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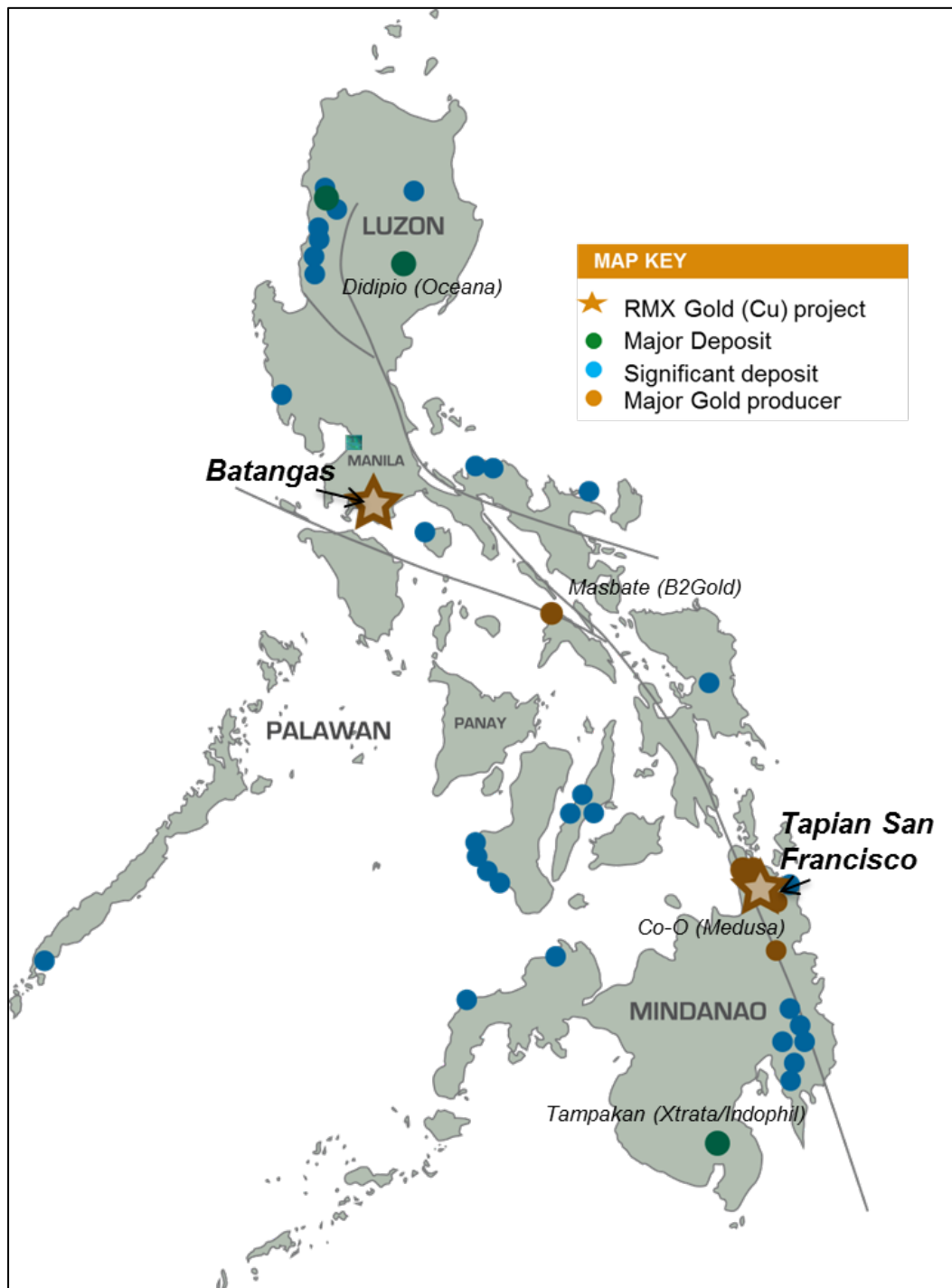
## June Quarter 2013 Report

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### HIGHLIGHTS

- Two drillholes tested high-grade epithermal vein targets at the Pica prospect, Lobo Project, intersecting multiple shallow dipping veins and producing a peak intersection in PC-05 of 5 metres (m) at 4.28 g/gold (Au) and 15.75 g/t silver (Ag) from 22.4m downhole.
- Further sampling at the Ulupong prospect, Lobo Project, produced high-grade rockchip sample results including 6.68 g/t gold Au and 67.4 g/t silver Ag and 5.48 g/t Au and 21.9 g/t Ag.
- Post quarter end, Exploration Targets were produced for the outcropping Pica and Japanese Tunnel epithermal gold prospects at Lobo, with drill testing planned for the next quarter.
- Quotes have been received to complete an engineering scoping study for a gold project processing approximately 500,000 tonnes per annum.
- Approximately \$600,000 (before costs) raised via a partially and conditionally underwritten pro rata renounceable Rights Issue. Funds will be used for exploration drilling and general working capital.
- Cash conservation policy implemented during the quarter including 20% reduction in Board and Senior management salaries and a reduction in the number of board members and staff on site.
- \$1million in cash and no debt as at 30 June 2013.

**Portfolio of Projects in Key Mining Districts of The Philippines:**

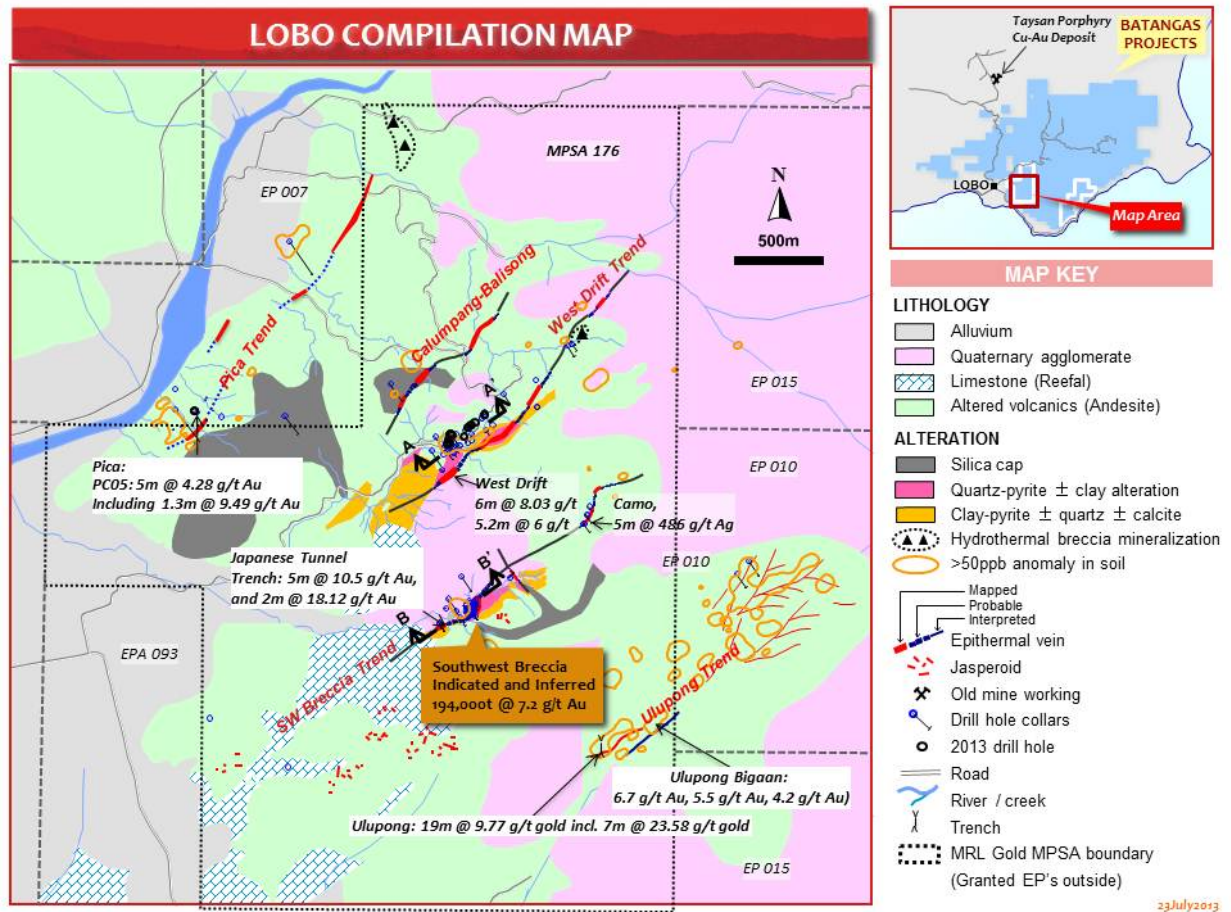


**Red Mountain Mining Philippines Projects Location**

## LOBO DRILLING AND TRENCHING, BATANGAS

### Drilling

The Company completed two diamond drillholes for 230.5m at the Pica Prospect, Lobo Project (see **Figure 1** for location), during the quarter.



**Figure 1: Lobo Epithermal Gold Project with Prospect Locations.**

Multiple epithermal veins were intersected by the two drillholes, producing peak intersections of PC-05: 5 m at 4.28 g/t Au and 15.75 g/t Ag from 22.4m downhole including 1.3m at 9.49 g/t Au, 21.5 g/t Ag and PC-06: 1.7m at 4.4 g/t Au and 34.8 g/t Ag from 58.10m downhole.

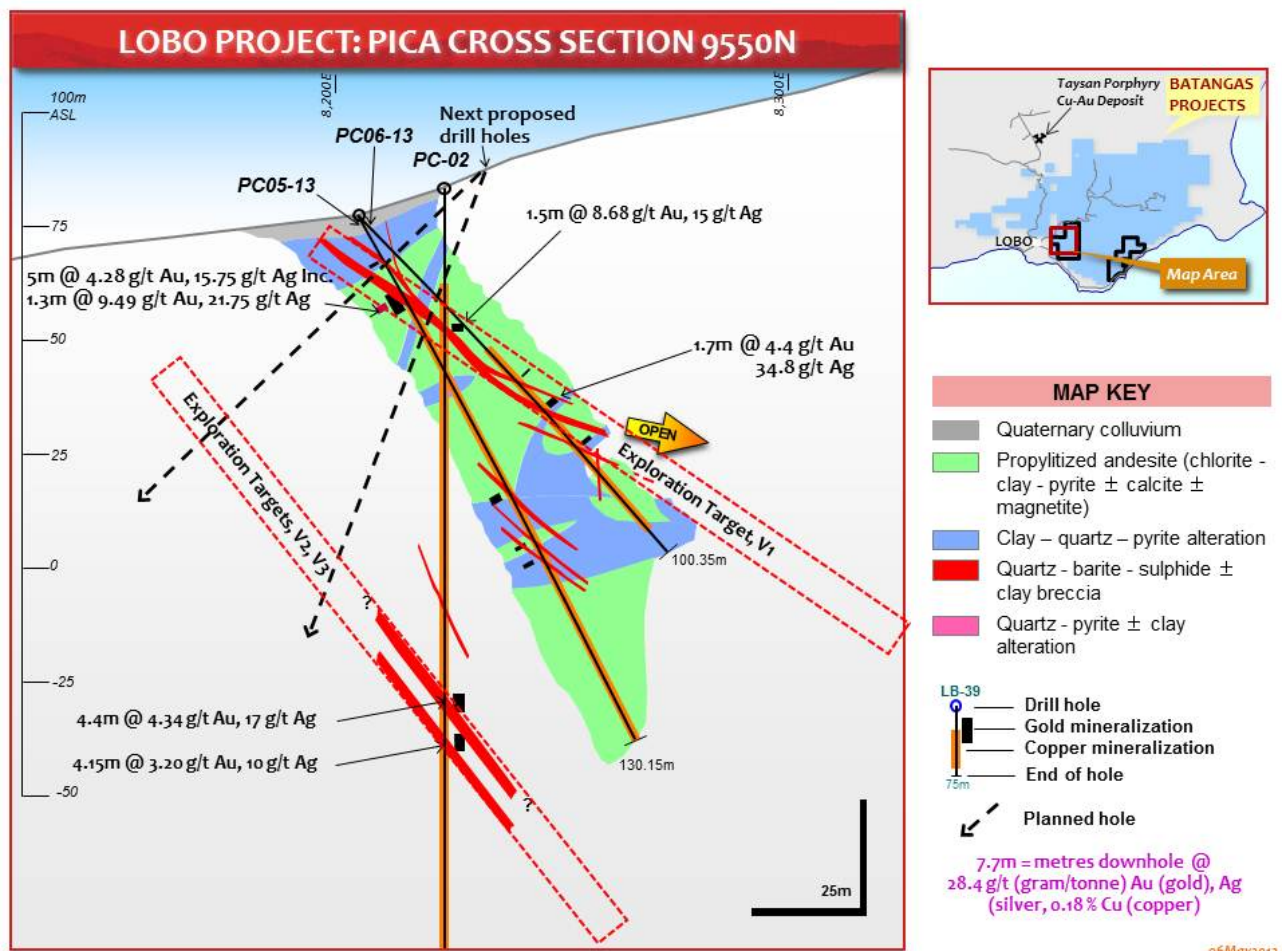
The cluster of vein structures intersected by PC-05 and PC-06 are interpreted to dip shallowly to the south-east (see cross section **Figure 2**) and remain open in all directions. **Table 1** below shows all significant intersections above 1g/t Au.

Mapping by Red Mountain continues to locate northeast-southwest striking extensions to the **Pica** vein structure which has been mapped over more than a 2km strike length.

Further drilling is being planned to test for extensions to the high grade mineralisation intersected, and potentially define a near surface gold and silver resource.

**Table 1: Pica Drilling Results Summary:**

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 %
<b>PC05-13</b>	9546N	8205E	145°	-60°	130.15	14.90	15.70	0.80	1.37	12.7	0.10	0.46	0.47
PC05-13						<b>22.40</b>	<b>27.40</b>	<b>5.00</b>	<b>4.28</b>	<b>15.75</b>	<0.1	0.67	0.27
<b>Including</b>						<b>23.40</b>	<b>24.70</b>	<b>1.30</b>	<b>9.49</b>	<b>21.50</b>	0.10	0.80	0.84
PC05-13						72.60	74.35	1.75	1.46	26.64	0.20		
PC05-13						84.95	85.75	0.80	1.45	16.4	<0.1		
PC05-13						89.10	90.20	1.10	1.21	7.9	<0.1		
<b>PC06-13</b>	9546N	8205E	145°	-45°	100.35	49.90	50.20	0.30	3.54	14.5	<0.1	1.9	0.21
PC06-13						<b>58.10</b>	<b>59.80</b>	<b>1.70</b>	<b>4.40</b>	<b>34.80</b>	0.14	2.53	0.42
PC06-13						70.80	71.85	1.05	1.46	11.5	<0.1	0.29	0.25
<b>Total 2h</b>					<b>230.5</b>								



**Figure 2: Pica veining and drilling results (with Exploration Targets).**

## Ulupong Trenching and Soil Sampling

Further trenching and surface sampling and infill soil sampling was completed at the Ulupong Prospect, Lobo Project, 800m to the northeast of previously announced ULOC4 trenching results of **19m @ 9.77 g/t Au** including **7m @ 23.6 g/t Au**.

Initial high-grade rockchip sample results included **6.68 g/t Au and 67.6 g/t Ag and 5.48 g/t Au and 21.9 g/t Ag** from quartz-sulphide boulders. Follow-up trenching is in progress. Initial results from Trench 3 included **3m at 2.59 g/t Au, 7.1 g/t Ag** including **1m @ 4.22 g/t Au, 4.6 g/t Ag**. The channel sampling results, combined with new soil sampling geochemistry (>50 ppb Au), have defined a greater than one kilometre (km) long corridor of mineralisation at the south-western end of the >2 km long Ulupong structure (see **Figure 3** below). Drilling will be planned to test the high-grade veins and soil anomalies at Ulupong as part of the next phase of drilling.

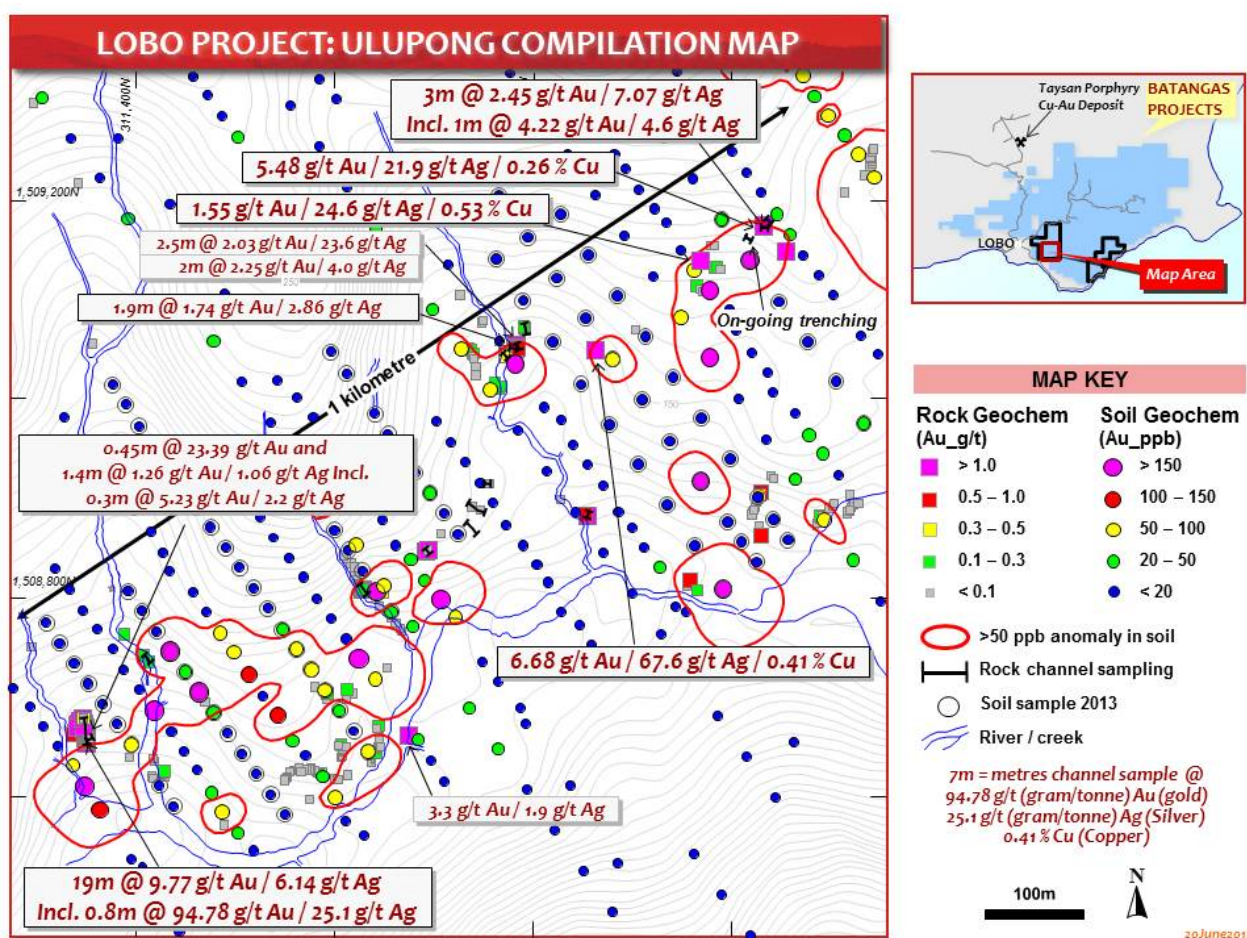


Figure 3: Plan of Ulupong soil anomalies and channel sampling results



**Plate 1: Recent Trenching at Ulupong Prospect, Chief Geologist Ed Manuel on left**

## Exploration Targets

Drilling and trenching of the outcropping, high-grade gold epithermal vein/lode mineralization at **Pica** and **Japanese Tunnel** has produced high-grade results but data is of insufficient density to allow estimation of Mineral Resources. As such, based on drilled and sampled outcropping mineralization, Exploration Targets have been estimated for the Pica and Japanese Tunnel Prospects at Lobo Project, totaling in a range of **400,000 tonnes to 700,000 tonnes** grading from **3.6 g/t gold equivalent (Au equ.) to 5.3 g/t Au equ.** for **45,000 Au equ. ounces to 120,000 Au equ. ounces**, (see Table 2 for details). *The potential quantity and grade of the Exploration Target is conceptual in nature and there is insufficient exploration to estimate Mineral Resources and it is uncertain whether further exploration will result in the estimation of Mineral Resources.*

In all cases, the mineralisation is open at depth and along strike and requires further drilling to define the extent of high grade mineralisation and to provide sufficient exploration information to estimate a Mineral Resource.

Drilling is proposed to test the validity of the Exploration Targets, to be completed in two stages over the next 2 to 4 months (subject to financial capability) as follows:

**Stage 1:** As previously disclosed, a total of 5 diamond drill holes will be drilled, two at Pica and three at Japanese Tunnel, with the objective of confirming the thickness and grade of the previously drilled and/or trench channel sampled high-grade gold mineralisation. This will allow refinement of the Exploration Target and planning of further drilling to define potential Mineral Resources.

**Stage 2:** Extension and infill drilling at Pica and Japanese Tunnel at sufficient density (e.g. 40m x 20m) to define Mineral Resources.

**Table 2: Exploration Targets on the Lobo Project:**

Exploration Target		Tonnage Range		Grade in grams per tonne			Gold Equivalent Oz			
				Au	Ag	Au Equ.	Range, Au Equ.		Range, Au Equ. Oz	
Pica	V 1	70,000	130,000	5.1	20.6	5.4	4.3	6.4	10,000	27,000
	V 2	130,000	230,000	3.7	18.2	4.0	3.2	4.8	13,000	36,000
	V 3	100,000	180,000	3.2	10.0	3.3	2.7	4.0	9,000	23,000
Total Pica		300,000	540,000	3.9	16.0	4.1	3.3	5.0	32,000	86,000
Japanese Tunnel		70,000	130,000	5.9	6.8	6.0	4.8	7.2	11,000	30,000
Total		400,000	700,000	4.2	14.3	4.5	3.6	5.4	45,000	120,000

Note: V1-3 represent the different high grade gold veins already drill-identified at Pica.

Exploration Targets have been calculated for the Pica and Japanese Tunnel tabulated prospects, based on surface trenching and drilling results. The true thickness and grade of the mineralisation intersected in the trenching or by completed drilling has been extrapolated and multiplied by the mapped or intersected strike length and dip length and the specific gravity indicated by measurements on core samples for transitional oxide and/or fresh material.

The Exploration Targets are expressed as ranges in terms of both quantity (tonnage) and grade. Grade is expressed as a range of gold equivalent grams per tonne based on a gold price of A\$1300/oz, silver price of A\$20/oz and relative metallurgical (CIP) leaching recovery based on testing completed to date at the Lobo project..

At **Pica** gold and silver mineralization, in at least three shallow dipping veins, has been intersected by three diamond drillholes. Drilling results from Vein 1 include PC05: 5m @ 4.28 g/t Au, 15.75 g/t Ag from 22.4m including 1.3m @ 9.49 g/t Au, 21.5 g/t Ag and in PC06: 1.7m @ 4.4 g/t Au, 34.8 g/t Ag. Previous intersections in PC02 included from Vein 2: 4.4m @ 4.34 g/t Au and 17 g/t Ag and Vein 3: 4.15m @ 3.2 g/t Au, 10 g/t Ag (see Figure 2, cross section, above). Surface mapping at Pica has defined mineralization within a northeast-southwest trending structure over a >100m strike length.

At **Japanese Tunnel** surface trenching and channel sampling has been completed in three approximately 20m spaced trenches, defining a mineralised gold lode structure that has been extrapolated to a 100m strike length. The trenching and previous drilling results are shown on the Japanese Tunnels longitudinal projection below (Figure 4) and include surface trenching results of 5m at 10.43g/t Au including 1m at 25.14g/t Au and 2m at 18.12 g/t Au including 1m at 28.69g/t Au that were announced on 7<sup>th</sup> January 2013, and 20m to the southwest of the initial trench a broad~8m zone of veining including 0.3m @ 3.9 g/t Au and 0.75m @ 2.29 g/t Au before the veined zone passes into an area of agglomerate and under limestone cover. The dip length of mineralization is indicated by the two previous drillholes that intersected mineralization to 75m vertical depth. This dip length has been extrapolated to a limit of 100m for the purposes of the Exploration Target calculation but remains open at depth.

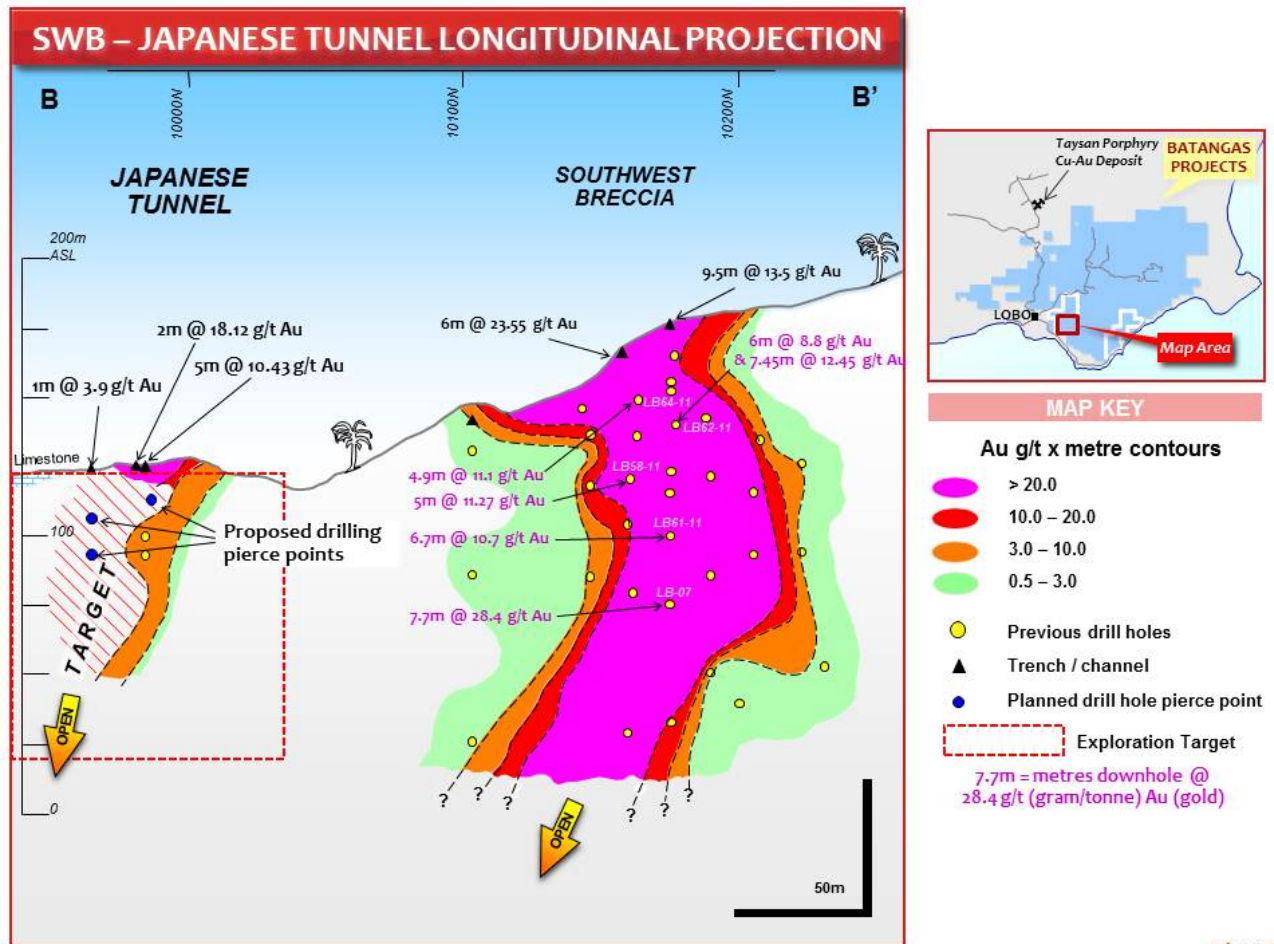


Figure 4: Japanese Tunnel - SWB Longitudinal Projection with Exploration Target drilling

## Development Scoping Study

An engineering scoping study is planned to establish the viability of a gold mine development based on total Mineral Resource at Batangas at a 0.85 g/t Au lower cut off including Indicated Resources of 2.76 million tonnes @ 2.3 g/t Au, 208,000 oz Au and Inferred Resources of 3.02 million tonnes @ 2.1 g/t Au, 200,000 oz Au for a total of 5.78 million tonnes at 2.2 g/t Au, 408,000oz Au (announced 30 January 2013, 2004 JORC).

The scoping study will examine project processing alternatives and associated capital costs, mining approximately 550,000 tonnes of open pitable gold resource material per annum. If the outcomes of the scoping study are sufficiently positive, the Company will aim to complete project permitting and a definitive feasibility study during 2014.

Quotes have been received from two parties to complete the development scoping study. The study will be commenced (subject to financial capability) during Q3 to Q4 2013 to allow sufficient time to complete the study by Q1 2014 in preparation for Declaration of Mining Project Feasibility should it be determined that the project is feasible.

## COMPANY STATUS AND OUTLOOK

During the quarter, the Company undertook a partially underwritten pro rata renounceable Rights Issue, raising a total of \$603,250 before costs or \$506,000 after costs. On 25 June 2013, 55,000,000 New Shares, 27,499,995 New Short-Dated Options (ASX:RMXO) and 13,749,991 New Long-Dated Options (ASX:RMXOA) were issued to raise \$550,000 (before costs). Shortfall of a further 5,325,000 New Shares, 2,662,500 New Short-Dated Options and 1,331,250 New Long-Dated Options were issued on the 1 July 2013, raising an additional \$53,250 (before costs).

Due to the current market conditions, and a reduction in the level of activity on site at our main Batangas Gold Project, the Company has reduced remuneration to all senior employees of the Company, including directors and executive staff, by 20%. In addition, the Board has been reduced to three directors and employee numbers on site reduced to reflect the current level of field activity.

Although drilling is temporarily suspended, our experienced Philippine based geological team has been generating a series of exciting gold targets for future drilling, including new high grade epithermal veins at Lobo that will be the focus of drilling programs aimed at expanding the higher-grade resource base and building a platform for establishing a future stand-alone gold operation.

At 30 June 2013 the Company had \$1 million in cash and no debt.

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For further information about Red Mountain Mining please visit [www.redmm.com.au](http://www.redmm.com.au) or contact:

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## About Red Mountain Mining Limited

Red Mountain Mining (ASX: RMX) is primarily a gold explorer and project acquisition company 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 holds direct and indirect interests in tenements in the Philippines that contain significant gold resources and several high-quality copper-gold prospects.

Total Mineral Resources at Batangas at a 0.85 g/t Au lower cut off include Indicated Resources of 2.76 million tonnes @ 2.3 g/t Au, 208,000 oz Au and Inferred Resources of 3.02 million tonnes @ 2.1 g/t Au, 200,000 oz Au for a total of 5.78 million tonnes at 2.2 g/t Au, 408,000oz Au (announced January 30<sup>th</sup> 2013, 2004 JORC). The company is focussed on upgrading the Batangas resources through discovery of new, high grade, gold zones at Lobo and Archangel, including drilling recently defined Exploration Targets at Pica and Japanese Tunnel and further exploration of new discoveries at West Drift and Ulupong. The company plans to resume drilling with the objective of increasing the size and grade of the Mineral Resources at Batangas then completing a scoping study to demonstrate the viability of a potential high-margin gold project development.

Other gold opportunities will be reviewed on a continuous basis.

### **Competent Person Statement**

*The information in this report relating to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Jon Dugdale who is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient exploration experience which is relevant to the various styles of mineralisation under consideration 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'. Mr Dugdale is a full time employee and Managing Director of Red Mountain Mining Ltd. Mr Dugdale takes responsibility and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

# 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

40 119 568 106

Quarter ended ("current quarter")

30 June 2013

### Consolidated statement of cash flows

	Current quarter \$A' 000	Year to date (12 months) \$A' 000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	28	70
1.2 Payments for		
(a) exploration & evaluation	(776)	(2,917)
(b) development	0	0
(c) production	0	0
(d) administration	(391)	(1,995)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	3	55
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
<b>Net Operating Cash Flows</b>	<b>(1,136)</b>	<b>(4,787)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	0	0
(b) equity investments	0	0
(c) other fixed assets	0	(57)
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 (Business acquisition-cash received)	0	183
<b>Net investing cash flows</b>	<b>0</b>	<b>126</b>
1.13 Total operating and investing cash flows (carried forward)	(1,136)	(4,661)
1.13 Total operating and investing cash flows (brought forward)	(1,136)	(4,661)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	506	1,504
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
<b>Net financing cash flows</b>		<b>506</b>	<b>1,504</b>
<b>Net increase (decrease) in cash held</b>		<b>(630)</b>	<b>(3,157)</b>
1.20	Cash at beginning of quarter/year to date	1,503	4,380
1.21	Exchange rate adjustments to item 1.20	118	(232)
1.22	<b>Cash at end of quarter</b>	<b>991</b>	<b>991</b>

**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	63
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

Director fees and executive salaries

**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

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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

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

+ See chapter 19 for defined terms.

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

### Estimated cash outflows for next quarter

	\$A' 000
4.1 Exploration and evaluation	470
4.2 Development	
4.3 Production	
4.4 Administration	240
<b>Total</b>	<b>710</b>

### 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	923	1,435
5.2 Deposits at call	68	68
5.3 Bank overdraft	0	0
5.4 Other (provide details)	0	0
<b>Total: cash at end of quarter</b> (item 1.22)	<b>991</b>	<b>1,503</b>

### 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			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

7.7	<b>Options</b> <i>(description and conversion factor)</i>	113,196,544	68,749,986	<i>Exercise price</i> 27,499,995 at \$0.015 41,249,991 at \$0.03 27,728,125 at \$0.20 1,718,433 at \$0.20 15,000,000 at \$0.20	<i>Expiry date</i> 30/06/2014 30/06/2016 30/06/2014 12/09/2013 15/09/2016
7.8	Issued during quarter	68,749,986	68,749,986	27,499,995 at \$0.015 41,249,991 at \$0.03	30/06/2014 30/06/2016
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	13,840,916 (cancelled)	-	<i>Exercise price</i> 2,000,000 at \$0.25 2,000,000 at \$0.50 4,420,458 at \$0.25 4,420,458 at \$0.35; 1,000,000 at \$0.20	<i>Expiry date</i> 01/07/2014 01/07/2016 31/07/2014 31/07/2016 30/10/2017
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

## 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: \_\_\_\_\_  
(Company secretary)

Date: 26 July 2013

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

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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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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+ See chapter 19 for defined terms.