ASX ANNOUNCEMENT **RED MOUNTAIN MINING LTD (ASX:RMX)** **21 January 2014**

December Quarter 2013 Report

HIGHLIGHTS

- Exceptionally high-grade surface trenching intersections were produced from recently discovered extensions to the South West Breccia lode structure on the Lobo Prospect, including **2.0 metres at 31.1 g/t gold (Au) including 1.0m @ 60.2 g/t Au** from Trench 7, (ASX release 6 November 2013), and **2.6m @ 28.6 g/t Au including 1.5m @ 45.9 g/t Au** from Trench 13, (ASX release 7 January 2014).
- In addition, sampling of the shallow dipping colluvium layer, eroded from the high-grade bedrock lodes, produced results released 9 January 2014 including **1.8 metres at 55.9 g/t gold (Au), vertically from surface, including 0.9m @ 110.9 g/t Au** from Trench 7 and **1.2m @ 17.2 g/t Au from 1.2m vertical depth including 0.6m @ 31.2 g/t Au** from Trench 13.
- The new high-grade trench intersections are located within a 500m long corridor extending south west from the South West Breccia Resource (Indicated and Inferred Resource 194,000t @ 7.2 g/t Au: JORC 2004), before the structure passes under a thin layer of younger limestone that continues for over 1km before the lode structure emerges to the southwest where previously sampled surface colluvial float grades of up to 79.6 g/t Au occur at Signal (See Figure 2).
- Drilling is planned to commence in late January 2014 to test for extensions of the exceptionally high grade epithermal gold lode mineralisation with the objective of defining additional high grade mineral resources to add to the current resource base.
- The Independent Scoping Study continued to examine the viability and potential of a mining and processing gold project based on existing resources, and is nearing completion. A low capital cost, high-grade focussed, processing option is being examined at Lobo, in light of the new discoveries of additional at surface gold mineralisation - potentially amenable to open pit mining.
- The Company had circa **A$1m** in cash and no debt as at 31 December 2013.
- A placement together with a Share Purchase Plan for existing shareholders, announced 15 January 2014, seeks to raise up to A$1.7 million to fund the drilling program and further trenching.

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

CONTACT DETAILS
RED MOUNTAIN MINING LTD
Head Office
Unit 1, 2 Richardson Street
West Perth Western Australia 6005
www.redmm.com.au
info@redmm.com.au

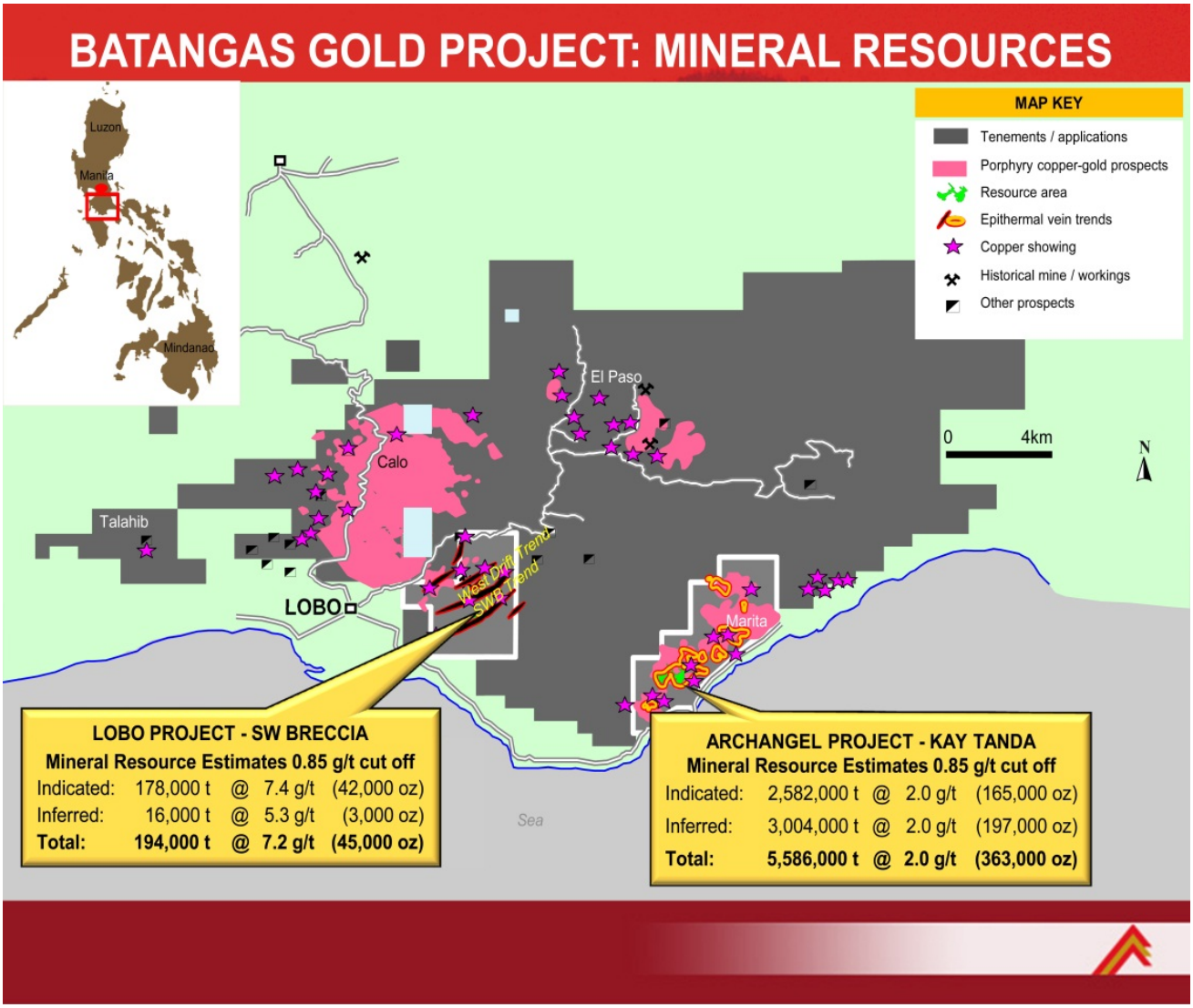

Figure 1: Batangas Gold Project with Resources (JORC 2004), Philippines

BATANGAS GOLD PROJECT

Lobo Trenching Results

A program of soil sampling and surface prospecting was conducted to the southwest of the South West Breccia resources and the Japanese Tunnel target, where previous drilling reported last quarter produced a peak intersection of LB-82: 3.7m @ 8.6 g/t Au and LB-85: 1.55m @ 5.97g/t Au, 4.88% Cu that indicated that the mineralised lode was open to the southwest.

The results of the soil sampling and subsequent surface rockchip sampling identified a 500m strike extension to the Southwest Breccia – Japanese Tunnel epithermal lode corridor before it passes under shallow dipping limestone to the southwest (see Figures 2 and 3 below).

Trenching (Trench 7) commenced below an epithermal lode surface-subcrop rockchip sample result of **15.9 g/t Au, 18.7 g/t Silver (Ag),** excavated through approximately 1.5m of soil, colluvium and subcrop before intersecting a 2m wide quartz-barite-sulphide breccia lode 100m directly along strike from the Japanese Tunnel drilling.

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RED MOUNTAIN MINING LTD
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Trench 7 produced an exceptionally high grade intersection across a steep north-westerly dipping lode structure of **2m @ 31.1 g/t Au** including **1.0m @ 60.2 g/t Au**. Further sampling on the other, northeast, wall of Trench 7 produced an intersection of **3m @ 22.2 g/t Au** including **1m @ 41.5 g/t Au**, confirming the exceptionally high-grades, virtually at surface, in this location.

Trenching along strike from Trench 7, 12m to the east in Trench 10, produced significant results of **3m @ 5.71 g/t Au including 0.5m @ 20.58 g/t Au**. The lode is somewhat narrower to the west in Trench 9 but remains open to the northeast (towards Japanese Tunnel) and southwest where further trenching is planned (Figure 5).

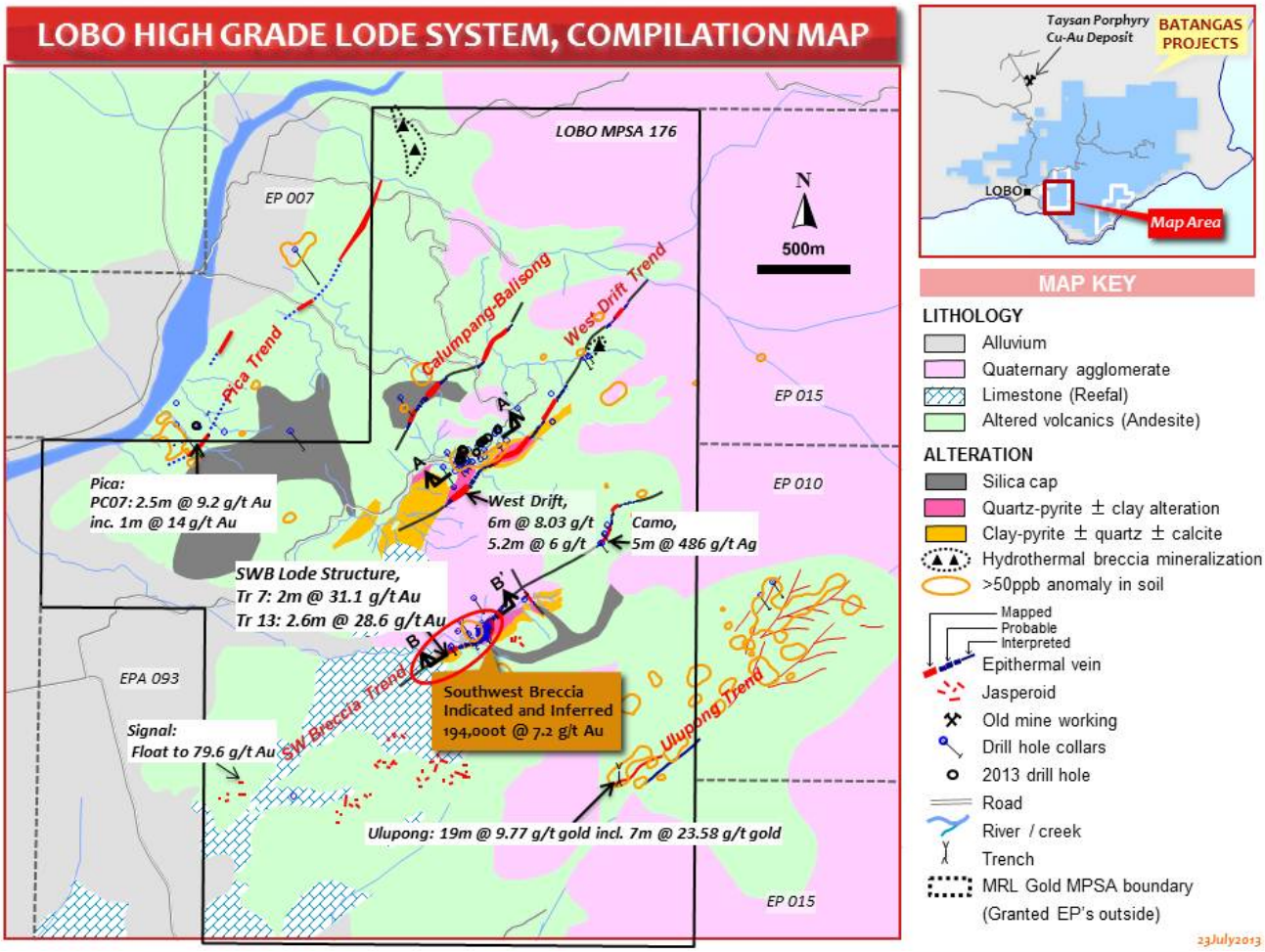

Figure 2: Lobo Epithermal Gold Prospect with exploration targets

Trenching a further 100m southwest of Trench 7 produced another exceptionally high grade intersection in Trench 13 of **2.6 metres at 28.6 g/t gold (Au) including 1.5m @ 45.9 g/t Au.**

The Trench 13 result is from a northwest dipping lode displaced slightly down slope by surface slumping. Trench 11, 7m to the southwest, intersected the same lode grading **1.3m @ 8.68 g/t Au including 0.8m @ 13.6 g/t Au** and 10m to the southwest Trench 14 intersected limestone cover that conceals the lode (see Figure 6 below). The limestone cover continues for over 1km before the lode structure emerges to the southwest where previously sampled surface colluvial float grades of up to 79.6 g/t Au occur at Signal (See Figure 2).

Trenching results to date are summarised in Table 1 below:

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RED MOUNTAIN MINING LTD
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Trench	North (Grid)	East (Grid)	Azi (Mag)	Dip	From m	To m	Width	Au g/t	Ag g/t	Cu %	Description
Trench 7 SW	9,870	9,999	270°	0°	1.0	4.0	**2.0**	**31.1**	8.4	0.12	Qtz-Ba-S-Breccia
Including					2.0	3.0	**1.0**	**60.2**	13.0	0.11	Qtz-Ba-S-Breccia
Trench 7 NE	9,880	9,999	270°	0°	1.0	4.0	**3.0**	**22.2**	10.9	0.20	Qtz-Ba-S-Breccia
Including					2.0	3.0	**1.0**	**41.5**	10.0	0.15	Qtz-Ba-S-Breccia
Trench 9	9,870	9,991	36°	0°	0.0	0.4	**0.4**	**1.50**	3.7	0.11	Qtz-Ba-S-Breccia
Trench 10	9,892	10,002	300°	0°	0.5	3.5	**3.0**	**5.71**	5.8	0.05	Qtz-Ba-S-Breccia
Including					2.5	3.0	**0.5**	**20.6**	10.6	0.08	Qtz-Ba-S-Breccia
Trench 11	9,758	9,990	329°	0°	0.5	1.8	**1.3**	**8.68**	10.4	0.02	Q-B Breccia + Wall
Including					0.5	1.3	**0.8**	**13.6**	20.6	0.03	Qtz-Ba-S-Breccia
Trench 12	9,903	10,003	300°	0°				NSR			Deep Cover, to extend
Trench 13 SW	9,762	9,991	347°	0°	1.5	4.1	**2.6**	**28.6**	11.8	0.03	Qtz-Ba-S-Breccia
Including					1.5	3.0	**1.5**	**45.9**	11.8	0.04	Qtz-Ba-S-Breccia
Trench 13 NE	9,762	9,991	339°	0°	1.0	4.0	**3.0**	**6.16**	9.5	0.05	Q-B Breccia + Wall
Including					1.5	2.0	**0.5**	**14.5**	12.9	0.07	Qtz-Ba-S-Breccia
Trench 14	9,751	9,988	150°	0°				NSR			Limestone Cover

Table 1: South West Breccia epithermal lode trenching results.

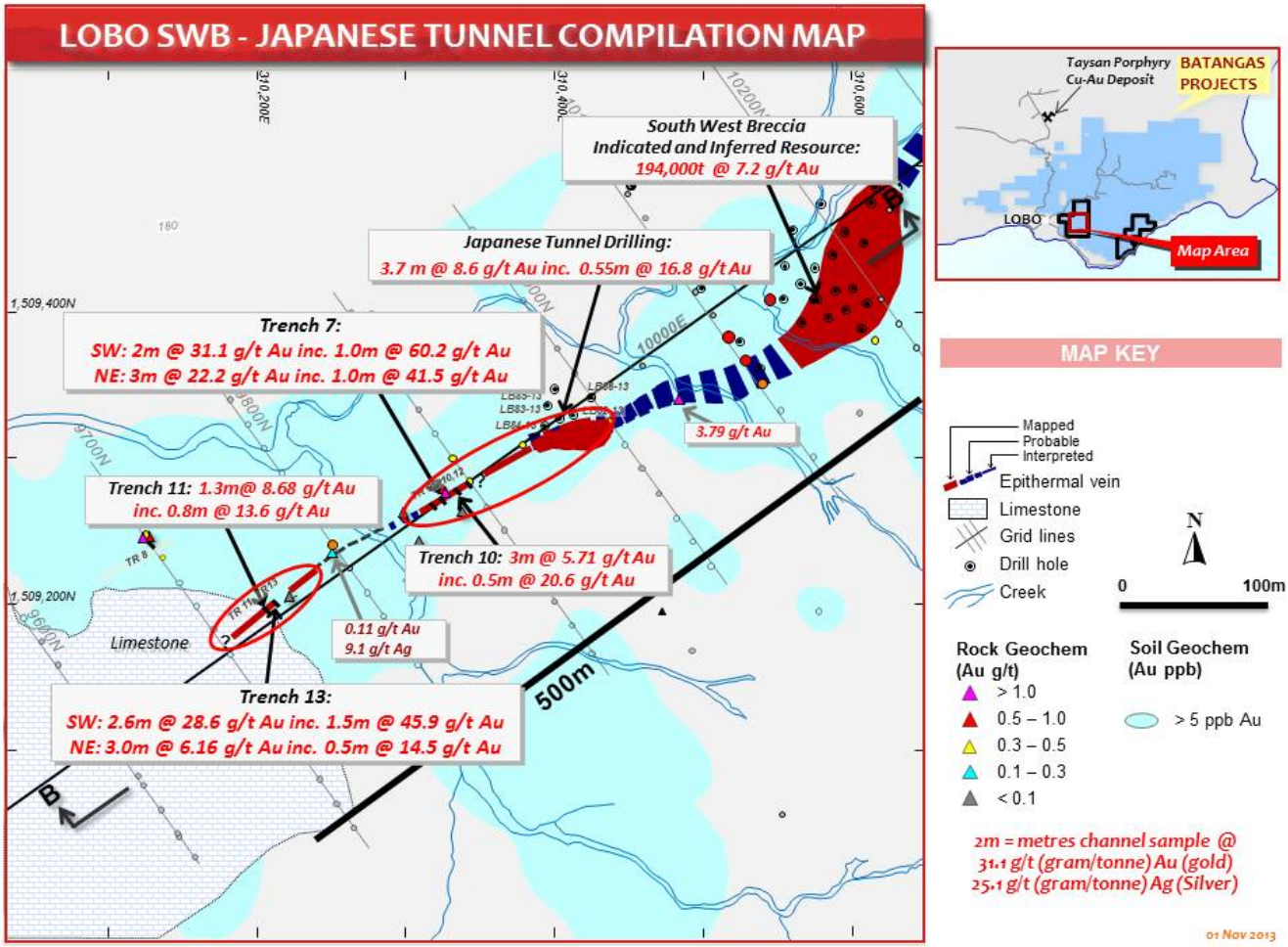

Figure 3: Plan of the South West Breccia lode with new high grade trenching results

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Shannon Coates
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The discovery of two new epithermal potential gold shoots brings to four the number of potential shoots identified within the 500m strike length along the South West Breccia lode corridor, in addition to the Indicated and Inferred resources of 194,000t at 7.2 g/t Au (2004 JORC) at South West Breccia (SWB) that remain open at depth, and the initial drilling results from Japanese Tunnel of up to 3.7m @ 8.6 g/t Au from 2.9m down hole, including 0.55m @ 16.8 g/t Au in diamond drillhole LB-82.

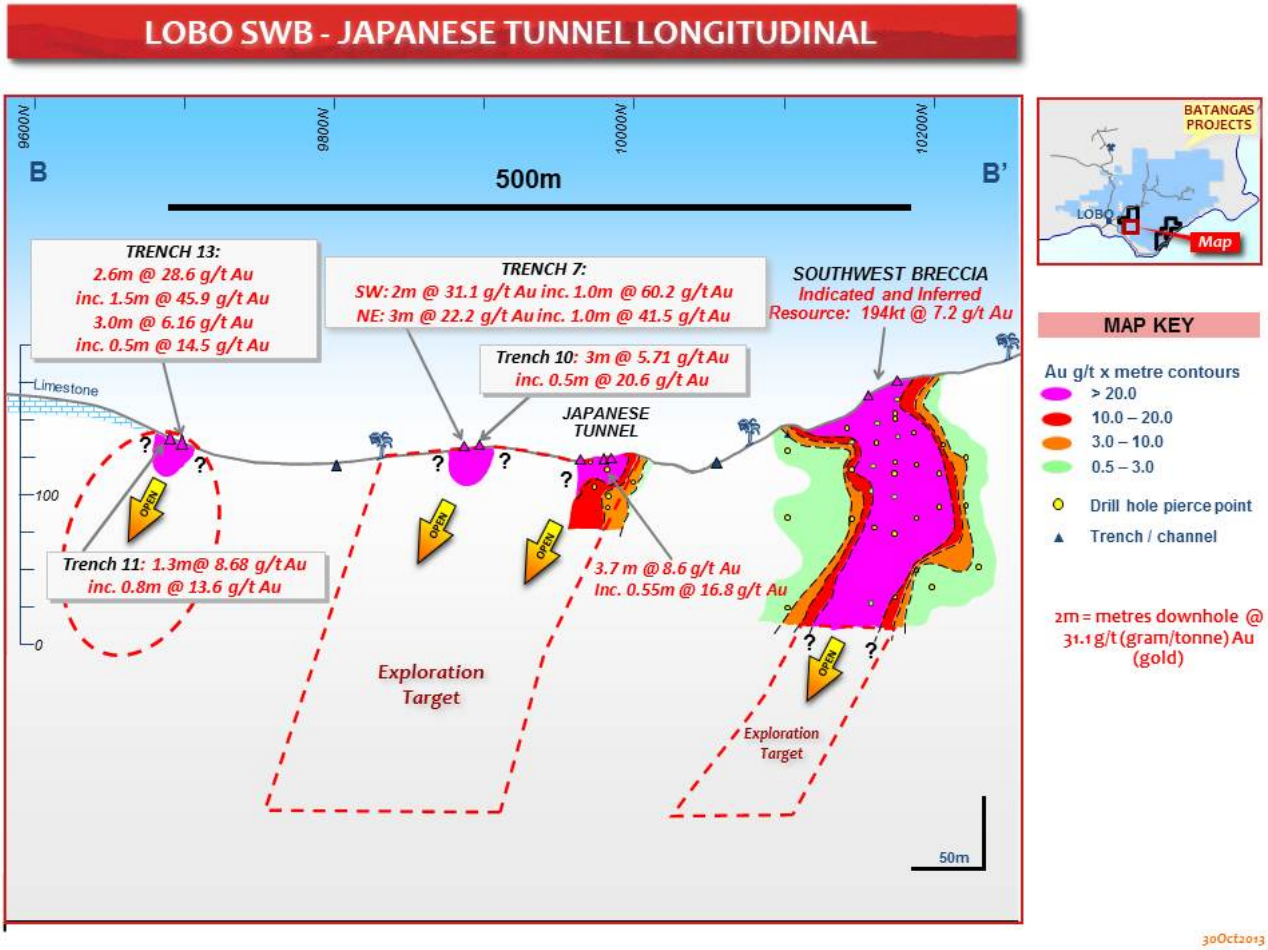

Figure 4: Longitudinal Projection of South West Breccia lode with trenching results

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West Perth Western Australia 6005
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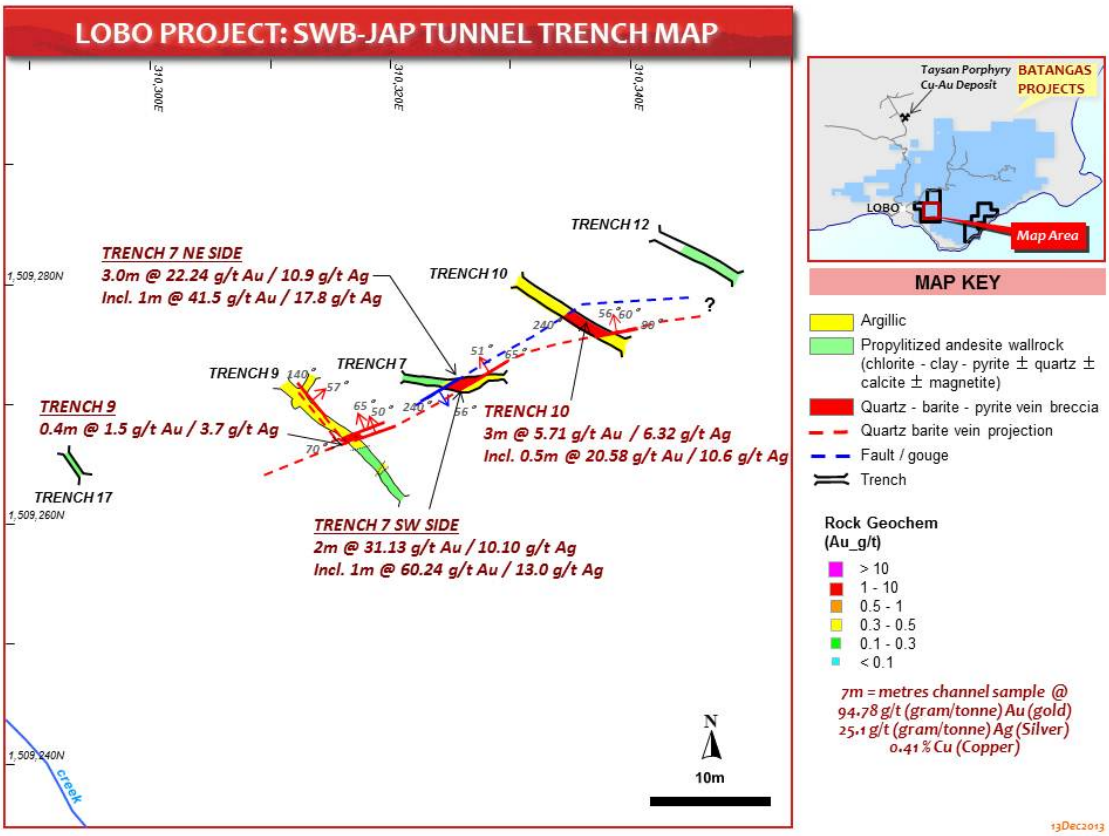

Figure 5: Trench 7 area, plan of trenching results

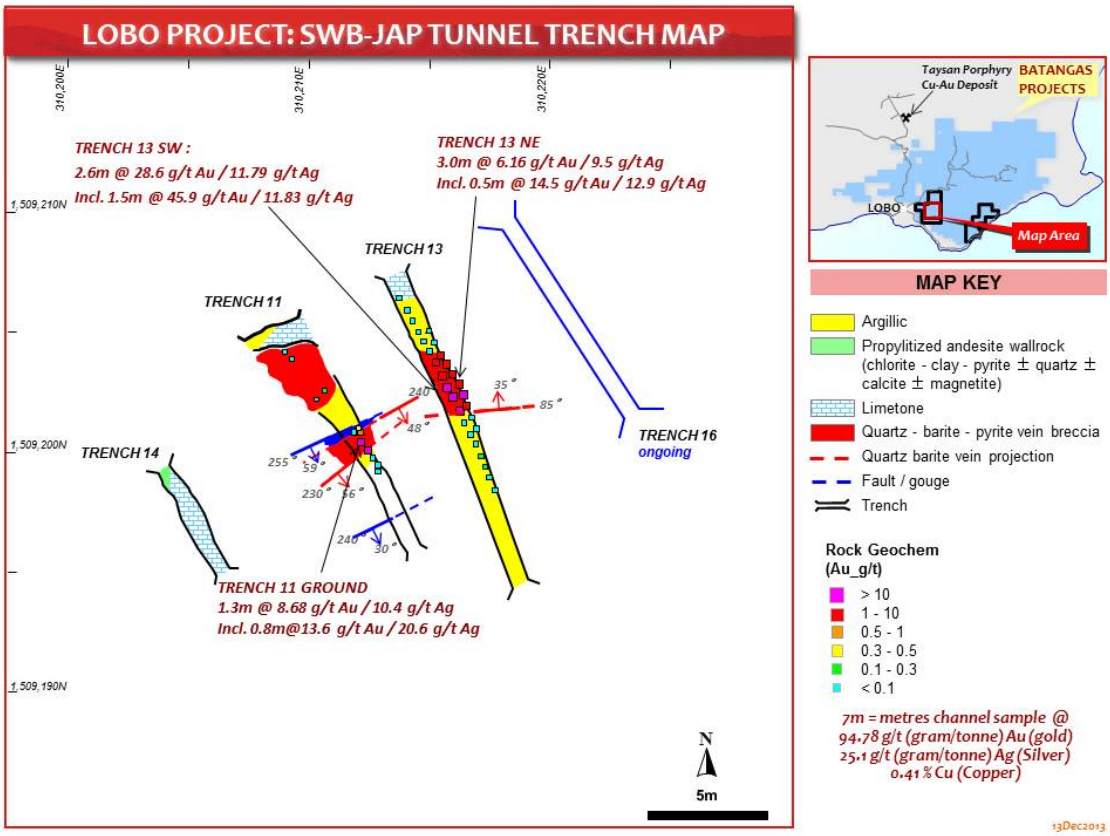

Figure 6: Trench 13 area, plan of trenching results

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Further, high-grade gold results were produced from vertical sampling through the shallow dipping layer of colluvial boulders and rubble eroded from the high-grade bedrock lodes. The peak results from the colluvium layer include additional sampling of Trench 7 that produced an intersection of **1.8 metres at 55.9 g/t gold (Au), vertically from surface, including 0.9m @ 110.9 g/t Au** and additional results from Trench 13, 100m southwest of Trench 7, from vertical sampling of a colluvium boulder of **1.2m @ 17.2 g/t Au from 1.2m vertical depth including 0.6m @ 31.2 g/t Au.**

The further trenching results from the colluvium layer are shown in Table 2 below:

Trench	Northing	Easting	Dip	From	To	Thick	Au g/t	Ag g/t	Cu %
Trench 7 A	9,878	9,997	-90	0.0	1.0	**1.0**	**10.7**	6.4	0.07
Trench 7B	9,880	9,998	-90	0.0	1.8	**1.8**	**55.9**	8.3	0.10
Including				0.9	1.8	**0.9**	**110.9**	14.5	0.14
Trench 9 A	9,870	9,996	-90	0.0	1.2	1.2	0.44	2.4	0.04
Trench 9 B	9,870	9,999	-90	0.0	1.0	1.0	0.35	2.1	0.07
Trench 10 A	9,892	10,003	-90	1.0	2.7	**1.7**	**4.83**	5.0	0.04
Including				1.9	2.7	**0.9**	**8.10**	5.8	0.05
Trench 10 B	9,891	10,001	-90	0.0	2.6	**2.6**	**2.24**	1.8	0.05
Trench 10 C	9,890	9,999	-90	0.0	1.7	**1.7**	**2.25**	2.4	0.04
Trench 10 D	9,889	9,996	-90	0.0	1.0	**1.0**	**1.83**	2.6	0.06
Trench 13 A	9,985	9,763	-90	1.0	1.4	0.4	0.09	2.4	0.01
Trench 13 B	9,987	9,762	-90	0.8	1.3	**0.5**	**5.13**	3.2	0.04
Trench 13 C	9,990	9,762	-90	1.2	2.4	**1.2**	**17.2**	7.5	0.03
Including				1.2	1.8	**0.6**	**31.2**	12.0	0.04
Trench 16 A	9,986	9,768	-90	0.0	0.6	0.6	0.21	<0.5	0.01
Trench 16 B	9,988	9,768	-90	0.0	1.9	1.9	0.34	3.29	0.02
Trench 16 C	9,991	9,768	-90	0.0	0.9	0.9	0.04	1.22	0.02
SWB Test Pit 1	10,025	10,106	-90	0.0	0.9	**0.9**	**4.54**	1.77	0.02
Including				0.0	0.2	**0.2**	**10.5**	14.5	0.14
SWB Test Pit 2	10,016	10,071	-90	0.0	0.6	0.6	0.39	2.3	0.02
SWB Test Pit 3	10,037	10,104	-90	0.0	1.1	**1.1**	**7.46**	8.8	0.04
Including				0.0	0.6	**0.6**	**12.4**	12.3	0.03

Table 2: South West Breccia lode, colluvium layer trenching and test pitting results

Other results from the colluvium layer along strike from both Trench 7 and Trench 13 indicate a continuous layer of mineralised colluvium rubble that remains open along strike and down slope in both locations.

Figure 7 shows the location plan of the latest colluvium trenching results within the 500m long South West Breccia Lode corridor.

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

CONTACT DETAILS
RED MOUNTAIN MINING LTD
Head Office
Unit 1, 2 Richardson Street
West Perth Western Australia 6005
www.redmm.com.au
info@redmm.com.au

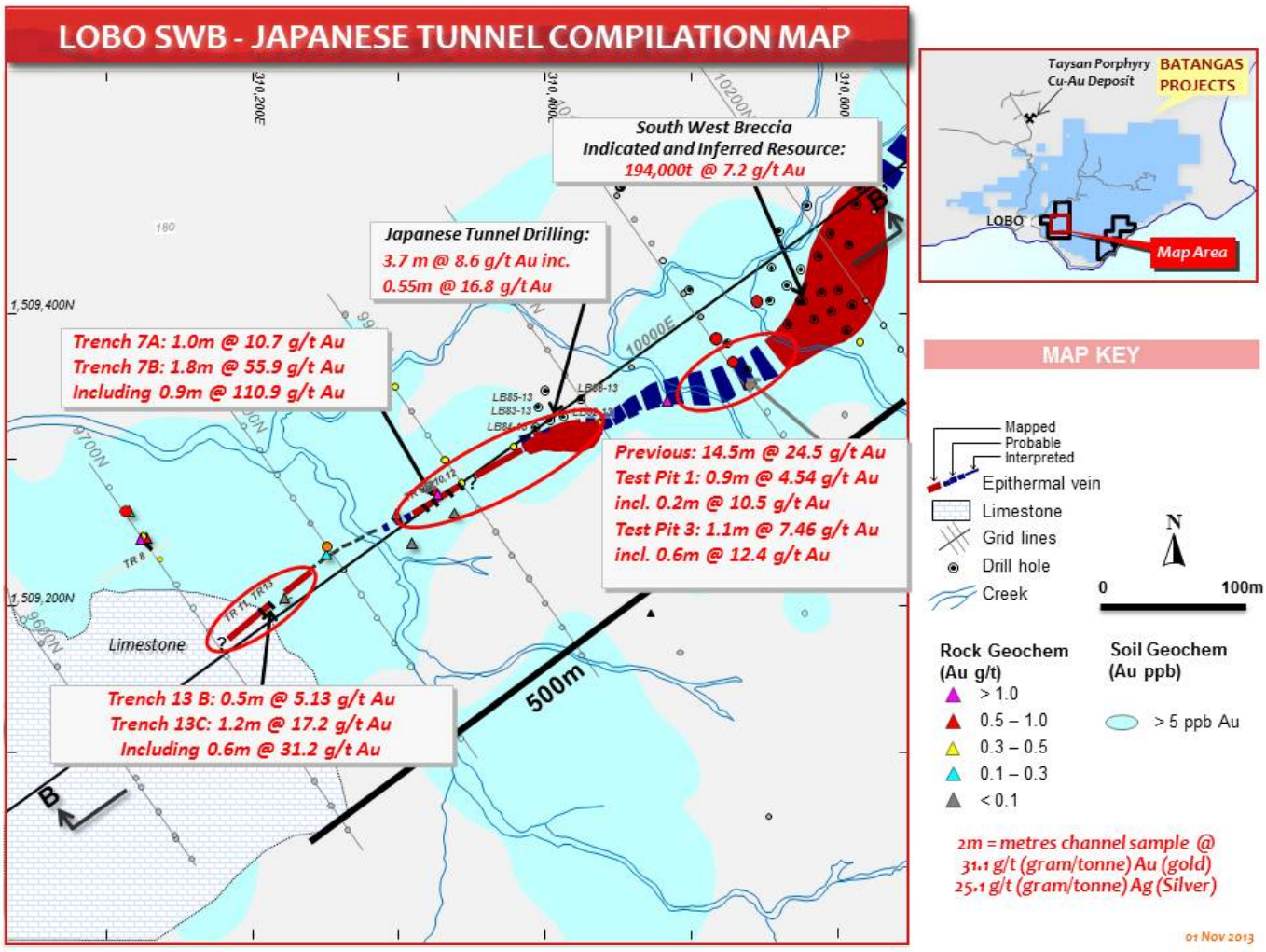

Figure 7: Plan of the South West Breccia Lode with high-grade colluvium trenching results

Drilling is planned, to commence late January 2014, to test below the outstanding trenching results.

Initial drilling will test immediately below Trench 7 (Figure 8) and Trench 13 (Figure 9), then drill-testing will continue along strike and at depth with the objective of defining additional high-grade resources and to upgrade the overall resource base.

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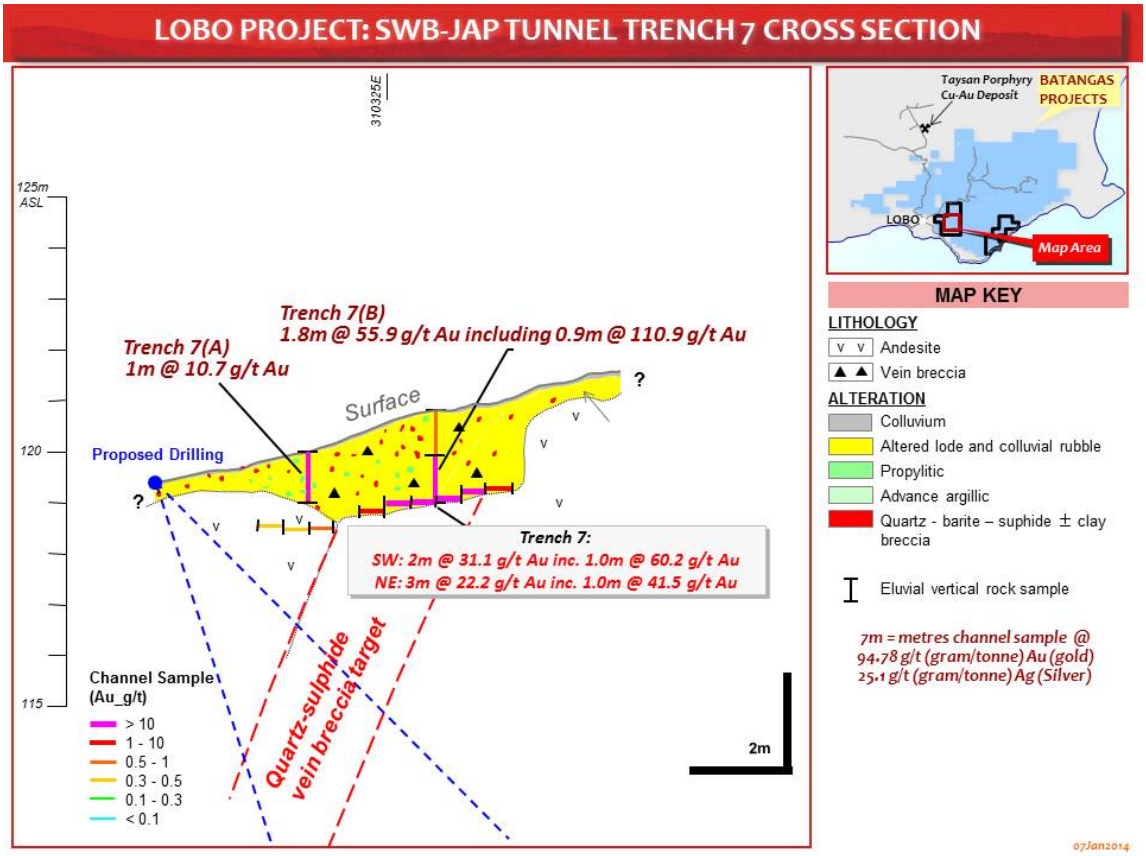

Figure 8: Trench 7 Cross Section, with Trench results and planned drilling

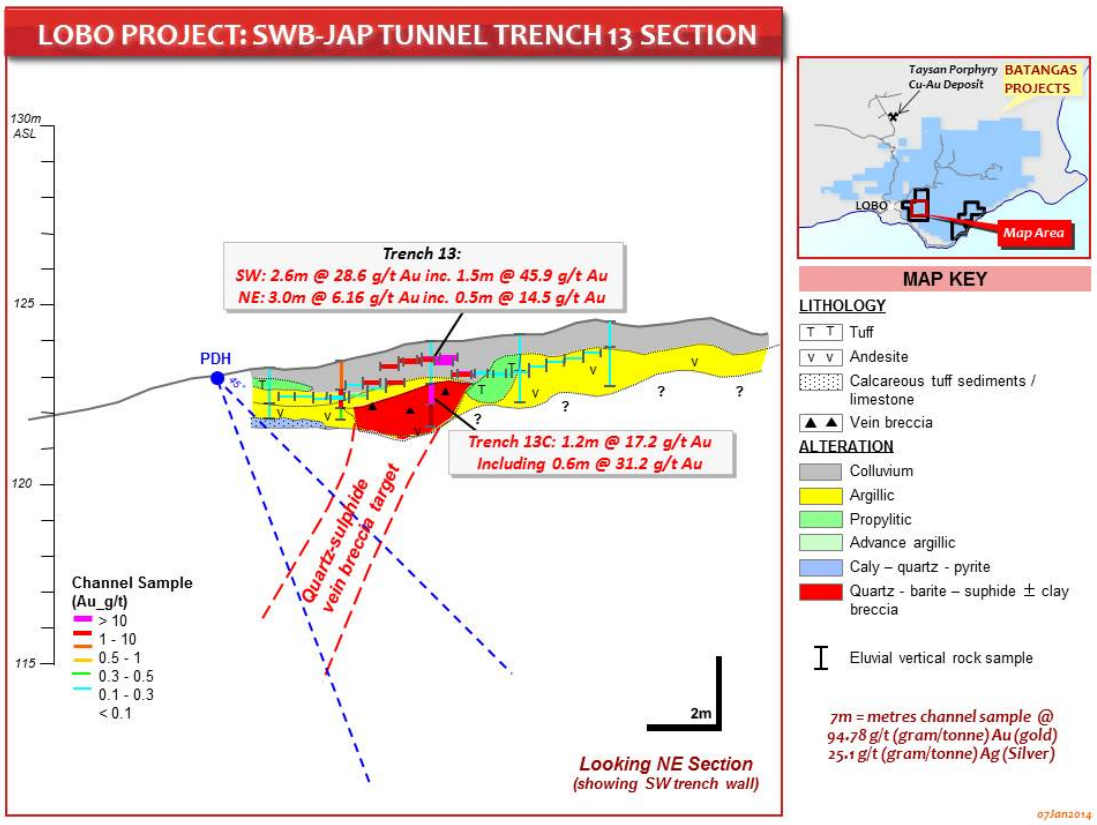

Figure 9: Trench 13 Cross Section, with Trench results and planned drilling

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Mining and Processing Scoping Study

The independent scoping study into a gold mining and processing plant at Red Mountains Batangas Gold Project continued during the quarter and is nearing completion.

Two main options are being examined:

i) A processing plant at Archangel, processing the Archangel (Kay Tanda) "stock work" resource and transporting the high grade South West Breccia resource to the central processing plant. Targeting average production of 30,000 oz Au per annum for >5 years.

ii) A smaller, lower capital cost, processing plant at Lobo, initially processing South West Breccia high grade resources only then processing potential additional resources discovered through the new, planned, drilling campaign. Targeting production of 15,000oz per annum for >5 years.

Additional metallurgical testing has been completed with final reporting due shortly. All current defined Mineral Resources are contained within granted Mineral Production Sharing Agreements ("MPSA's - the Philippines equivalent of Mining Leases) and the majority of the near surface Mineral Resources at Southwest Breccia (SWB), Lobo and Kay Tanda, Archangel, are in the Indicated Resource category.

COMPANY STATUS AND OUTLOOK

Expenditure during the quarter was reduced significantly relative to previous quarters to A$0.7 million despite continued exploration. The trenching program is particularly cost effective and overheads have been reduced due to corporate savings.

The exceptionally high grade gold trenching results produced during the quarter will be drill tested with the objective of defining additional high grade resources. Achievement of this objective will enhance the results of the mining scoping studies that are focused on establishing the viability of a low capital cost, rapid start up, gold mining and processing operation.

The Company continues to focus on safe and efficient exploration in harmony with local communities and the environment. No lost time safety or environmental incidents occurred during the quarter.

Cash at 31 December 2013 was circa A$1m with no debt. A placement and Share Purchase Plan for existing shareholders, announced 15 January 2014, seeks to raise up to A$1.7 million to fund the drilling program and further trenching.

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

Company Investors
Jon Dugdale
Managing Director
(+61) 402 298 026
(+61) 8 9226 5668
E : jon.dugdale@redmm.com.au

Media
Matt Birney
Birney Corporate
(+61) 419 217 090
(+61)8 9226 5668
E : matt@birneycorporate.com.au

ASX code: RMX
ABN 40 119568106

COMPANY DIRECTORS
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Non-Executive Chairman
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RED MOUNTAIN MINING LTD
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West Perth Western Australia 6005
www.redmm.com.au
info@redmm.com.au

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 2004 JORC 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, 200,000oz 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 Lobo (e.g. SWB - Japanese Tunnel zone, Pica, West Drift, Ulupong).

The Company will continue exploration with the objectives of increasing the size and grade of the Mineral Resources at Batangas and complete a scoping study to demonstrate the potential viability of a gold mining and processing project.

Other gold opportunities will be reviewed on a continuous basis.

Competent Person Statement

The information in this report relating to Exploration Results and Exploration Targets 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 2012 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.

The information in this report relating to 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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APPENDIX 1: SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling and Assaying* • *Measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Trenches (Costeans) through colluvial cover excavated to bedrock have been sampled at the base of the trench in continuous cut channels with samples aggregated over measured 0.5m to 1.0m intervals. • Trenching samples obtained from cut channels at 0.5m to 1.0m intervals weighing less than 3kg were transported to Intertek Laboratories in Manila, the Philippines, for fire assay. • At least 2kg sample was pulverised and a 50 gram charge fire assayed with AAS finish for Gold (Au) and a range of 37 elements via Multiple determination by ICP-OES (following four acid digest (HCl/HNO3/HClO4/HF) with volumetric finish) assay including Silver (Ag), Copper (Cu), Lead (Pb) and Zinc (Zn).
Drilling techniques	• *Drill type and details*	• No new drilling reported this release.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No new drilling reported this release.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging of geology, alteration and geotechnical aspects have been recorded in Trenches to requirements for diamond core drilling. • Trenches (Costeans) have been photographed. • The entire interval trenched to bedrock has been logged.
Sub-sampling techniques and sample	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• No new drilling reported this release.

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Criteria	JORC Code explanation	Commentary
preparation	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Non core Trench (Costean) channel samples entire sample aggregated, not riffled or split. • Aggregated channel sampling along the walls of the Trench. Entire 2kg sample pulverised at Laboratory prior to fire assay. This is an appropriate sample preparation technique that minimises bias. • Channel sampling orthogonal to dip and strike of the lode provides continuous sample with even weights that maximises representivity. • Field duplicates regularly sampled. • Sample sizes at >2kg are well in excess of requirements appropriate to the grain size of gold that has been shown by mineragraphy to be generally less than 50 micron.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Fire assay is appropriate for the nature of the gold mineralisation being assayed. • No geophysical tools used in generating exploration results. • Registered standards have been inserted every 20 samples. • Levels of accuracy and precision (detection limit) for gold is + or minus 0.005 ppm gold, which is well in excess of the precision required for the level of assays reported.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• No new drilling reported this release. • No new drilling reported this release. • Primary data is received in spreadsheet form and electronically transferred to the company database and output in spreadsheet form. Data is verified and compared with standard assays using

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ABN 40 119568106

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Jon Dugdale
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Shannon Coates
Company Secretary

CONTACT DETAILS
RED MOUNTAIN MINING LTD
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West Perth Western Australia 6005
www.redmm.com.au
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Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	established company protocols. • No adjustments have been made to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Trenches (Costeans) accurately surveyed using Nikon Total Station DTM-332 survey equipment. • Trench (Costean) locations surveyed in UTM WGS84 51N grid, converted to local Lobo grid. • Topographic surveys were done using the Total Station. Control stations were set by an independent surveyor (McDonald Consultant, Inc.) using 2 DGPS (one as a base station for correcting diurnal variations) and a total station for where they could not survey with GPS under thick cover. These were tied to known government control stations.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Trenches (Costeans) excavated every 5m to 10m along the strike of identified mineralisation. Channel sampling every 0.5m to 1.0m in some cases duplicated on either wall of the 1m wide Trench. • Data spacing sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) • Sample have not been composited.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Sampling conducted in Trenches (Costeans) established orthogonal to the interested strike and dip of the mapped mineralised structures. • No sampling bias interpreted.
Sample security	• *The measures taken to ensure sample security.*	• Samples secured by senior personnel on site and transported directly by company vehicle to Intertek Laboratories, Manila, the Philippines.
Audits/Rreviews	• *The results of any audits or reviews of sampling techniques and data.*	• Internal reviews regularly completed but no external audits carried out to date.

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APPENDIX 2: REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Batangas Gold Project comprises 2 Mineral Production Sharing Agreements (MPSA's), 8 Exploration Permits (EP's) and four Exploration Permit Applications (EPA's). • Red Mountain Mining Ltd has a 100% interest in Philippines subsidiary MRL Gold Inc. which in turn has a 100% direct and contractual right interest in the Batangas gold Project tenements. • The Lobo and Archangel MPSA's contain all identified (JORC 2004) resources. Declaration of Mining Feasibility and Environmental Compliance Certificate will be required to be approved by the Philippines Mines and Geosciences Bureau of the Department of Energy and Natural Resources of the Philippines Government before the company has a licence to operate..
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration was conducted by Mindoro Resources Ltd including extensive drilling, surface geochemistry, geophysics, mapping and mineral resource estimation to JORC 2004 and NI 43-101 standards.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The gold mineralisation that is the target of the exploration program is porphyry related epithermal gold mineralization hosted by intermediate to felsic volcanic rocks and intrusions. • Two styles of intermediate sulphidation epithermal gold mineralisation identified – i) andesite hosted stockwork mineralisation at e.g. Archangel MPSA and Quartz-Barite-Sulphide vein/lode style mineralization at e.g. the Lobo MPSA.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	• See Table 1, Trenching (Costean) locations, RL, dip and azimuth, length. • Trenching (Costean) data only, no new drilling information reported in this release.

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Criteria	JORC Code explanation	Commentary
	o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Exploration results from Trench (Costean) sampling have been weighted by interval. • No high-grade cuts have been applied as maximum grade (60.2 g/t Au) is approximately less than five times the mean grade. • Lower cut-off grade of 1 g/t Au has been applied.
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Aggregate Trenching intercepts do not incorporate longer lengths of low grade results.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalent reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Trenches (Costeans) have been excavated and sampled as close to orthogonal to the strike and dip of the lode structures as possible and, as such, the intersection lengths are a close approximation of true width.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See Figures 1 to 3 and Table 1.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative*	• All Trench exploration results reported

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Criteria	JORC Code explanation	Commentary
	reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Mineragraphy on Trench 7 samples indicates that gold is "free" and associated with sulphide minerals indicating that there is no significant supergene enrichment (Plate 1).
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further Trenching then drilling required to define mineral resources. • See Figures 1 to 9

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Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/2013

Name of entity

RED MOUNTAIN MINING LIMITED

ABN	Quarter ended ("current quarter")
40 119 568 106	31 December 2013

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (6 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	50	67
1.2	Payments for (a) exploration & evaluation	(400)	(1,373)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(390)	(941)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	8
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(733)	(2,239)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(12)	(12)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(12)	(12)
1.13	Total operating and investing cash flows (carried forward)	(745)	(2,251)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(745)	(2,251)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	2,163
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	2,163
	Net increase (decrease) in cash held	(745)	(88)
1.20	Cash at beginning of quarter/year to date	1,646	991
1.21	Exchange rate adjustments to item 1.20	20	18
1.22	**Cash at end of quarter**	921	921

Payments to directors of the entity, associates of the directors, 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	75
1.24	Aggregate amount of loans to the parties included in item 1.10	

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

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	-	-
3.2	Credit standby arrangements	40	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	*538
4.2	Development	-
4.3	Production	-
4.4	Administration	197
	Total	**735**

*expected to be funded from existing cash and capital raising cash flows

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	882	807
5.2	Deposits at call	39	839
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	921	1,646

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements and petroleum 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**	481,442,016	481,442,016	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1	1		
7.5	**+Convertible debt securities** (*description)*				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	(50,000,000) Performance Shares	-		
7.7	**Options** *(description and conversion factor)*	140,678,999 97,839,477 27,728,125 15,000,000	140,678,999 97,839,477 - -	*Exercise price* *$0.015* *$0.03* *$0.20* *$0.20*	*Expiry date* *30 June 2014* *30 June 2016* *30 June 2014* *15 Sept 2016*
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
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 /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: ..... Date: 21 January 2014
(~~Director~~/Company secretary)

Print name: SHANNON COATES
.....

+ See chapter 19 for defined terms.

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 and petroleum 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 or petroleum 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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