



RED MOUNTAIN TO RAISE \$2 MILLION VIA FULLY COMMITTED PLACEMENT AND UNDERWRITTEN RIGHTS ISSUE

- Strong demand for initial Placement to raise **\$0.6 million** from sophisticated investors
- **100%** underwriting secured for **\$1.4 million** renounceable Rights Issue
- Funds raised to drill priority targets and to complete Feasibility Study and Permitting

Perth, Western Australia, based Red Mountain Mining Limited (ASX:RMX) is pleased to announce that it has received firm commitments from professional and sophisticated investors to raise **\$0.6 million** (before costs) at an issue price of \$0.008 (0.8 cent) per share (**Placement**).

In conjunction with the Placement, which will be made pursuant to the Company's existing annual placement capacity under Listing Rules 7.1 and 7.1A, the Board is pleased to announce that it has resolved to raise a further approximately **\$1.4 million** (before costs), by offering existing eligible shareholders with a registered address in Australia or New Zealand the opportunity to participate in a pro-rata, renounceable rights issue on the basis of two (2) new shares for every nine (9) shares held by shareholders on the record date, at an issue price of A\$0.008 (0.8 cent) per new share (**Rights Issue**). It is intended that Placement shares will be issued prior to the record date for the Rights Issue.

Total funds raised by the Placement and Rights Issue will be approximately **\$2 million** (before costs).

In addition, for every two (2) shares issued under both the Placement and the Rights Issue, the Company will grant one (1) new option exercisable at \$0.012 (1.2 cents) each on or before 31 March 2016. It is the Company's intention to issue these options on the same date as the Rights Issue shares and to apply for quotation of these options, to trade on the ASX.

Red Mountain's Managing Director, Jon Dugdale, said: *"We are delighted with the interest and demand for this placement, in difficult market conditions, and look forward to giving our shareholders the opportunity to participate in the fully underwritten rights issue on the same terms."*

"We will continue to drill test the five new priority gold-silver targets within the 15 kilometre strike of epithermal structures on the Lobo property. The new targets, such as current drilling target Camo, look to be fully preserved for potential epithermal gold mineralisation, so this will be an exciting phase of the program."

"Meanwhile the Definitive Feasibility Study and final permitting for development of the initial low cost, early payback Batangas Gold project is on track for completion by early next year."

Patersons Securities Limited (**Patersons**) has been appointed as Lead Manager and Underwriter to the Placement and the Rights Issue, which is fully underwritten. For every three (3) shares of underwriting under the Rights Issue, the Company will grant one (1) new option to Patersons or its nominee under the same terms as above. Pursuant to its Mandate, Patersons will receive a corporate



advisory fee of \$40,000 plus an amount equal to 6% of the dollar amount raised by the Placement and underwritten Rights Issue.

Red Mountain's Chairman Neil Warburton and Managing Director Jon Dugdale have indicated they intend to take up their full rights entitlements. Red Mountain intends to lodge a transaction specific Prospectus for the Rights Issue with the ASIC and ASX on or around 17 September 2014.

Proposed Capital Structure

On completion of the above mentioned Placement and Rights Issue, assuming full take up, the Company's capital structure is expected to be as follows:

Description	Shares	Options ¹	Gross Amount Raised
Existing	686,947,994	112,839,477 ²	
Issue to Consultant ³	1,610,000		
Placement	74,960,000	37,480,000	\$599,680
Sub Total	763,517,994	162,839,477	\$599,680
Rights Issue (2:9)	169,670,665	84,835,333	\$1,357,365
Underwriters Options		56,556,888	
Capital Structure on completion	933,188,659	291,711,698	\$1,957,045

1. The Company also has 28,000,000 performance rights on issue (conversion subject to performance based conditions), as announced to ASX on 5 March 2014.
2. The Company currently has 97,839,477 listed options exercisable at \$0.03 each on or before 30 June 2016 and 15,000,000 unlisted options exercisable at \$0.20 each on or before 15 September 2016 on issue.
3. The Company intends to issue 1,610,000 shares to a consultant in lieu of fees at the same time as the Placement shares are issued, pursuant to its existing 15% annual placement capacity.

Use of Funds

It is intended that funds raised by the Placement and Rights Issue will be used to continue sampling and drilling of the five priority targets on the Lobo Prospect and other areas on the Batangas Gold Project tenements.

In addition, funding will allow for completion of the Definitive Feasibility Study, final Permitting of the Batangas Gold Project development and for general working capital.

Existing Resources and the general layout of the planned Batangas Gold Project development are shown on Figure 1 below.

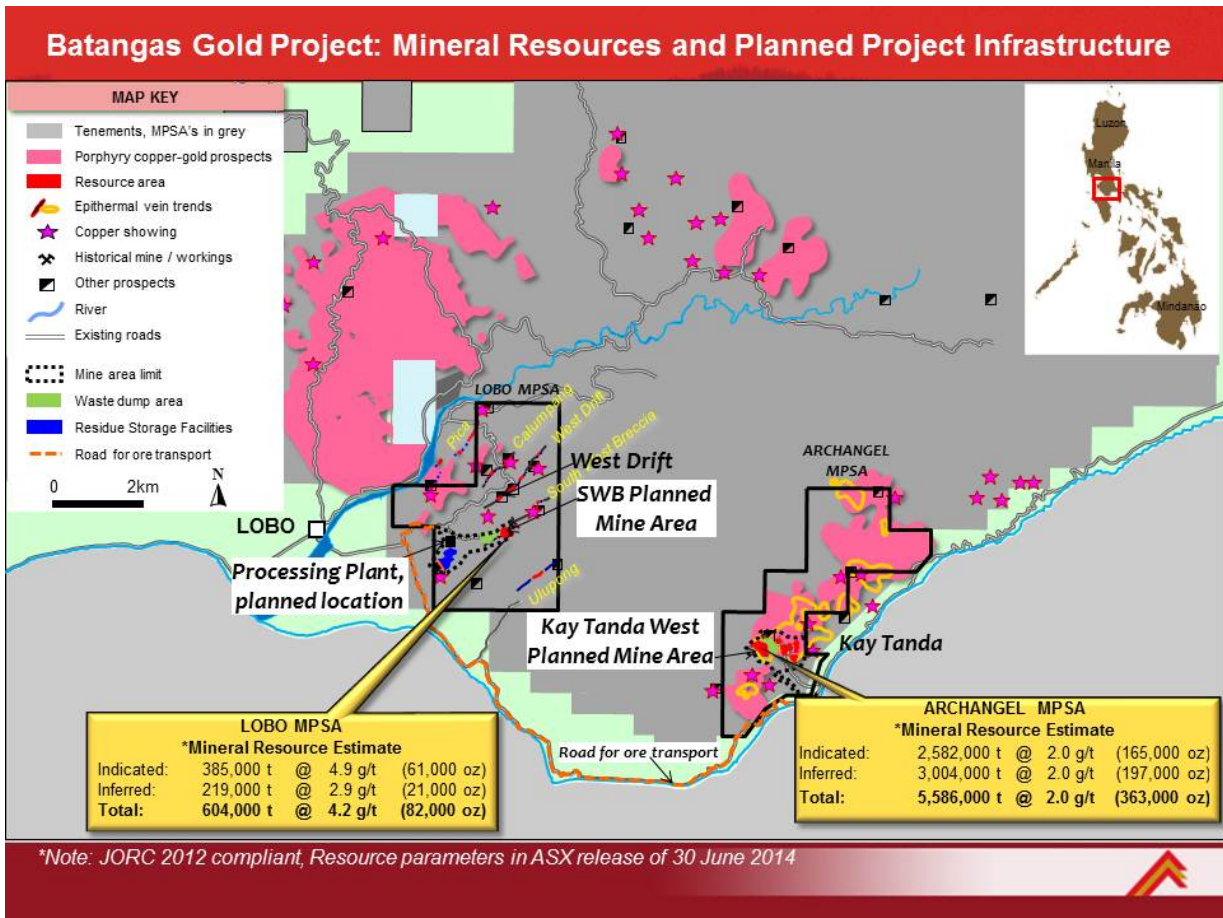


Figure 1: Batangas Gold Project, Mineral Resources and Planned Development Layout

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/developer 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 exploration and mining methods and improving efficiencies to gain significant exploration and production upside.



The Company holds a 100% direct and indirect contractual right interest in tenements in the Philippines that contain significant gold resources. Total Mineral Resources at Batangas include Indicated Resources of 2.97 million tonnes @ 2.4 g/t Au, 227,000 oz Au and Inferred Resources of 3.22 million tonnes @ 2.1 g/t Au, 218,000oz Au for a total of 6.19 million tonnes at 2.2 g/t Au, 444,000oz Au (ASX announcement 30 June 2014, JORC 2012). The Company is continuing exploration with the objectives of upgrading Mineral Resources at Batangas.

A Scoping Study (ASX announcement 20 March 2014) has demonstrated a strongly viable, low capital and operating cost, gold development based on initially recovering 90,000oz of gold over 4.5 years. The Company is completing a Definitive Feasibility Study (DFS) on the project, with early indications of an extension to mine life to 5.5 years recovering 100,000oz of gold (ASX release 10 September 2014), and final mine development permitting submissions have been lodged with the Philippines Government (ASX release 3 April 2014) and are proceeding towards approval.

Other gold opportunities will be reviewed on a continuous basis.

Cautionary Statement

The Scoping Study referred to in this announcement is based on lower-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. There is a low level of geological confidence associated with inferred mineral resources (that represent 10% of the mining inventory in the Scoping Study) and there is no certainty that further exploration work will result in the determination of indicated Mineral Resources or that the production target itself will be realised. There is no certainty that the Scoping Study production targets or the forecast financial information derived from production targets, will be realised. All material assumptions underpinning the production targets and forecast financial information derived from the production targets, full details of which were released to ASX on 20 March 2014, continue to apply and have not materially changed.

Competent Person Statement

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 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. The Company confirms that the form and context in which the information is presented has not been materially modified and it is not aware of any new information or data that materially affects the information included in the relevant market announcements, as detailed in the body of this announcement. All material assumptions and technical parameters underpinning the Mineral Resource estimates continue to apply and have not materially changed.