

21 June 2011

**SETTLEMENT OF ACQUISITION OF
THE BUENA VISTA IRON PROJECT**

Richmond Mining Limited (Richmond) announces that its wholly owned subsidiary, Nevada Iron LLC (Nevada Iron), has today acquired from Kircher Mine Development LLC (Kircher) the Buena Vista Iron Project located in Nevada USA (Project).

The purchase price of US\$6,000,000 was satisfied by the payment of US\$3,000,000 in cash and by the issue of 6,187,092 fully paid ordinary shares in the capital of Richmond.

Nevada Iron now owns 100% of the Project and Kircher retains a 20% beneficial and net profits interest ("NPI"). Nevada Iron has an additional 18 months to acquire from Kircher the outstanding 20% beneficial interest and NPI for a cash consideration of US\$2 million or alternately US\$1 million in cash and the granting of a gross revenue royalty of 1.5%.

The acquisition of the Project follows with the release of the highly positive results of the Project's West Deposit Feasibility Study.

These Feasibility Study results include:

- capital cost of US\$161 million;
- IRR of 41% (using a conservative average FOB concentrate price for the initial 10 years of US\$110);
- average annual high grade iron ore concentrate production of 1.75 million wet metric tonnes grading 67.5% Total Fe, with very low impurities over an initial 10 year mine life;
- free after tax cash flow of US\$476 million from the first 10 years of operations; and
- first concentrate delivery targeted for Q4 2012.

The existing resources and known exploration targets have the potential to significantly expand the Project's life past the initial 10 years. This potential should underpin a long-life operation at Buena Vista.

Michael Higginson
Company Secretary

Issued Shares: 64 million**Market Capitalisation: \$26.2 million**