



ASX ANNOUNCEMENT

19 December 2012

SECOND HIGH GRADE GOLD SYSTEM CONFIRMED AT FLAGSHIP PROJECT SOUTH OF MANILA

Red Mountain Mining Limited (ASX: RMX) (“the Company”) today announces new drilling results that confirm a second high grade gold system within the flagship Batangas Gold Project located 50 kilometres south of Manila in the Philippines.

The first hole of a planned 10-hole diamond drilling program at the West Drift epithermal lode structure at the Lobo prospect within Batangas, has returned an intersection of **8.60m at 2.53g/t Au** from 136.6m depth downhole including **0.85m at 5.59g/t Au** and **1.0m at 4.62g/t Au**.

The Lobo prospect is to the immediate west of the gold resources at Batangas’ Archangel project and also includes the South West Breccia high grade resource.

The new intersection is from Hole LB66 and is part of an initial drilling by Red Mountain at West Drift to target high grade gold mineralisation below the old Lobo copper mine and potentially convert the gold mineralisation to resource inventory.

The second hole (LB67) in the program has also intersected the strongly mineralised quartz/barite lode structure over a downhole thickness of 10m from 147.45m depth.

Red Mountain Executive Chairman and Acting CEO, Mr Neil Warburton:

“The result from the 1st hole in Red Mountain’s initial drilling program at Lobo is very encouraging and highlights the under explored nature of the Batangas Gold Project. An additional drilling rig will be commissioned to commence in the second week of January to fast track the drilling program at West Drift. If successful this program has the potential to increase the known Lobo gold resources significantly as the West Drift target area is at least four times larger than the existing South West Breccia resource area immediately to its south .”

Full details of hole LB66 are contained in **Table 1**.

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ABN 40 119568106

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BACKGROUND - LOBO GOLD PROJECT:

Over 10 kilometres strike-length of epithermal vein-breccia structures have been mapped at Lobo (see plan below).

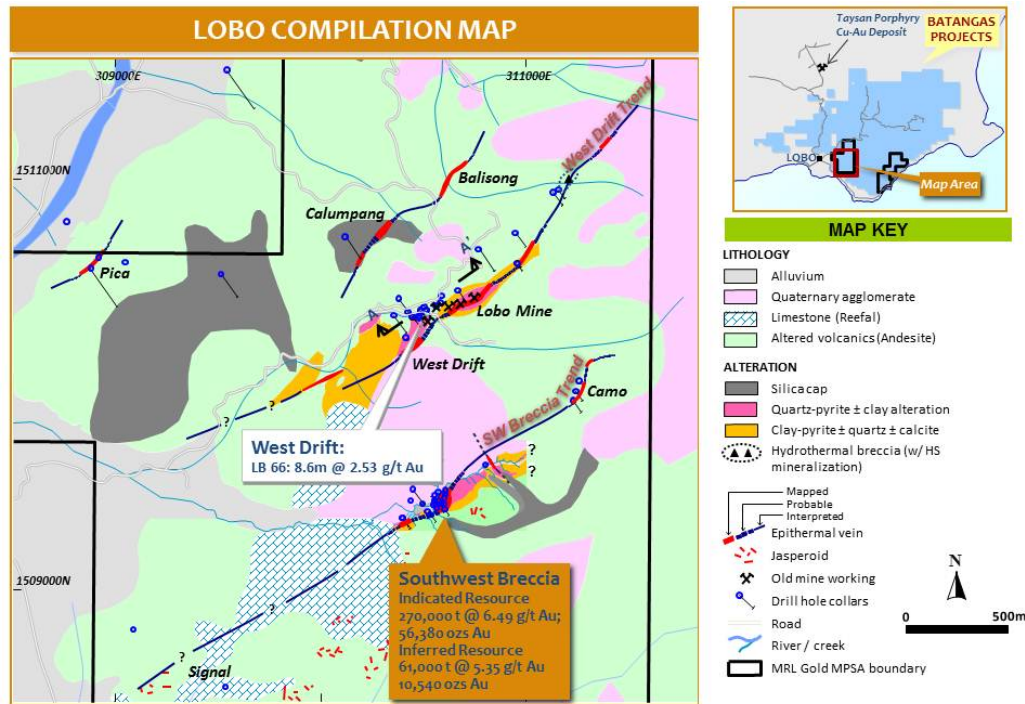


Figure1: Plan of Lobo Epithermal Gold Structures

Previous drilling has only tested approximately a 500 metre strike length of the interpreted 10 kilometres strike length of mapped lode structures at Lobo, to shallow depth of less than 150 metres. High-grade gold shoots have been identified at South West Breccia (Indicated Resource of 270,000 tonnes @ 6.49g/t Au ;56,380ozs Au and Inferred Resource of 61,000 tonnes @ 5.35 g/t Au: 10,540 ozs Au) and now at West Drift prospect.

Drilling by previous owners at West Drift indicated a target zone of greater than 400 metres strike length, with generally increasing gold-grade with depth.

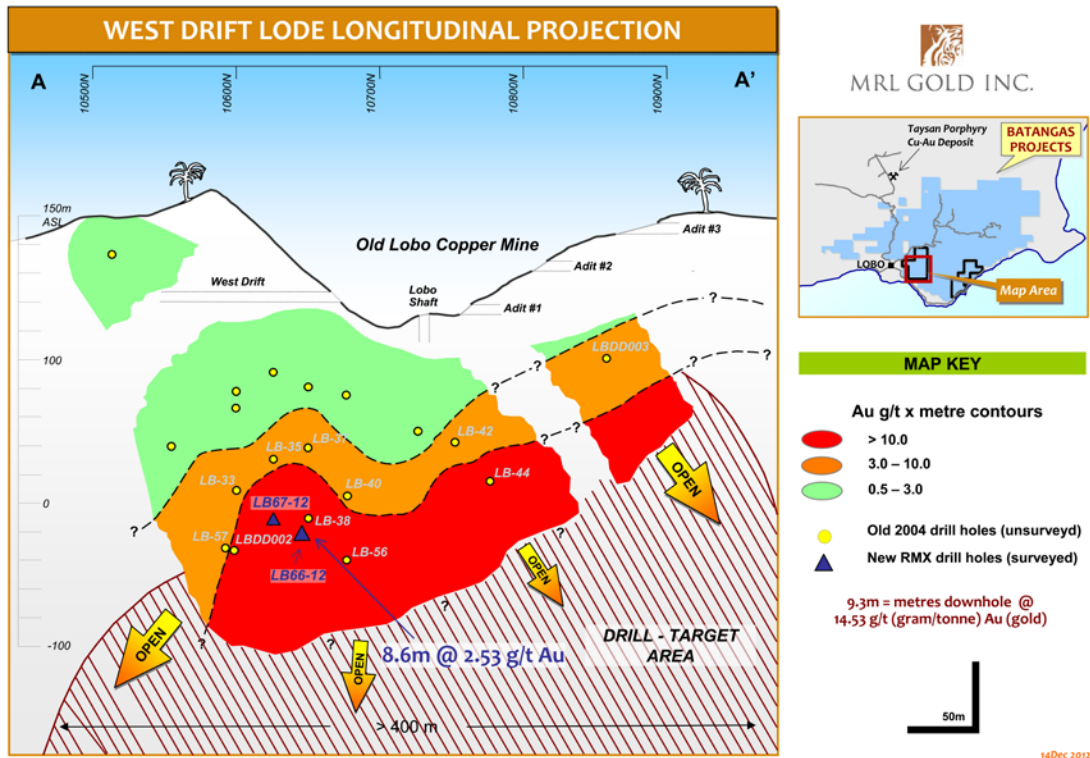


Figure 2: West Drift Longitudinal Projection with potential lateral extent of gold system

Table 1: Summary of results from LB 66 with LB 67 results pending

Drill hole	Northing (Grid)	Easting (Grid)	Azimuth (Mag)	Dip	Depth m	From m	To m	DH m	Au g/t	Ag g/t	Cu %	Pb %	Zn %
LB 66	10,645	9,228	325°	-85°	219.05	109.9	111.9	2.0	2.98	21.2	0.29	0.32	0.33
Including						109.9	110.9	1.0	4.27	26.5	0.37	0.43	0.42
LB 66						136.65	145.25	8.6	2.53	4.63	0.31	<0.1	<0.1
Including						136.65	137.65	1.0	4.62	3.3	0.24	<0.1	<0.1
Including						143.5	144.35	0.85	5.59	16.5	0.15	<0.1	<0.1
LB 67	10,623	9,200	145°	-84°	196.45								
Total					415.50								

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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 completed the acquisition of significant gold resources and copper gold tenements in the Philippines on 30 October 2012.

Other gold opportunities will be reviewed on a continuous basis following the successful completion of the Philippines acquisition.

Competent Person Statement

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

Jon Dugdale is Executive Director of Red Mountain Mining and 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.