



RED MOUNTAIN SECURES ADDITIONAL BATANGAS PROJECT LEVEL FUNDING

- Strategic funding partner providing a further USD 220,000 to fast track DFS and Permitting
- Part of USD 1 million Stage 1 funding to complete the DFS and Permitting inputs by Q3 2015

Perth, Western Australia: Red Mountain Mining Limited (ASX:RMX) is pleased to announce that it is receiving significant further Stage 1 funding pursuant to the Strategic Financing Partnership Agreement (the Agreement) with London backed, BVI registered private company Bluebird Merchant Ventures Ltd (Bluebird) (for material terms of the Agreement see ASX releases 16 and 23 December 2014 and RMX Rights Issue Prospectus released 6 January 2015).

Additional funding of USD 220,000 is being paid to Red Mountains' wholly owned subsidiary Red Mountain Mining Singapore Ltd (RMMS), pursuant to a signed converting loan agreement with a significant new Bluebird investor. This agreement reflects the conversion terms in the Agreement (see RMX Rights Issue Prospectus released 6 January 2015), with the addition of an extended 1 October 2015 (previously 09 July 2015) date for completion of Stage 1 funding.

This additional investment will take total project level funding under the Agreement to USD 500,000, meeting commitments to 9 June 2015. Bluebird will now endeavor to complete the Admission (listing) process on the Alternative Investment Market (AIM) of the London Stock Exchange (LSE) as soon as possible.

Funds raised by Bluebird as part of the AIM Admission will include funding to complete the USD 1 million Stage 1 commitment in the Agreement, an additional USD 500,000. These funds will be used to finalise the Batangas Gold Project DFS and Permitting requirements and earn Bluebird 15% of RMMS.

The Stage 2 commitment in the Agreement, USD4.5 million, is subject to completion of the DFS and Permitting and will fund detailed design and initial development, earning Bluebird 50% of RMMS. This may include potential early mining and toll processing/ore sales based on the initial high-grade surface material at South West Breccia (Figure 1).

Red Mountain Managing Director Jon Dugdale said: ***"This additional Bluebird funding will allow us to continue the DFS and permitting processes at full pace."***

Completion of the DFS and mine Permitting are the key near-term milestones for the Company, as we look to develop the Batangas Gold Project and become a cashflow producer as soon as possible."

The Company is targeting completion of the DFS and all permitting inputs by the third quarter 2015. This will provide a clear pathway to development of the Batangas Gold project and generating cashflow.

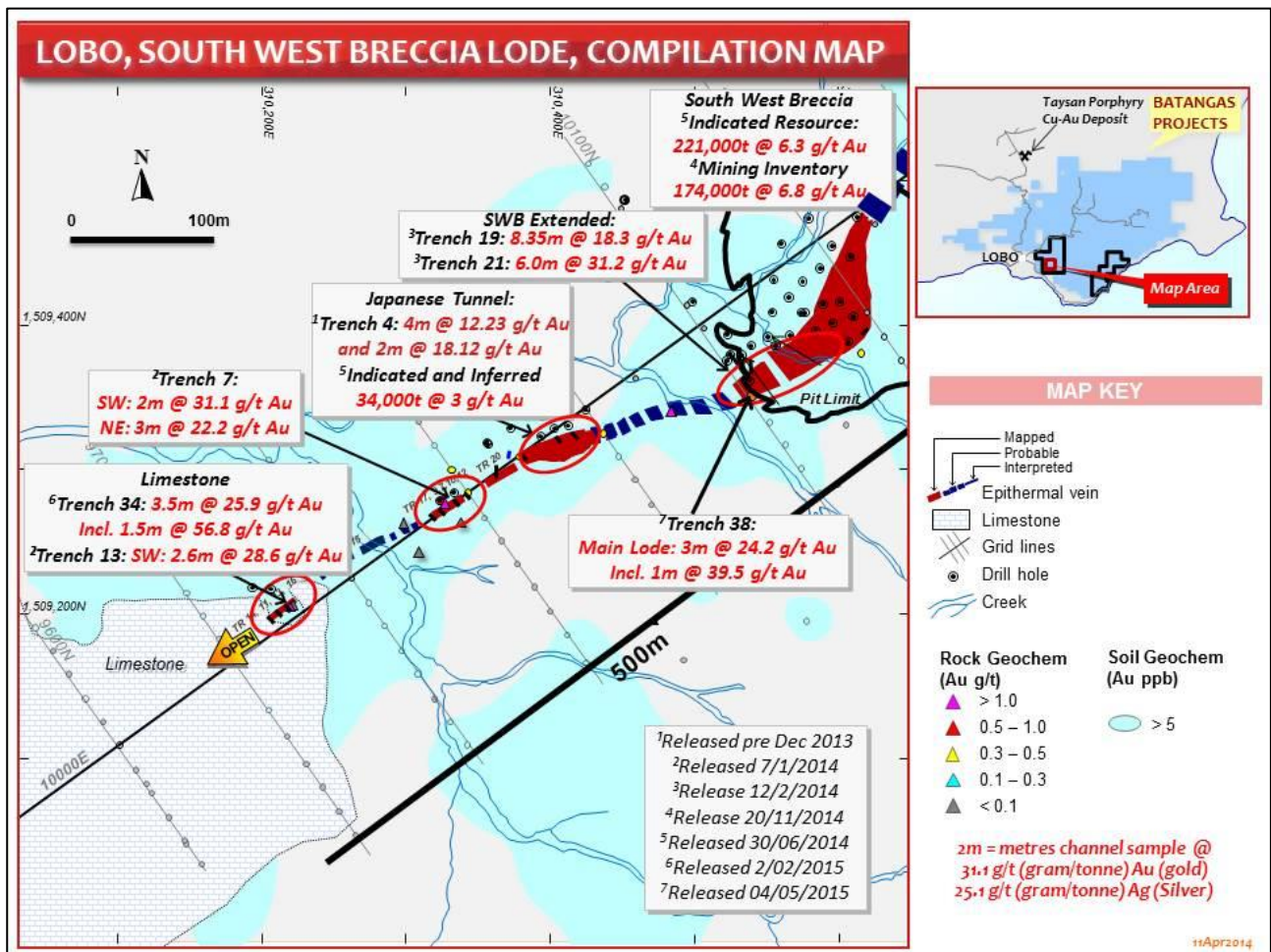


Figure 1: Plan of South West Breccia Lode structure with high-grade early mining targets and results

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

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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 objective of upgrading mineral resources at Batangas.

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

Funding under the Agreement with Bluebird 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 a 10 year production plan (ASX announcement 20 November 2014 and updated 23 January 2015).

Final mine development permitting submissions have been endorsed by the Local Government Councils and are now proceeding through the final stages of approval by the central Philippines Government (ASX announcement 20 May 2015).

The Company is on the lookout for other advanced gold development and exploration opportunities, which 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 historic 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 historic 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.