



RED MOUNTAIN TARGETS EARLY MINING FROM HIGH-GRADE GOLD ZONES

- Company enters discussions for toll milling of outcropping high-grade gold resources outside current Definitive Feasibility Study mining inventory
- At surface, low stripping ratio, high-grade - ideal for start-up mining and toll milling
- Additional trenching and drilling to define and target extensions of the gold zones

Perth, Western Australia: Red Mountain Mining Limited (ASX:RMX) is in discussions with a toll milling operator, based in Shandong province, southeast China, regarding the potential for early mining, then shipping and toll processing of high-grade gold ore from the Company's Lobo prospect at the Batangas Gold Project, 120 kilometres south of Manila in the Philippines.

As previously announced, the Company has identified four zones of very high grade, outcropping, gold mineralisation along the South West Breccia (SWB) Lode structure, that may be suitable for this selective mining and offshore toll milling approach. This includes, from northeast to southwest:

- SWB Extended:** surface trenching intersections include ³**Trench 19: 8.35m @ 18.3 g/t Au** and ³**Trench 21: 6m @ 31.2 g/t Au**. Additional trenching is in progress to upgrade this, at-surface, zone to the Measured Resource category.
- Japanese Tunnel:** surface trenching intersections include ¹**Trench 4: 5m at 10.43g/t Au** and **2m at 18.12 g/t Au**. Surface zone to be re-modelled.
- Trench 7 area:** surface trenching intersections include ²**Trench 7: 3m @ 22.2 g/t Au** and **2m @ 31.1 g/t Au**. Additional drilling required to define the, at surface, high grade zone.
- Limestone Target:** recent, very high grade, gold trenching results from close to the edge of limestone cover, include ⁶**Trench 34: 3.5m @ 25.9 g/t Au** including **1.5m @ 56.8 g/t Au** and **0.5m @ 145 g/t Au** and previously ²**Trench 13: 2.6m @ 28.6 g/t Au** including **1.5m @ 45.9 g/t Au**. The lode projects down plunge to the northeast and southwest where additional drilling is planned to define potential extensions to this high grade zone.

¹Release pre Dec 2013; ²Release 7/1/2014; ³Release 12/2/2014; ⁴Release 19/05/2014; ⁵Release 30/06/2014; ⁶Release 2/02/2015

These four discreet high-grade gold surface zones are additional to the open pit Mining Inventory that is the subject of the Company's current Definitive Feasibility Study (DFS), which includes **174,000 tonnes grading 6.8 g/t Au** from the planned SWB open pit (ASX release 23 January 2015 and 20 November 2014).

The outcropping gold lode mineralisation occurs on the south-eastern side of the steeply incised SWB valley, ensuring the initial mining targets would require very little waste stripping to be extracted.

Red Mountain Managing Director Jon Dugdale said: *"This is an exciting option for Red Mountain, as it will potentially allow the Company to commence mining and offshore toll processing to generate early cash flow, immediately following final permitting and completion of the DFS."*

Following additional trenching, currently in progress, and further drilling, an at-surface early mining and toll milling Measured Resource is expected to be defined, with the intention that this be converted to Probable Reserve on completion of a Feasibility Study. Following statutory approvals, road access and initial mining could then be established.

Bulk samples (1,000 kg) are being collected from each high grade zone for the toll milling operator to conduct metallurgical testing and produce processing cost estimations. This will then allow discussions on shipping and offtake/payment terms to be progressed.

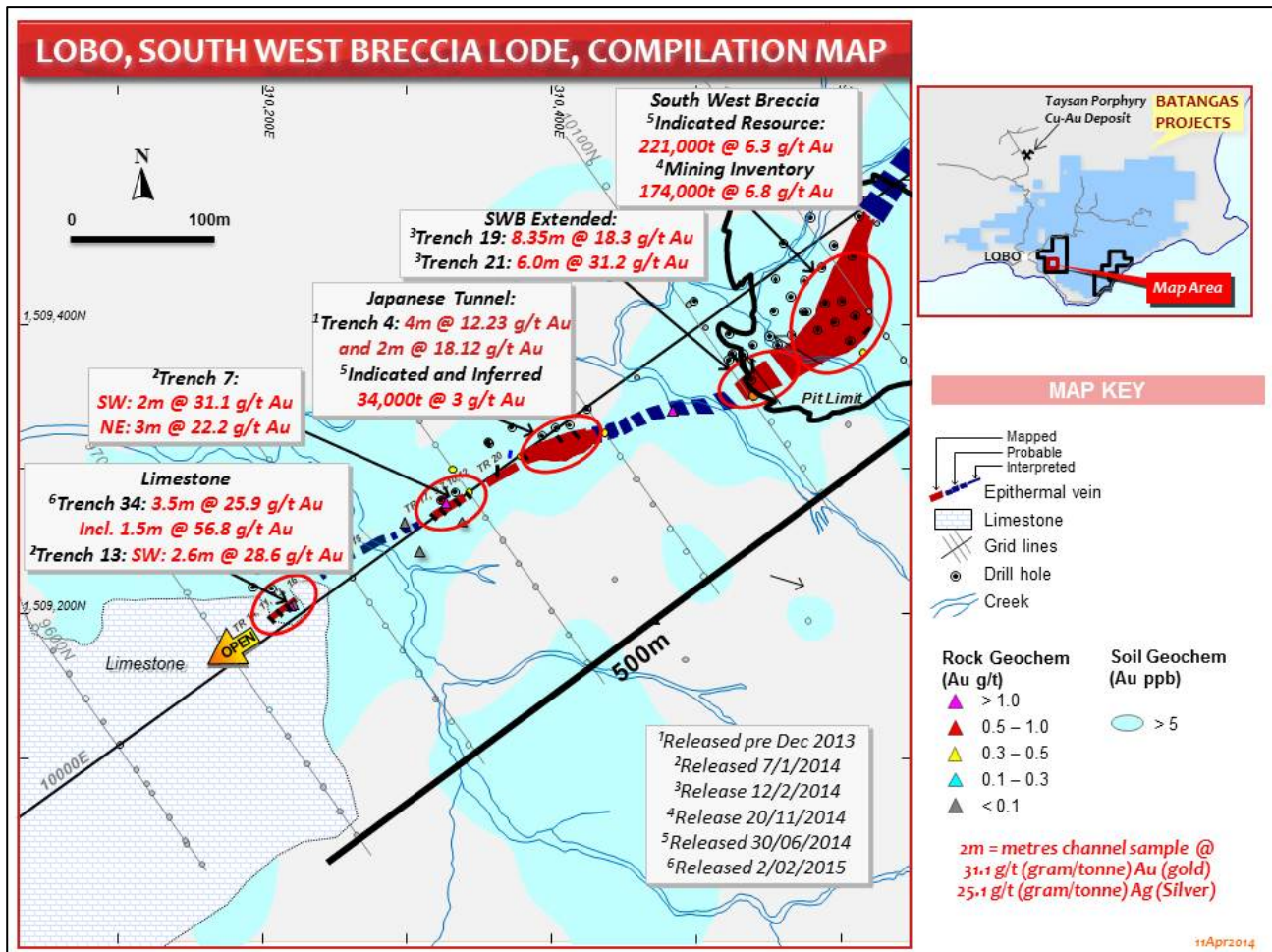


Figure 1: Plan of South West Breccia Lode structure with high-grade early mining targets

For further information about Red Mountain please 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
 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



About Red Mountain Mining Limited and the Batangas Gold Project

Red Mountain Mining (ASX: RMX) is a gold exploration and development 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.

The Company announced Agreement with London backed, BVI registered, Bluebird Merchant Vantures (BMVL) on 23 December 2014 which includes a two stage funding arrangement totalling US\$5.5 million (~A\$6.7 million), earning BMVL up to 50% of the currently wholly owned subsidiary, Red Mountain Mining Singapore Ltd, which is the holder of the Philippines based Batangas Gold Project assets.

Funding under the Agreement with BMVL will allow the Company to complete a DFS on the project, with initial results confirming low capital and operating costs and recovery of over 100,000 ounces of gold during the initial 5 years of the total 10 year production plan (ASX announcement 20 November 2014 and updated 23 January 2015).

Final mine development and environmental permitting submissions have been lodged with the Philippines Government (ASX announcement 3 April 2014) and are proceeding towards approval.

Other gold opportunities will be reviewed on a continuous basis.

Cautionary Statement

The production targets referred to in this announcement were first released to ASX on 20 November 2014 and updated on 23 January 2015. They are preliminary and there is no certainty that the production targets or the forecast financial information derived from the production targets, will be realised. All material assumptions underpinning production targets or forecast financial information derived from production targets continue to apply and have not materially changed.

Competent Person Statement

The information in this report relating to Mineral Resources and post 1 December 2013 Exploration Results 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. The information in this report relating to pre December 2013 Exploration Results is also based on information compiled by Mr Jon Dugdale who 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 takes responsibility for and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This announcement contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on Red Mountain Mining's current expectations, estimates and projections about the industry in which Red Mountain Mining operates, and beliefs and assumptions regarding Red Mountain Mining's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Red Mountain Mining, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Red Mountain Mining cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Red Mountain Mining only as of the date of this presentation. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Red Mountain Mining will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.