RED MOUNTAIN SECURES UP TO $300,000 IN CONVERTIBLE SECURITY FUNDING

Perth, Western Australia: Red Mountain Mining Limited (**RMX, Red Mountain** or **the Company**) is pleased to advise it has secured a Convertible Security Funding Agreement (**CSFA**) for up to A$300,000, by way of convertible securities with the Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC, a New York based institutional investor (together, **Investor**).

The CSFA will allow the Company to drawdown up to A$300,000 (in maximum three monthly tranches) and to issue Convertible Securities, to be repaid at a face value of 1.1667 times the amount drawn with no interest if the face value is paid within a 3 months (90 days) term of each drawdown (**the Term**). The Company intends to pay the face value of any Convertible Securities issued within the Term from part proceeds expected to be received from Bluebird Merchant Ventures Limited (**BMV** or **Bluebird**) on its Admission to the LSE (**listing**) and associated capital raising, which will also enable Red Mountain Mining Singapore (**RMMS**) to repay project loans to RMX totalling up to US$ 1.2 million.

In the meantime, the Company is maintaining minimal operational and compliance costs until the funding is available to deliver the key project milestones.

Commenting on the Agreement, Red Mountain's Managing Director, Jon Dugdale said:

"The CSFA will provide interim funding to continue the Batangas Gold Project programme, and working capital, in advance of our strategic funding partner, Bluebird, listing on the LSE.

As previously announced, following Bluebird's anticipated January 2016 listing, and their related capital raising, BMV will provide agreed funding for the Batangas Gold Project, which will enable us to complete the planned drilling program and finalise the Definitive Feasibility Study, as well as enable the repayment by RMMS of up to US$ 1.2 million with interest and costs in project loans to RMX."

The Company has agreed to issue Options to the Investor with each drawdown, in accordance with a formula set out in the CSFA. However, if re-payment of the face value of outstanding Convertible Securities occurs within the respective Term, Red Mountain will not be obligated to issue any Shares to the Investor. The material terms of the CSFA are set out in the Appendix A below.

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

Company Investors:	**Media:**
Jon Dugdale	Matt Birney
Managing Director	Birney Corporate
(+61) 402 298 026	(+61) 419 217 090
(+61) 8 9226 5668	(+61) 8 9226 5668
E : jon.dugdale@redmm.com.au	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 Ltd (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 direct and indirect contractual right interest in tenements in the Philippines that contain significant gold resources totalling Indicated and Inferred 6.19 million tonnes at 2.2 g/t Au for 444,000oz Au (JORC 2012, see ASX announcement 30 June 2014).

The Company's objectives include development of gold production at the Batangas Gold Project, while continuing to focus on increasing the mineral resource base.

The Company announced a new Strategic Financing Agreement (the Agreement) with Bluebird Merchant Ventures Ltd (Bluebird) on 15 October 2015. The Agreement includes a two stage funding arrangement totalling up to US$5.5M, that will earn Bluebird up to 50.1% of wholly owned subsidiary, Red Mountain Mining Singapore Ltd (RMMS), that holds the Company's interests in the Batangas Gold Project in the Philippines, with the project to operate under an Incorporated Joint Venture (JV).

Stage 1 funding of US $1.7M under the Agreement will earn Bluebird 25% of RMMS and will allow the JV to complete a Definitive Feasibility Study (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 a 10 year production plan (ASX announcement 20 November 2014 and updated 23 January 2015).

Final permitting to allow development of the Batangas Gold Project is being progressed through the Philippines Government approval process.

The Company is on the lookout for other advanced gold development and exploration opportunities, which will be reviewed on a continuous basis.

For more details about Red Mountain Mining Ltd see http://www.redmm.com.au/

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

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

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.

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 historic 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.

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

APPENDIX A

Within five (5) Business Days from execution of the Agreement, the Investor will advance Red Mountain A$100,000, or such other amount as agreed between the parties, (**First Closing**) in consideration for which Red Mountain will issue to the Investor a convertible security (**Convertible Security**) with a face value (**Face Value**) equal to 1.1667 times the First Closing amount. Thence 30 days and 60 days after the First Closing, the Investor will advance further A$100,000 tranches, or such other amounts as agreed between the parties (**Subsequent Closings**) with a Face Value equal to 1.1667 times the respective Subsequent Closing amount, up to a maximum of A$300,000.

Pursuant to the Agreement, with each Closing, Red Mountain will issue the Investor that number of Options as equals 40% of the Face Value of the applicable Convertible Security divided by the average of the daily VWAPs per Share (in Australian dollars) during the 20 consecutive trading days immediately prior to the applicable Closing (exercisable at the lesser of 150% of the average daily VWAP per Share (in Australian dollars) during the 20 consecutive trading days immediately prior to the relevant Closing Date or 200% of the average daily VWAP per Share (in Australian dollars) during the 20 consecutive trading days immediately prior to the execution date of the Agreement).

Red Mountain may opt to repay the Face Value of each Convertible Security within 90 days of the respective Closing Date (**Term**). In the event there is an amount outstanding at the end of the relevant Term, Red Mountain will issue the Investor collateral shares equivalent to 50% of the amount outstanding divided by the average of the daily VWAP's per Share (in Australian dollars) during the 20 consecutive trading days immediately prior to the end of the respective Term.

After the end of the respective Term, the Investor will be permitted to convert each Convertible Security into Shares, up to a maximum of A$75,000 in aggregate in any calendar month, at a conversion price equal to the lesser of 130% of the average 3 daily VWAP's per Share during the 20 consecutive trading days immediately prior to the date of execution of the Agreement, as selected by the Investor, and the greater of A$0.0009 (0.09c) and the price per Share equal to 85% of the average of 5 consecutive daily VWAP's per Share during the 20 consecutive trading days immediately prior to the conversion date.

It is expected that Red Mountain will utilise its 15% annual placement capacity to issue any Shares or Options required to be issued to the Investor pursuant to the Agreement.

The Agreement contains other terms and conditions customary for an agreement of this nature.

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