

13,298,260le 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Red Mountain Mining Limited

ABN

40 119 568 106

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Unlisted Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 4,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>2,000,000 Unlisted Options exercisable at 25 cents each on or before 1 July 2014. The Options will vest if and when the trading price of the Company's shares is 20 cents or greater (on a pre-consolidation basis) or at or above an equivalent post-consolidation price for more than 30 consecutive trading days on which the shares in the Company trade; and</p> <p>2,000,000 Unlisted Options exercisable at 50 cents each on or before 1 July 2016. The Options will vest on Mr Neil Warburton completing 4 years continuous service as a Director or Chief Executive Officer of the Company from his commencement date of 3 April 2012.</p> |

+ See chapter 19 for defined terms.

4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	No. Options over unissued shares may only be exercised in accordance with their terms and conditions. Upon conversion of the options to shares, the shares will rank equally with existing shares.				
5 Issue price or consideration	Nil.				
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issue of Unlisted Options to Director pursuant to shareholder approval at Company's EGM on 4 September 2012.				
7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates	5 September 2012				
8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)	<table> <tr> <th data-bbox="766 1265 1069 1310">Number</th><th data-bbox="1069 1265 1359 1310">⁺Class</th></tr> <tr> <td data-bbox="766 1310 1069 1464">64,546,875</td><td data-bbox="1069 1310 1359 1464">Fully paid ordinary shares.</td></tr> </table>	Number	⁺ Class	64,546,875	Fully paid ordinary shares.
Number	⁺ Class				
64,546,875	Fully paid ordinary shares.				

+ See chapter 19 for defined terms.

9

Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
	14,513,151	Fully paid ordinary shares
	9,300,000	Options exercisable at 20 cents each on or before 30 June 2014.
	1,718,433	Options exercisable at 20 cents each on or before 12 September 2013.
	8,428,125	Options exercisable at 20 cents each on or before 30 June 2014.
	4,420,458	Options exercisable at 25 cents each on or before 31 July 2014.
	4,420,458	Options exercisable at 35 cents each on or before 31 July 2016.
	10,000,000	Options exercisable at 20 cents each on or before 30 June 2014.
	2,000,000	Options exercisable at 25 cents each on or before 1 July 2014.
2,000,000	Options exercisable at 50 cents on or before 1 July 2016.	

10

Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable
--	----------------

Part 2 - Bonus issue or pro rata issue

Questions 11 to 33 – Not Applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

+ See chapter 19 for defined terms.

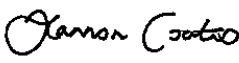
Questions 34 to 42 - Not Applicable

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


(Company secretary)

Date: 5 September 2012

Print name: SHANNON COATES

+ See chapter 19 for defined terms.