

ASX Release
19 February 2010

OPTION TO PURCHASE BUENA VISTA IRON ORE DEPOSIT

HIGHLIGHTS

- **Option to purchase 100% of USA based Buena Vista Iron ore deposit for total consideration of \$US8 million over approximately three years.**
- **JORC Measured resource of 109 million tonnes grading 23% total Fe within historical pit designs.**
- **Exploration target of 45-55 million tonnes grading 20-22% total Fe within historical pit designs.**
- **Additional exploration targets of 200-250 million tonnes grading 20-22% total Fe outside historical pit designs.**
- **Extensive historic metallurgical test work demonstrates ore easily beneficiates to +66% total Fe.**
- **Deposit located only 40km from siding on railway line that connects to three major San Francisco Bay Ports.**
- **Multi-million dollar data base acquired.**

Richmond Mining Limited ("Richmond or the "Company") is pleased to advise that it has entered into an option agreement ("Agreement") to purchase a 100% interest in the Buena Vista iron ore deposit located in the state of Nevada in the United States.

Buena Vista is a magnetite iron deposit that was originally discovered in 1898, intermittently mined in the 1950's and most recently explored by US Steel in the period 1961-1979 with a feasibility study completed. At least 314 diamond holes have been completed over the property together with extensive metallurgical test work and mining studies.

As part of a detailed feasibility study, US Steel outlined substantial non JORC compliant reserves and resources contained within the West, South Central, Iron Point, Southwest and Section 5 deposits. These historic pit designs had a combined waste to ore ratio of 1:1.17.

Preliminary work by Richmond and its consultants has to date only assessed the West and South Central deposits. As a result, a JORC Measured resource of 109 million tonnes grading 19.9% magnetic Fe (23% total Fe) has been assigned to these deposits.

In addition to the above Measured resource, there are waste dumps on the property that total around 800,000 tonnes at a reported historic grade of 32% total Fe.

Metallurgical test work has demonstrated that Buena Vista ore is easily beneficiated to +66% total Fe with magnetite recoveries of up to 92%.

The majority of the resources at Buena Vista are contained on private land under patented mining claims, which allow the potential to fast track any development through quicker permitting. In addition, Buena Vista is located approximately 40 kilometres from a rail siding on the Southern Pacific rail line that connects to port facilities at Sacramento, Stockton and the Bay of San Francisco.

Richmond has gained access to the complete US Steel feasibility study and a review of this data will form the cornerstone of the assessment to be completed over the next few months. It is estimated that to replicate this study an expenditure of \$US15-\$20 million and +3 years of exploration would have been otherwise required.

A drilling programme to provide additional samples for metallurgical test work and to test the deposits at depth is planned for April-May 2010.

Based on the preliminary studies completed by Richmond to date, the West and South Central deposits appear to have strong potential to host contiguous zones that could allow ore grading around 35-40% total Fe to be mined. A focus of the review will be to assess these zones for the potential for 30-40 million tonnes of ore that could form the basis for an early higher grade mining operation.

At the same time studies will be undertaken to assess the economics of a 50-55% concentrate being produced as an intermediate or alternate product for shipment as this strategy could reduce processing and capital costs.

Buena Vista has a range of advantages for a potential mining project. These include:

- The United States is a safe and reliable jurisdiction and Nevada is a mining friendly state,
- The majority of the deposits are held under patented claims over private land,
- The project has a history of mining,
- The existing resources are already of a significant size,
- An extensive data base is already available,
- The project is not in a high rainfall or environmentally sensitive area,
- Power and water are available adjacent to the project,
- Buena Vista lies 40 kilometres from a major railway line, which provides access to a choice of three existing port facilities,
- The deposits are metallurgically simple and beneficiate to +66% total Fe product,
- The potential strip ratio is very low and the resources are sufficient and have the potential to be significantly high graded while still retaining the potential to be a long term mine, and
- Capital costs are potentially insignificant compared to comparable projects within Australia.

Richmond has spent a considerable period assessing Buena Vista and negotiating with the owner. During that period the Company has had the opportunity to understand the potential of Buena Vista and as a consequence is already quite advanced in the development of possible strategies moving forward.

In summary, Buena Vista represents a very attractive acquisition for Richmond. The project has a number of significant positives when compared with other iron ore projects and provides an opportunity to be fast tracked into production, thereby presenting to Richmond the opportunity of early producer status and significant cash flow.

The Option Agreement

Under the terms of the Agreement Richmond can exercise the option at anytime up to and including 10 May 2011 for a consideration of \$US6 million, 50% of which can be satisfied through the issue of shares in Richmond.

Exercise of the option will give Richmond a 100% beneficial ownership of the Project and an 80% net profits interest ("NPI").

Following exercise of the option Richmond then has an additional 18 months to acquire the outstanding 20% NPI for a consideration of \$US2 million in cash or alternately \$US1 million in cash and a gross revenue royalty of 1.5%.

Upon signing the Agreement, Richmond paid the owner, KMD LLC, a Nevada based mining Company \$US100,000 and a similar payment is required in September 2010. These payments are in addition to the payment required if the option is exercised.

As part of the Agreement, Richmond is required to spend a minimum of \$US250,000 on the exploration of Buena Vista by September 2010.

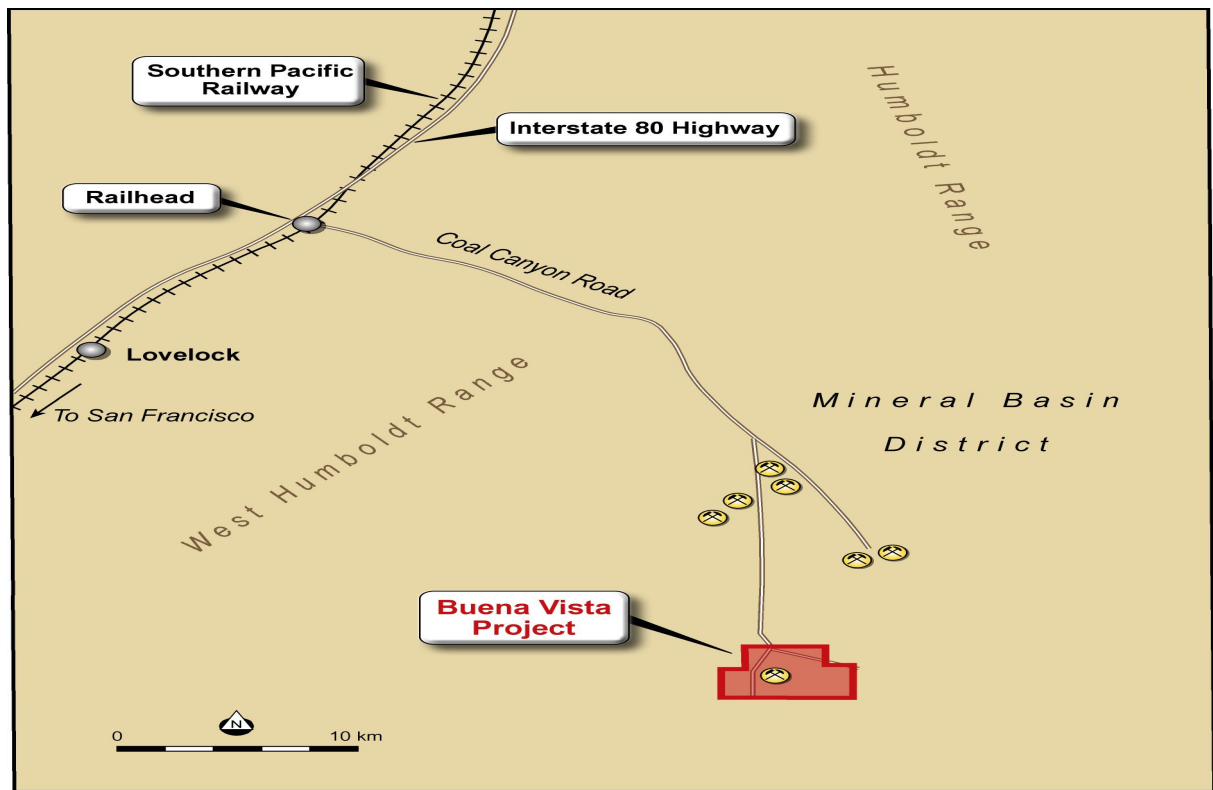
Location

Buena Vista is located approximately 48 kilometres south-east of Lovelock, a small town situated within Nevada in the United States.



Access to the project area is via Interstate 80 from Lovelock and then paved and gravel roads for approximately 38 kilometres along Coal Canyon Road.

The Southern Pacific railway parallels Interstate 80 and a rail head is located at the intersection of Coal Canyon road with Interstate 80.



The Southern Pacific railway connects to port facilities at Sacramento, Stockton and the Bay of San Francisco.

Land Title

The Buena Vista project area covers around 2,780 acres and is held under a combination of patented and unpatented mining claims. The area that covers the known deposits is largely over leased private land and is held by the patented claims and former railroad fee-title land.

Minor royalties, equivalent to around a 1-1.5% net smelter return, are payable over a number of the patented claims.

Buena Vista History and Geology

The Buena Vista deposits are located within a Middle Jurassic volcanic – plutonic complex with parts of the area obscured by Tertiary rhyolitic flows.

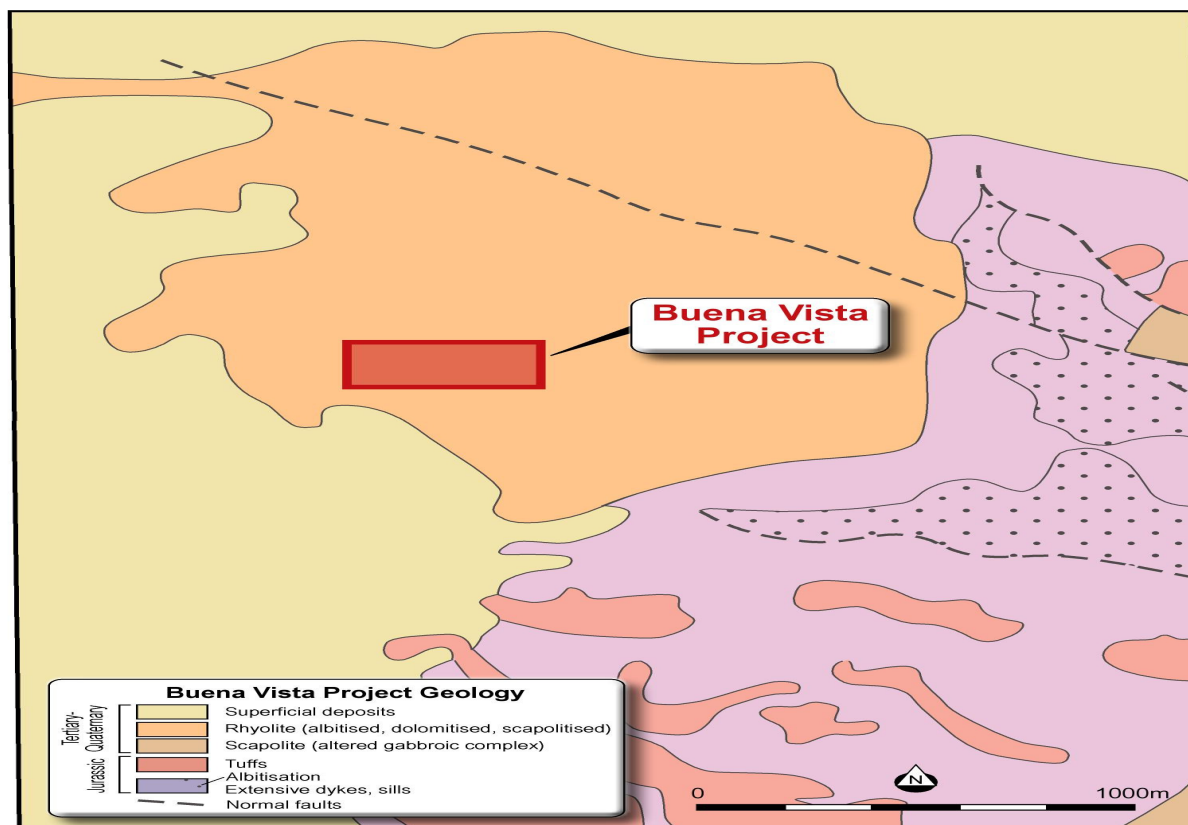
The magnetite mineralisation is associated with mafic intrusives, which are both strata and structurally bound and intensely sodic altered with the development of scapolite and albite.

The project area was discovered in 1898 and around 1 million tonnes of ore was mined from Buena Vista in the 1950's with the majority of production shipped to Japan as direct shipping ore.

Modern exploration commenced over the project in the early 1950's with a number of companies completing geological mapping, aeromagnetic surveys, drilling, metallurgical test work, bulk sampling and ore reserve calculations.

US Steel are the most recent party to explore the project area, completing a feasibility study in the late 1970's.

This study looked at the opportunity to pelletise the ore for use in US Steel plants, however, the economics at the time were not sufficient when compared with other available resources.



In late 2006, KMD LLC, a Nevada based mining company brought the main Buena Vista leases under single ownership.

Resources and Metallurgy

The US Steel detailed feasibility study was based on extensive drilling completed by the company and previous explorers. The study outlined 6 individual deposits within the project area, with the large majority of these deposits being diamond drilled on close spaced 50 feet x 200 feet centres.

Richmond and its consultants have reviewed the work completed by US Steel in calculating the non JORC compliant reserves within the West and South Central deposits. This work has included a detailed analysis of individual drill sections, assays, site visits and the polygonal resource estimation methodology that was employed to define block boundaries.

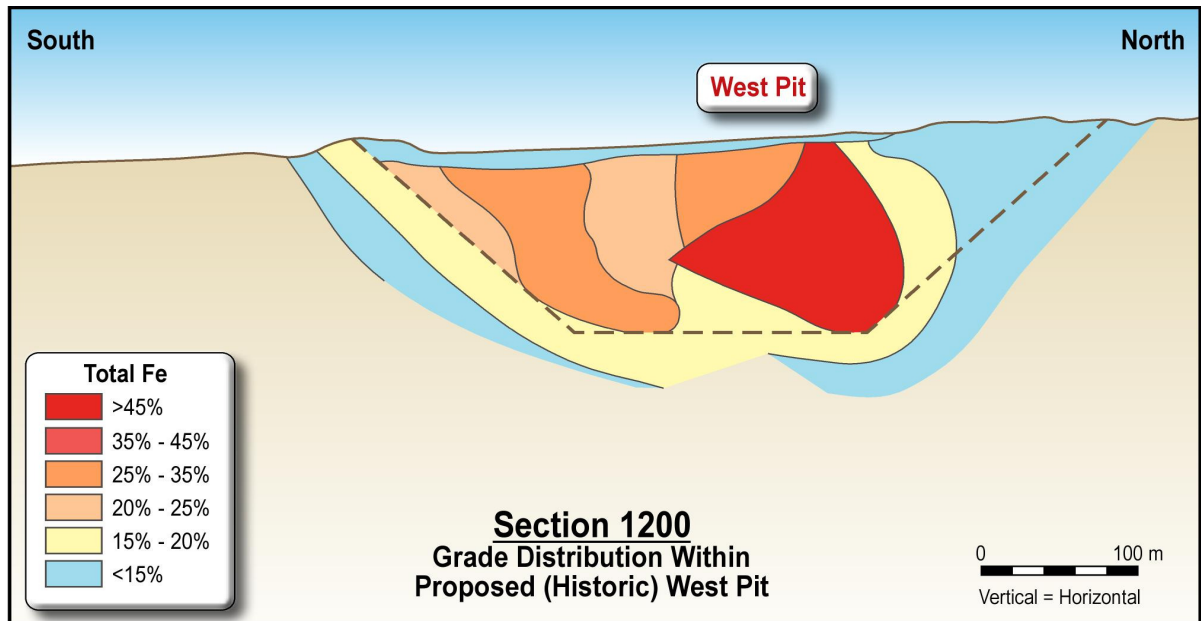
Based on Richmond's review, the non JORC compliant reserves within these two deposits have been re-classified as a JORC Measured resource of 109 million tonnes grading 19.9% magnetic Fe (approximately 23% total Fe) using a 15% magnetic Fe cut off grade (note: magnetic Fe is 85% of total Fe based on statistical analysis of the historic metallurgical test work).

Richmond has also identified an exploration target of 45-55 million tonnes grading 20-22% total Fe within historical pit designs. This target is based on a data base including 314 diamond holes completed over the property, together with extensive metallurgical test work and mining studies.

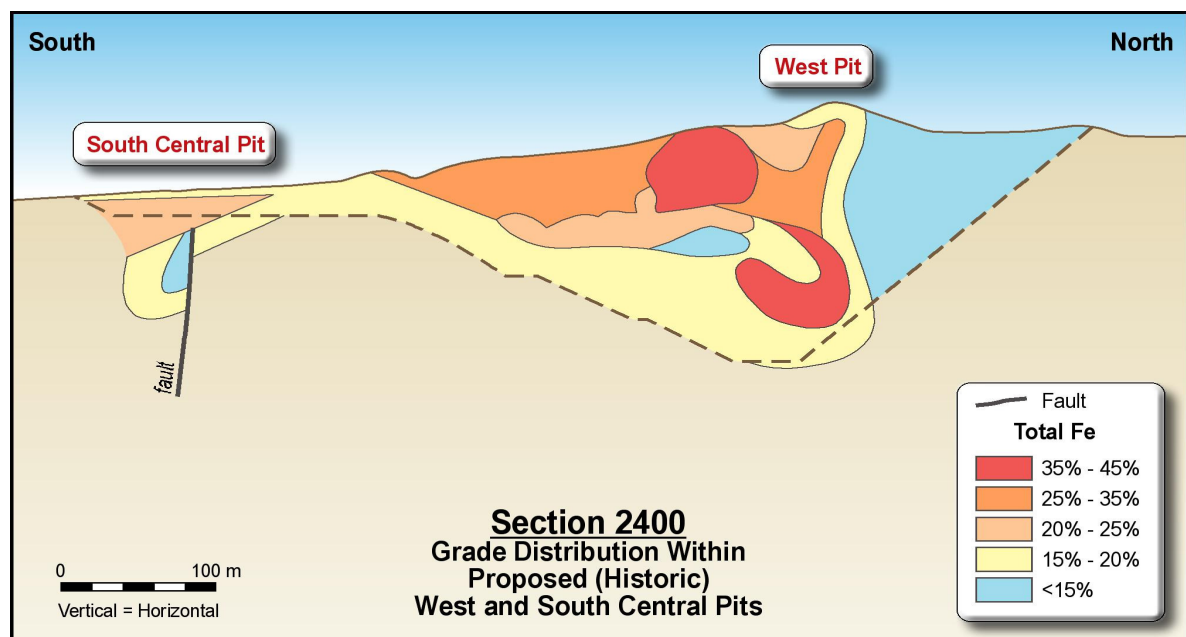
In addition, based on more widely spaced drilling and geophysical work undertaken by US Steel, there is additional exploration targets of 200-250 million tonnes grading 20-22% total Fe outside historical pit designs.

The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a JORC compliant Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

It was noted during Richmond's review that the West and South Central deposits contain a significant amount of much higher grade ore that is potentially available through selective mining or a re-design of the proposed pit boundaries using a higher grade cut-off.



As part of the works programme over the next 4-6 months this strategy will test for a target of 40-50 million tonnes grading between 30-35% magnetic Fe (35-40% total Fe).



In addition, waste dumps exist from mining operations undertaken in the 1950's that total 800,000 tonnes grading around 32% total Fe. These waste dumps are all accessible to sampling and drilling and this potential resource will also be assessed as part of the programme over the next 4-6 months.

Extensive metallurgical work has been completed over the Buena Vista ore. This work has included iron analysis using chemical methods and Davis Tube concentrations, petrographic studies, trace element geochemistry, beneficiation studies, grindability tests and agglomeration, pelletising and sinter feed investigations.

The Davis Tube test work has shown that the Buena Vista ore is easily beneficiated to a concentrate grade of +66% total Fe using a grind to 325 mesh followed by wet magnetic separation.

This concentrate is low in silica and other deleterious elements such as As, F, Cu and Zn.

Titanium and phosphorous are present in the surrounding gangue and in the very low grade material, largely the result of apatite and sphene.

Vanadium is present as inclusions within the magnetite with reported grades between 0.02 and 0.04%.

Richmond is still to fully review the extensive metallurgical database and this will be undertaken, in conjunction with additional testing to investigate any variance in recovery characteristics across the deposits, the distribution of trace elements and the economics of the production of intermediate products.

Potential Development

Buena Vista is a pre-development project. The review completed by Richmond to date has determined the previous work completed over the project area, in particular the work undertaken by US Steel is very detailed, complete and of a very high standard.

This detailed work by US Steel has potentially saved Richmond some \$US15-\$US20 million and a minimum of three years to replicate.

As a consequence of the completeness and high standard of the data package Richmond will be able to fast track the mining and metallurgical studies to determine the best strategies for the early development of the project.

The location of the project area in relation to the Southern Pacific railway and port facilities at and adjacent to San Francisco negate the requirement for significant capital expenditure on transport facilities.

In addition, power and water are available near the site so the only major capital items required will be related to the processing circuit and general mine infrastructure.

As discussed earlier, previous studies indicate that the Buena Vista ore beneficiates to a high grade magnetite concentrate and this value add will be the focus of the initial economic studies. In conjunction with the potential to high grade the West and South Central deposits, the strategy of shipping an intermediate product will also be explored.

Summary

Buena Vista represents an advanced iron ore project that has the potential to achieve early production.

It is a significant acquisition for Richmond and the Company intends to fast track as much of the assessment work as possible over the coming six months.

The location, infrastructure, land holding, geology, metallurgy and resources all indicate, at this stage, a significant development opportunity for Richmond.

Howard Dawson
Chairman

This document contains forward looking statements that are subject to risks associated with exploration and mining. Forward looking statements are not statements of historical fact and actual events and are only predictions. Actual results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors external to the company.

The information in this report that relates to, resources and resource potential is based on information compiled by Dr Vernon Stockmayer and Mr Howard Dawson who are Members of the Australian Institute of Geoscientists. Dr Stockmayer is an independent consultant to Richmond Mining Limited. All other discussion of geology and metallurgy are based on information compiled by Mr Dawson, Chairman of Richmond Mining Limited. Dr Stockmayer and Mr Dawson have sufficient experience in the style of mineralisation and type of deposit under consideration and to the activity to which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Both Dr Stockmayer and Mr Dawson consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.