

17 November 2011

BUENA VISTA IRON PROJECT - FINANCING UPDATE

HIGHLIGHTS

- **Indicative financing offers of up to US\$180M received;**
 - **Prominent international bank to be Mandated Lead Arranger, subject to final negotiation of term sheet; and**
 - **Project optimisation review to be completed by December 2011.**
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Richmond Mining Limited ("Richmond" or the "Company") advises it has received indicative financing offers, of up to US\$180 million, for the development of the Buena Vista Iron Project located in Nevada USA (the "Project").

Following receipt of a number of debt financing offers from International and Australian banks, and extensive negotiations with those banks, the Company is now moving to mandate a prominent international bank as the Company's "Mandated Lead Arranger". Such appointment will, however, be subject to the final negotiation of an acceptable term sheet.

In addition to the receipt of debt financing offers from banking groups, Richmond has also received subordinated debt offers from capital providers in conjunction with international commodity trading houses. The subordinated debt is intended to be established in tandem with the awarding of a commercial off-take agreement with the selected commodity trading house.

As part of the due diligence process, all institutions that submitted financing offers have visited the Project site and port facilities that are being considered for the export of the iron concentrate.

Having received offers of finance that exceed the Project's estimated development capital costs of US\$161 million, as defined in the feasibility study, Richmond is now looking to negotiate working capital and cost overrun facilities.

In parallel, the Company is also undertaking a project optimisation review to identify areas for potential capital and operating cost savings. This optimisation review will be completed in December 2011.

Richmond is pleased with the strong interest expressed in the Project by all parties and is now looking forward to finalising the Project financing. High quality magnetite concentrate is scheduled to be available for shipping within 9-12 months of finalising Project finance.

Max Nind
Managing Director