

14 June 2011

CHURCHILL COUNTY PLANNING COMMISSION UNANIMOUSLY APPROVES BUENA VISTA MINE

Following the recent release by Richmond Mining Limited (Richmond) of:

- the highly positive results of the Feasibility Study on the Buena Vista Iron Project; and
- the formation of a strategic alliance with Hebei Iron & Steel Group Co Ltd of China to fast track development of Buena Vista,

Richmond announces the granting of the Special Use Permit by Churchill County to the Company's wholly owned US subsidiary, Nevada Iron LLC (Nevada Iron).

The Company's Managing Director, Mr Max Nind, said "Churchill County's Planning Commissioners have unanimously approved Nevada Iron's Special Use Permit (SUP) to allow development of the Buena Vista mine."

"The granting of this permit demonstrates the County's enthusiasm for a regionally beneficial project and provides Nevada Iron with the ability to secure all Churchill County construction-related permits for mine and mill infrastructure."

Using Churchill County's wide-ranging SUP approval, Nevada Iron will now complete the application process for the required permits from the State of Nevada to allow mine build-out.

The Planning Commissioners thanked Nevada Iron for its commitment to the economic development of Churchill County and Northern Nevada.

Describing the Special Use Application as "very complete" and "thorough", the Commissioners heard public testimony from the Churchill County Economic Development Agency who fully supported the project.

The Commission also read a letter of support for the mine from the Nevada Land and Resources Company, the largest private land owner in the State.

There was no public opposition to the mine application.

Nevada Iron representatives thanked the Planning Commission and its staff for their support and guidance during the application process, which has led to this significant endorsement of Buena Vista.

Having now secured the essential water rights permit and the SUP, Nevada Iron continues to be confident that all other permits, licences and approvals necessary for the development of Buena Vista will be secured in a timely manner.

Buena Vista - Background

The Buena Vista Feasibility Study, which is based solely on accessing ore from the West deposit, investigated producing 1.75 Mtpa (million wet tonnes per annum) of concentrate for an initial 10 years of operation.

Importantly the mine will be the producer of a high grade iron ore concentrate with very low impurities, assaying 66-69% Fe; 1.5-4.5% SiO₂; <1% Al₂O₃; 0.003% P; and 0.003% S.

The concentrate will be sent via a 40 km slurry pipeline to a rail siding located at Colado Junction, 10 km northeast of Lovelock, and then transported by rail to a Port in the San Francisco Bay/Delta Region of California.

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.

The Buena Vista Feasibility Study yields the following results:

<i>Direct capital cost</i>	US\$161 million (including cost of slurry pipeline).
<i>Project NPV_{7.5%} after tax and capital</i>	US\$160 million (excluding a 10% contingency applied to both direct and ongoing capital costs and included in the NPV result previously reported).
<i>Project IRR_{7.5%}</i>	41%
<i>FOB concentrate price</i>	US\$110 average FOB price for initial 10 years production.

Richmond is scheduling to have Buena Vista operational by the fourth quarter in 2012.

Max Nind
Managing Director

Issued Shares: 57.8 million

Market Capitalisation: \$26.6 million