential resource upside, Red Mountain Mining considered there to be insufficient resource potential to justify the original purchase price under the Framework Agreement and was unable to reach satisfactory agreement on an extension to the Framework Agreement to allow further negotiations.

Consequently, as announced on 24 April 2012, the Company withdrew from the Framework Agreement.

COMPANY STATUS AND OUTLOOK

The Company remains in a strong financial position, with $4.39 million in cash and no debt as at 30 June 2012, a strong technical team, and is on track to acquire a pipeline of gold projects and copper gold tenements with high exploration and resource extensions potential.

The Company has temporarily ceased its search for advanced exploration and mining projects in the greater Asian region until the Mindoro acquisition has been completed.

Red Mountain Mining continues to maintain its core strategic focus of introducing modern Australian mining techniques to underdeveloped resource projects in the Asian region.

For further information about Red Mountain Mining please visit www.redmm.com.au or contact:

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Executive Chairman	Market Eye
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(+61 8) 9226 5668	(+61 3) 9591 8901

About Red Mountain Mining Limited

Red Mountain Mining (ASX: RMX) is primarily a gold explorer and project acquisition company incorporated in Australia in May 2006 and which listed on the ASX in September 2011. The Company's strategy is to unlock the potential of 'under-developed' gold and polymetallic projects in the greater Asian region by introducing Australian mining methods and improving efficiencies to gain significant production and exploration upside. The company has recently expanded its search for projects and has signed a binding Share Sale Agreement to acquire significant gold resources and copper gold tenements in the Philippines. Other opportunities will be reviewed once the Philippines acquisition has been completed.

Competent Person Statement

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Jon Dugdale, who is a member of The Australasian Institute of Mining and Metallurgy.

Jon Dugdale 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'. Jon Dugdale consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

RED MOUNTAIN MINING LIMITED

ABN	Quarter ended ("current quarter")
40 119 568 106	30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors	0	0
1.2	Payments for (a) exploration & evaluation	(223)	(1,671)
	(b) development	0	0
	(c) production	0	0
	(d) administration	(434)	(2,051)
1.3	Dividends received	0	0
1.4	Interest and other items of a similar nature received	39	167
1.5	Interest and other costs of finance paid	0	0
1.6	Income taxes paid	0	0
1.7	Other (provide details if material)	0	0
	Net Operating Cash Flows	(618)	(3,555)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	0	0
	(b) equity investments	0	0
	(c) other fixed assets	(2)	(31)
1.9	Proceeds from sale of: (a) prospects	0	0
	(b) equity investments	0	0
	(c) other fixed assets	0	0
1.10	Loans to other entities	0	0
1.11	Loans repaid by other entities	0	0
1.12	Other (provide details if material)	0	0
	Net investing cash flows	(2)	(31)
1.13	Total operating and investing cash flows (carried forward)	(620)	(3,586)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(620)	(3,586)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	0	7,482
1.15	Proceeds from sale of forfeited shares	0	0
1.16	Proceeds from borrowings	0	0
1.17	Repayment of borrowings	0	0
1.18	Dividends paid	0	0
1.19	Other (provide details if material)	0	0
	Net financing cash flows	0	7,482
	Net increase (decrease) in cash held	(620)	3,896
1.20	Cash at beginning of quarter/year to date	5,086	447
1.21	Exchange rate adjustments to item 1.20	(71)	52
1.22	**Cash at end of quarter**	**4,395**	**4,395**

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	119
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	0	0
3.2	Credit standby arrangements	40	3

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	805
4.2	Development	
4.3	Production	
4.4	Administration	485
	Total	**1,290**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	1,826	2,224
5.2	Deposits at call	2,569	2,862
5.3	Bank overdraft	0	0
5.4	Other (provide details)	0	0
	Total: cash at end of quarter (item 1.22)	4,395	5,086

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	ML 6200000710008 ("Zhongqu Project")	Option to acquire 51%	Option to acquire 51%	-
6.2	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	**+Ordinary securities**	79,060,026	64,546,875	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			-	-
7.5	**+Convertible debt securities** *(description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	**Options** *(description and conversion factor)*	38,287,474	-	*Exercise price* *$0.20* *$0.20* *$0.25* *$0.35*	*Expiry date* *12/09/2013* *30/06/2014* *31/07/2014* *31/07/2016*
7.8	Issued during quarter		-		
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-		

+ See chapter 19 for defined terms.

7.12	**Unsecured notes** *(totals only)*	-	-

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ______________________________ Date: 30 July 2012
(Company secretary)

Print name: SHANNON COATES

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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