



RED MOUNTAIN FUNDING RECEIVED, DFS ON FAST TRACK TO COMPLETION

- USD 220,000 Batangas project level funding received from strategic funding partner
- Total Batangas project funding received to-date from strategic partner totals USD 500,000
- Definitive Feasibility Study (DFS) and all permitting inputs expected to be completed Q3

Perth, Western Australia: Red Mountain Mining Limited (**ASX:RMX**) is pleased to confirm that, further to the announcement on 27 May 2015, the additional funding of USD 220,000 from strategic partner Bluebird Merchant Ventures Limited (BMVL) has now been received by Red Mountain's wholly owned subsidiary Red Mountain Mining Singapore Ltd (RMMS). This funding will be immediately utilised to fast track completion of the DFS and all permitting inputs to allow final approval of the Company's key environmental and mining permits for development of the Batangas Gold Project in Lobo, 120 kilometres south of Manila in the Philippines.

The additional funding of USD 220,000 takes total project level funding provided to RMMS pursuant to the Strategic Financing Partnership Agreement (the Agreement) with Bluebird to USD 500,000.

This comprises part of the Stage 1 Commitment of USD 1 million to fund completion of the DFS and permitting. For material terms of the Agreement, see ASX releases 16 and 23 December 2014, and RMX Rights Issue Prospectus released 6 January 2015.

To align with the terms of the Converting Loan Agreement with the new Bluebird investor (see release 27 May 2015), the parties have agreed to vary the Agreement to extend timing for completion of Stage 1 funding from 9 July 2015 to on or before 1 October 2015. In the meantime, any shortfall in funding for RMMS to complete the DFS and permitting will be loaned by RMX to RMMS, pursuant to a new loan agreement, with any funds loaned to be repaid to RMX, with interest, upon receipt of Bluebird's Stage 1 funding commitment. Conversion terms in the Agreement are maintained (see RMX Rights Issue Prospectus released 6 January 2015).

Upon completion of the DFS and final permitting approvals, it is expected that the Stage 2 funding commitment of USD 4.5 million (see conditions precedent in the Agreement, released 16 December 2014 and 23 December 2014) will fund detailed design and initial development and take total funding under the Agreement to USD 5.5 million, earning Bluebird 50% of RMMS. The initial development may include upgraded road access and potential early mining and toll processing/ore sales based on the initial high-grade surface material at South West Breccia. An upgraded resource for this zone is in preparation and discussions with potential toll milling / ore purchase plant operators continue (see release 11 June 2015).

The Company is also in advanced discussions, and has received initial terms, from potential debt providers to fund the remaining capital requirements to establish on site processing production from the Batangas Gold Project, subject to completion of a positive DFS and final permitting approvals.

Red Mountain Managing Director Jon Dugdale said: ***"We are very pleased with the ongoing project level funding support from our strategic partner. This funding will allow us to fast track the key milestones to initial development of the Batangas Gold Project, and potential early cash flow."***

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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 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.

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.