

29 July 2011

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2011**HIGHLIGHTS**

- **Discussions with financiers for development funding for the Buena Vista Iron Project commenced.**
- **Positive Definitive Feasibility Study ("DFS") completed on Buena Vista.**
- **US\$160 million NPV_{7.5%} after tax and capital expenditure and 41% Internal Rate of Return.**
- **Conservative 10 year average FOB concentrate price of US\$110/t used in financial model.**
- **Free cash flow of US\$476 million after tax from initial 10 years of operations.**
- **Capital costs estimated at US\$161 million, including cost of slurry pipeline.**
- **Conventional processing produces high quality concentrates grading 66-69% Fe with low impurity levels.**
- **Cash operating costs of US\$66/wmt of concentrate.**
- **First concentrate delivery targeted for Q4 2012, subject to timely receipt of approvals and completion of financing.**
- **Agreement signed for the purchase of 3 Rod Mills.**
- **Acquisition of Buena Vista project completed.**
- **Working agreement with Hebei Iron & Steel.**

Overview

Richmond Mining Limited (ASX Code: RHM) is an Australian based resource company focused on the exploration, discovery and development of multi commodity resources.

The Company's prime project is Buena Vista, which is located in Nevada in the United States. Based on a positive definitive feasibility study completed in late May 2011, the project has established JORC magnetite resources and reserves for which an average of 1.75 million wet tonnes per year of high grade magnetite concentrate will be produced for an initial mine life of 10 years.

Issued Shares: 65 million**Market Capitalisation: A\$24.7 million**

Summary of June Quarter Activities

Buena Vista (100%)

Buena Vista is a magnetite iron deposit that was discovered in 1898, intermittently mined in the 1950s and 1960s and most recently explored by US Steel in the period 1961-1979 as a potential feed for a US based pelletising plant. At least 320 diamond holes have been completed over the whole property, together with extensive metallurgical test work and mining studies.

As part of their studies, US Steel outlined substantial pre-JORC reserves and resources within the West, South Central, Iron Point, Southwest and Section 5 deposits. These deposits within the historic pit designs had a combined waste to ore ratio of less than one.



All of the current JORC resources and reserves at the Buena Vista project are on private land under patented mining claims. This is an important consideration within the United States and allows Richmond to fast track development through accelerated approvals.

In addition, Buena Vista is located approximately 40 kilometres from the Union Pacific rail line that connects to port facilities at Sacramento, Stockton, Richmond and San Francisco.

Definitive Feasibility Study

During the June quarter the DFS was completed.

The DFS confirmed that the Buena Vista Iron Project is an economically robust, long-life iron ore project which will generate substantial returns for the Company and deliver significant benefits to the local Counties and the State of Nevada.

Key DFS Outcomes

- Using a conservative 10 year average FOB concentrate price of US\$110/t the Project NPV_{7.5%} after tax and capital expenditure is US\$160 million and the IRR is 41%.
- Free cash flow after tax from the initial 10 years of operation is US\$476 million.
- Indicated Resources defined to JORC standard of 65 Mt that include a JORC Probable Ore Reserve of 59 Mt, which is sufficient to underpin the initial 10 year production profile.
- Completion of initial mine planning and detailed mine design confirms a very favourable waste to ore ratio of 1.14 to 1.

Key Project Metrics – Initial 10 Years of Production

- Ore mined: 59 Mt (5.9 Mtpa).
- Waste to ore stripping ratio of 1.14: 1.
- Average concentrate production of 1.75 million wet metric tonnes per annum.
- Average concentrate grade of 67.5% Fe.

The DFS is based solely on accessing ore from the West deposit to produce on average 1.75 Mtpa (million tonnes per annum) of wet concentrate for an initial 10 years. The concentrate will be sent via a 40 km slurry pipeline to the rail siding located at Colado Junction, 10 km northeast of Lovelock, for dewatering and then transported by rail to a Port in the San Francisco Bay/Delta Region of California.

Iron ore concentrates assaying 66-69% Fe; 1.5-4.5% SiO₂; <1% Al₂O₃; 0.003% P; and 0.003% S will be produced at a rate of 1.75 million wet tonnes per annum and contain 7-7.5% moisture for shipping to Asia.

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

Capital Cost Estimates (US\$)

Capital cost estimates were prepared by GR Engineering Services Limited, in conjunction with TEC Civil Engineering Consultants in the USA and other consultants. The estimated capital cost breakdown for the Project piping option is as follows:

Cost Centre	(US\$M)
Mining	5.8
Plant Site	110.2
Colado Site	21.8
Site Infrastructure	4.8
Off Site Infrastructure	16.4
Owner's Costs	2.3
Total Costs	161.3

Two options, namely trucking and piping, were considered for the delivery of the concentrate from the mine site to the Colado rail siding. The concentrate piping alternative, while increasing the capital cost, delivers a number of advantages over trucking, namely:

- Elimination of safety hazards associated with a high level of truck movements;
- Environmentally more acceptable;
- Significantly lowering the operating cost over the life of the Project; and
- Eliminates the risk of down time due to potentially inclement winter weather.

Operating Cost Estimates (US\$)

The total operating cost estimates for the Project (piping option) for the initial 10 years of operation are as follows:

Cost Centre	Mining US\$M	Crushing US\$M	Beneficiation US\$M	Power US\$M	Water US\$M	Admin US\$M	Total US\$M	Total \$/wmt conc
Fixed	43.3	9.4	30.3	4.8	-	28.5	116.3	6.86
Variable	329.4	14.9	97.0	45.0	1.9	-	488.2	28.79
Total Site	372.7	24.3	127.3	49.8	1.9	28.5	604.5	35.65
OffSite							514.4	30.33
TOTAL							1,118.9	65.98

Financial Evaluation (US\$)

Extensive financial modelling has been undertaken for the concentrate operations of the Project. The cash flow model includes revenue, operating costs and capital costs for six monthly periods for the initial 10 years of mine life. As the Buena Vista concentrate would be classified as a high quality pellet feed, the most appropriate benchmarks to use for revenue forecasts are based on either the Vale Standard Sinter Feed price or the Vale Carajas Sinter Feed price. Iron revenue prices used in the DFS are on an FOB basis, with the base price for 2012 being US\$134/t and an average 10 year price of US\$110/t.

Capital cost estimates are based on sourcing quality second hand equipment for the major items, such as mills and crushers, with all other equipment based on new prices. A summary of the financial analysis and model outcomes is as follows:

Item	Value
Discount Rate	7.5%
NPV after tax and capex	US\$160 M
IRR after tax and capex	41%
Capital cost	US\$161 M
Av. operating cost	US\$66/wmt concentrate

All numbers presented above are for 100% of the Project.

Sensitivity to FOB Price

The DFS has been completed using FOB prices that result in an average FOB price of US\$110/t for the initial 10 year Project life. The following table sets out the different NPV's and IRR's that would result if FOB prices were increased and that same price was used for each of the Project's 10 years (all other parameters remain unchanged):

US\$ FOB Price/t	Project NPV after tax and capex	Project IRR after tax and capex	Free Cash before Capex
\$150	US\$402 M	79%	US\$868 M
\$140	US\$341 M	67%	US\$772 M
\$130	US\$279 M	56%	US\$676 M
\$120	US\$217 M	44%	US\$580 M
DFS	US\$160 M	41%	US\$476 M

West Deposit Mineral Resources

Total Indicated JORC Resources for the West Deposit are tabulated below.

Domain	Tonnes	Total Fe %
High Grade	3,300,000	48.7
Medium Grade	18,100,000	29.7
Mining Envelope	10,700,000	20.7
Low Grade	33,000,000	16.5
GRAND TOTAL	65,100,000	22.5

Other Resources

In addition to the West deposit, the broader area of the Buena Vista Project contains other magnetite JORC resource estimates, which are based on historic diamond drilling and are tabulated below.

Deposit	Category	Tonnes	% Magnetic Fe	% Total Fe
South Central	Indicated	37,000,000	18.6	21.9
East	Indicated	19,000,000	17.9	21.1
Section 5	Inferred	6,000,000	20.0	23.5
Section 5 East	Inferred	4,000,000	11.8	13.9

Note: Based on statistical analysis of the historic Davis Tube Testwork undertaken on behalf of U.S. Steel. Magnetic Fe is 85% of total Fe.

During the quarter, a ground magnetic survey was carried out over the Section 5 and Section 5 East Deposits. Preliminary results from this survey suggest that an easterly ore extension to Section 5 may be present. A more detailed magnetic survey is currently being undertaken to further investigate this possible extension.

Exploration Targets

A number of exploration targets have been identified by U.S. Steel and RHM (Iron Horse) as a result of reconnaissance drilling and aeromagnetic data interpretation and field mapping.

Prospect	Tonnes	% Magnetic iron	% Total Fe
BV-D	10-18,000,000	16-20	19-24
A5-1 Anomaly	80-110,000,000	16-20	19-24
A-10 Anomaly	70-90,000,000	15-20	18-24
Iron Horse	1-3,000,000	-	59-68

Note: 15% magnetic Fe cut off grade (magnetic Fe is 85% of total Fe).

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.

Ore Reserves

Following completion of mine planning and detailed mine design activities, an initial Ore Reserve Statement was prepared by Minesure Pty Ltd as follows. The Project's Reserves are derived from JORC Indicated Resources and are classed as Probable. The estimated JORC Ore Reserve based on a 9% Fe cut-off grade is 59.0 million tonnes grading 21.7% Total Fe.

Metallurgical testing of a wider range of low grade ore samples was completed as part of the DFS and demonstrated that between 30 and 50% of the waste rock could be rejected by dry magnetic separation of finely crushed product. This test work pre-concentrated the low grade ore to a level comparable to the average combined grade of the medium grade and high grade ore in the deposit.

The transportable moisture limit testing demonstrated the transportable moisture limit of the concentrate for shipment should be below 9.4% moisture by weight ("w/w"), which provides a margin over the expected filter cake moisture of 7% w/w.

Water Permit

On 4 April, the Company announced that the most critical permit, to allow water to be appropriated for use in mining and milling at the Buena Vista Iron Project, was approved by the State of Nevada's Department of Conservation and Natural Resources (Department).

The Department's State Engineer concluding the comprehensive Hydrological Basin Analysis completed in support of the application by Richmond's US based feasibility study engineers, TEC Engineering, was "convincing".

The expeditious granting of this critical water permit demonstrates the Buena Vista Iron Project is a development priority within the "mining friendly" State of Nevada.

Having secured the necessary and essential water rights permit, Richmond is also very confident that all other permits, licences and approvals necessary for the development of Buena Vista will be secured, as scheduled, in a timely manner.

Rod Mills to be acquired

On 15 April, the Company announced the execution of an Option Agreement to acquire three rod mills for the Buena Vista Iron Project. This acquisition is a major step in fulfilling the Company's ambition of fast tracking the development of Buena Vista and entering the iron ore market by the December quarter of 2012.

The acquisition of the rod mills that are part of the proposed grinding circuit at Buena Vista allows the Company to avoid potential lengthy delays associated with the delivery timelines for new, long lead time mining plant and equipment.

The purchase price for the rod mills and associated spares is US\$3,750,000, which is payable as follows:

- US\$375,000 which was paid upon signing of the Option Agreement;
- US\$562,500 as the second tranche payment and which has been paid;
- US\$750,000 which is due on 11 August; and
- US\$2,062,500 which is due on 10 October.

In the event that any payments are not made within the stipulated time frame, then the Option Agreement will expire and all payments made will be non-refundable.

Settlement of Acquisition of Buena Vista Project

On 21 June, Richmond Mining announced that its wholly owned subsidiary, Nevada Iron LLC (Nevada Iron), had completed the acquisition of the Buena Vista project from Kircher Mine Development LLC (Kircher).

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%.

Acquisition of Surface Rights over Section 5

On 22 June, Richmond Mining announced that Nevada Iron had acquired the surface rights to the Section 5 patented land claim that comprises some 525.75 acres.

The acquisition of the Section 5 surface rights is very significant in that it provides Nevada Iron with full surface rights to the land that will house all of Buena Vista's proposed production facilities, plant, workshops, stockpiles and the tailings dam.

The total consideration paid for the Section 5 surface rights was US\$130,813.

Agreement with Hebei Iron & Steel Group

On 23 May, Richmond Mining announced that it and Nevada Iron had signed a Framework Agreement with Hebei Iron & Steel Group Co., Ltd. ("HBIS") to create a strategic alliance to fast track the development of the Buena Vista Iron Project.

The agreement was the culmination of around 9 months of negotiations and brings to the Project an endorsement that steel producers see Buena Vista as being a long term provider of high grade magnetite to the steel making market.

The Hebei Group is one of the largest steel groups in China, formed by the merger on 30 June 2008 of two major steel companies – Tangshan Steel Group and Handan Steel Group. The Group has a combined annual steel output of 40 Mt.

HBIS is headquartered in Shijiazhuang City, the capital of Hebei Province, which is the largest steel making Province in China with estimated steel production for the current year of around 140Mt.

Richmond continues to work closely with HBIS but the initial exclusivity period that was granted to HBIS pursuant to the agreement has now expired.

Narracoota (100% Richmond)

The Narracoota project is located about 80 kilometres north of Meekatharra, Western Australia.

The project covers part of the southern section of the Palaeoproterozoic Bryah Basin (a sub-basin of the Glengarry Basin) and has been explored for epigenetic gold and volcanic massive sulphide-style base and precious metals by previous explorers.

During 2010 Richmond tested a circular magnetic feature as part of a wider drill programme to test a range of VTEM anomalies. The hole drilled into the magnetic anomaly – NRC 5, intersected highly anomalous Au over 30 metres of vertical depth.

Hole	Interval	Description	Au	Cu	Ni	Zn
NRC5	10-20m	Mafic dyke?, highly magnetic	0.33	105	74	107
NRC5	20-30m	Mafic dyke?, variably magnetic	0.12	127	96	111
NRC5	40-50m	Mafic dyke?, variably magnetic, minor pyrite	0.35	147	108	80

Note: Au results in g/t, all other results in ppm. Au assayed by FA30; Cu, Ni & Zn assayed by AAS.

To concentrate on the Buena Vista project, Richmond has joint ventured this project to Latin Gold Limited, an ASX listed company. Latin Gold can earn up to 50% interest in the project by spending \$500,000.

The magnetic feature which was the target of the previous drilling lies at the intersection of three structural lineaments trending WNW, WSW and NW respectively. The feature is completely soil covered and as a result the follow up programme – which is planned for the September quarter by Latin Gold will be RAB or aircore drilling to refusal to test a wider zone.

Loongana (Richmond 100%)

The Loongana project is located on the Nullarbor Plain within Western Australia and covers over 40 kilometres of a buried mafic and ultramafic intrusive. The intrusive had been interpreted from geophysical surveys and two historic drill holes, and the six drill holes completed to date by Richmond have confirmed the geology.

To concentrate on the Buena Vista project, Richmond has joint ventured this project to Latin Gold Limited, an ASX listed company. Latin Gold can earn up to 50% interest in the project by spending \$500,000.

As a result of unseasonal rain access to the area is currently not possible.

Corporate

At the completion of the June 2011 quarter, Richmond had cash reserves of approximately \$1.3 million.

To date the Company has expended approximately \$9.1 million on the acquisition and evaluation of the Buena Vista Iron Project. This cost includes the purchase of mine equipment.

Richmond has made good progress with financiers for the development funding needed for the Buena Vista Iron Project.

Max Nind Managing Director

For further information on the Company visit www.richmondmining.com.au

Competent Persons Statements

The information in this presentation that relates to, resources and resource potential is based on information compiled by Dr Vernon Stockmayer who is a Member of the Australian Institute of Geoscientists. Dr Stockmayer is an independent consultant to Richmond Mining Limited. All other discussion is based on information compiled by Mr Howard Dawson, Mr Max Nind; who are Members of the Australian Institute of Geoscientists; and Mr Thomas Duckworth; who is a Fellow of both the Australasian Institute of Mining and Metallurgy and Institute of Materials, Minerals and Mining, London. Mr Duckworth is an independent consultant to Richmond Mining Limited. Mr Dawson, Chairman, and Mr Nind, Managing Director, are representatives of Richmond Mining Limited. Mr Dawson, Dr Stockmayer, Mr Nind and Mr Duckworth have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity to which they are undertaking to qualify as Competent persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Dawson, Dr Stockmayer, Mr Nind and Mr Duckworth consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Sections of information contained within this report that relate to Ore Reserves are based on information compiled by Nigel Spicer who is a full-time employee of Minesure Pty Ltd and a Member of both the Australasian Institute of Mining and Metallurgy and Institute of Materials, Minerals and Mining, London. Nigel Spicer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Nigel Spicer consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.