ASX ANNOUNCEMENT **1 November 2013**

RED MOUNTAIN MINING SHARE REGISTER TIGHTENS

- **Voluntary Escrow extends hold on Red Mountain shares held by major shareholder Mindoro**
- **Mindoro's 50 million Red Mountain Performance Shares expire**
- **Four million RMX shares to be cancelled on relinquishment of Tapian San Francisco Project**
- **Mindoro indicates no current intention to "in-specie" distribute remaining 96 million shares**

Perth based Red Mountain Mining Ltd (ASX:RMX, "Red Mountain", "the Company") is pleased to announce that the Company's major shareholder, Mindoro Resources Ltd ("Mindoro"), has agreed to a maximum six month Voluntary Escrow period on the 100 million fully paid ordinary shares issued to it on 30 October 2012 as consideration for the sale of Philippines gold and copper-gold exploration assets, beyond expiry of the original 12 month escrow period to 30 October 2013, potentially to 30 April 2014.

Mindoro has also announced its current intention not to immediately distribute the shares "in specie" to Mindoro shareholders following release from Voluntary Escrow. This Voluntary Escrow period is to allow transfer of certain contractual rights and amendments to a Technical Service Agreement at the Batangas Gold project to be finalised.

In addition, in accordance with the terms of the Share Sale Agreement (see below), the 50 million Performance Shares held by Mindoro today converted to a single fully paid ordinary Red Mountain share due to applicable milestones not having been satisfied by 30 October 2013.

Red Mountain will also, subject to shareholder approval, "buy-back" and cancel 4 million of the 100 million fully paid ordinary shares held by Mindoro in return for the Company relinquishing its contractual rights to the low priority Tapian San Francisco Joint Venture exploration prospect on Mindanao Island in the Philippines.

As a result of the above Mindoro will retain 96 million RMX shares and remain the major shareholder, holding approximately 20% of the fully paid ordinary shares in the Company.

Red Mountain Managing Director, Mr Jon Dugdale said, "These are all positive developments for Red Mountain shareholders as it effectively removes the "overhang", tightens the existing capital structure and releases us from our obligation to issue a substantial number of new shares for the acquisition of the gold and copper gold assets previously owned by Mindoro."

"Red Mountain is continuing exploration activity aimed at increasing high-grade exploration potential, and building upon the current 408,000 oz resource base, as well as a scoping study into a gold project development at Lobo, Batangas, near Manila in the Philippines," said Mr Dugdale.

ASX code: RMX
ABN 40 119568106

COMPANY DIRECTORS
Neil Warburton
Non-Executive Chairman
Jon Dugdale
Managing Director
Michael Wolley
Non-Executive Director
Shannon Coates
Company Secretary

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Background to the Share Sale Agreement

Red Mountain and Mindoro entered into a Share Sale Agreement in July 2012, with completion occurring on 30 October 2012, that involved the sale of Philippines gold and copper-gold exploration assets in the Philippines from Mindoro to Red Mountain for consideration of 100 million fully paid ordinary Red Mountain shares, to be held in escrow until October 30 2013. In addition, 50 million performance shares were granted to Mindoro, to be converted to fully paid ordinary shares if certain milestones (as announced on 30 October 2012) were achieved by 30 October 2013. The Share Sale Agreement provided that if the milestones were not achieved by 30 October 2013, the 50 million performance shares would convert to a single fully paid ordinary RMX share.

Mindoro has now agreed to place in Voluntary Escrow their Red Mountain shares until the earlier of the satisfaction of certain procedural matters relating to the transfer of their Batangas project contractual rights and Technical Service Agreement conditions to Red Mountain, or until 30 April 2014 – whichever is soonest.

Mindoro was also previously required to distribute at least the majority of the 100 million RMX shares "in specie" to its own shareholders as soon as the escrow period had expired. It is no longer Mindoro's current intention to distribute the Red Mountain shares in this manner to Mindoro shareholders.

The parties also previously agreed that if the 75% joint venture rights to another Mindoro Resources Philippines project, the Tapain San Francisco Project, were not fully transferred to Red Mountain Mining subsidiary, MRL Gold, by 30 October 2013, then Red Mountain would have the right to relinquish its contractual rights to those tenements and "buy back" fully paid ordinary Red Mountain shares from Mindoro to the value of those tenements. As Red Mountain Mining does not consider the Tapain San Francisco project to be part of its core focus, the Company has agreed with Mindoro to relinquish the contractual rights in return for "buying-back" and cancelling 4 million of the 100 million shares held by Mindoro.

On the basis of the above, Mindoro's holding in Red Mountain Mining will reduce to approximately 96 million fully paid ordinary shares, which is equivalent to approximately 20% of the Company.

For further information about Red Mountain please visit 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 30th 2013, 2004 JORC). The Company is focussed on upgrading the Batangas resources through discovery of new, high grade, gold zones at Archangel, and Lobo (e.g. Japanese Tunnel, West Drift, Pica, Ulupong). The Company will continue surface trenching and drilling with the objective of increasing the size and grade of the Mineral Resources at Batangas and 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 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.

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