

30 January 2012

QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2011

HIGHLIGHTS

- **Debt term sheets actively negotiated with a prominent international banking group as lead debt arranger;**
- **Appointment of independent technical experts to complete engineering report for the debt arranger;**
- **Review of historical drilling at the Section 5 target indicates potential for additional resources of increased magnetite grade at Buena Vista;**
- **Acquisition of three Rod Mills completed;**
- **Surface disturbance air quality permit issued;**
- **Agreement with the Bureau of Land Management on overall scope of Environmental Assessment for linear infrastructure components;**
- **Water quality analysis testing on waste and iron ore samples indicate there are no leachable elements that would likely degrade groundwater;**
- **Expressions of interest received for a 10 year full service fleet of up to 400 rail cars;**
- **MOU signed with a major railroad company on infrastructure elements required to provide rail services to the Colado rail siding;**
- **Project optimisation review continuing.**

Overview

Richmond Mining Limited (ASX Code: RHM) is an Australian based resource company focused on the development of the Buena Vista iron project.

The Buena Vista iron project is located in Nevada in the United States. Based on a positive 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: 79.2 million	Market Capitalisation: A\$17.0 million
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Buena Vista

During the December quarter an active programme of work was carried out over Buena Vista. This work included engineering optimisation, environmental studies, a review of historical drilling results, permitting reports and studies over alternate tailings sites to allow for an expansion and continuance of the operation for greater than 10 years.

Considerable work was also completed in evaluating the most favourable logistics for the transport and shipment of the magnetite concentrate.

Process Design

Process design work progressed on the project on a number of fronts with three US based engineering firms carrying out process design studies on the beneficiation plant, concentrate pumping and pipeline and tailings storage facility.

Beneficiation plant

The feasibility study was based on a primary, secondary and tertiary crushing circuit followed by an initial grind through rod mills and final grind using ball mills. This circuit was chosen as a consequence of the availability of long lead time equipment.

Subsequent to the completion of the feasibility study, Richmond's engineering consultants have sourced two AG/SAG mills and engineering design has commenced to determine the economics of this processing route.

The process design work is focussed on investigating an autogenous grinding (AG)/semi autogenous grinding (SAG) – ball mill circuit to treat the updated resource of 88 Mt in the West deposit. Revised mine production schedules are currently being finalised for the increased resource and plant throughput rate.

With the availability of the two AG/SAG mills, the design work includes a design and capital cost study on a process circuit consisting of primary crushing, AG/SAG primary grinding and ball mill secondary grinding (incorporating a third AG mill modified and used as a ball mill plus Richmond's three rod mills converted to ball mills).

The above processing circuit is to be compared with the feasibility study process route of three stage crushing, rod milling and ball milling. Both circuits are based on mining 6 Mtpa of ore. The AG/SAG circuit will process all ore mined, which is a 20 - 25% increase in plant throughput over the 4.8 Mtpa under the feasibility study process route. This increase in grinding capacity offers flexibility in mine production scheduling, which is currently being investigated.

During the quarter, the Company paid the final instalment of US\$2,062,500 for the acquisition of three Nordberg rod mills. The total consideration paid was US\$3,750,000.

Concentrate pumping & pipeline

The concentrate pipeline design work is assessing the pumping requirements, pump selection as well as defining in detail the pipeline route for both the concentrate pipeline and return water pipeline.

The next phase involves a pumping test which needs to be undertaken on a much larger sample of concentrate. A high grade ore composite grading 56.8% iron was crushed, ground and magnetically separated in order to produce sufficient concentrate for the test.

The test work produced 20 kg of concentrate that assayed 70.1% total iron, 1.2% silica and 0.4% alumina with low phosphorus 0.005% and sulphur 0.007%. This concentrate analysis is in line with a similar concentrate sample produced from a large scale test for the feasibility study and also test samples from variability test work on drill core samples from the deposit.

The 20 kg concentrate sample was also used to perform a larger scale pressure filtration test than was undertaken for the feasibility study. The test returned a similar filtration rate and moisture content (7-7.5% w/w) to the earlier sample, both moisture contents being well within the required transportable moisture level for shipping concentrate of this size range.

Tailings storage facility (TSF)

During the quarter a ground sterilisation magnetic survey was completed and interpreted.

As a result of this survey a substantial magnetic anomaly was noted in the area of the proposed plant site and the TSF site adopted in the feasibility study.

The magnetic anomalies may indicate potential extensions to existing resources as well as new ore bodies. As a consequence, it was determined that the TSF be relocated further south to allow for drill testing.

The relocated TSF site will deliver additional advantages, in that is expandable and has significantly greater capacity than the original site. In addition, it is anticipated that the cost to prepare the site will be significantly less than the original proposed site due to lower variability in topography. By relocating the TSF to a flatter site, it is estimated that the site preparation and construction costs could be reduced by up to 30%.

The design work for the re-located TSF has only recently commenced and no detail design data is available.

Permitting

Major permit and compliance work undertaken in the December quarter included:

- Agreement was reached with the Bureau of Land Management (BLM) on the overall scope of the Environmental Assessment (EA) for the project's linear infrastructure components.
- Coordination and fieldwork with the BLM was undertaken regarding wildlife evaluations and habitat mapping.
- The State of Nevada issued an air quality permit for the mill site to be located in Section 5. This permit allows Richmond Mining Limited's wholly owned subsidiary, Nevada Iron to begin grading for foundation construction for the mill site.
- Western Environmental Testing Laboratory conducted water quality analysis testing on existing water wells in the Carson Sink and on leachate from meteoric water column samples from two waste rock and two iron ore samples. The analytical data will be used in the water pollution control permit and for the evaluation which would permit the waste rock to be used as fill at Colado Junction.

In support of the Water Pollution Control permit, leachate from meteoric water column samples from two waste rock and two iron ore samples were analysed to determine if the ore and/or the waste rock would leach elements that could degrade shallow (less than 100 feet below the existing ground surface) ground water. The results indicated that there were no leachable elements that would likely degrade groundwater. Nor were there any other leachate conditions that posed a threat to groundwater quality - pH within acceptable ranges (7.3 to 9.3 with most in the range of 7.5); no sulphides; minor salts, and no arsenic.

- An agreement was reached with the State of Nevada to continue evaluating the potential to construct the tailings storage facility (TSF) and mullock dump without an HDPE liner. If no liner is required, then the capital cost of the TSF may be reduced by up to US\$3 million. The State was provided the analytical results from the meteoric water column samples. Furthermore, the State agreed to continue meeting with the technical consultants to provide guidance before a formal Water Pollution Control Permit application is submitted.
- Following consultation with the BLM, the power transmission line length to the project site can now be shortened by more than two miles. Relocation requires modifying the project description for the EA and providing updated maps of the new location to the BLM. The ultimate result is a shorter transmission line amounting to capex savings of several hundred thousand dollars.

The BLM requested an architectural historian assess any historic structures along the transmission line route and at the mine site. The architectural historian conducted the survey and identified several old buildings along the transmission route, but concluded that the project would not affect these structures.

- Work commenced on obtaining formal confirmation that construction of the pipeline and the transmission line will not require any water quality or jurisdictional analysis by the US Army Corps of Engineers under the US Clean Water Act.

Based on informal conversations with the US Army Corps of Engineers, there seems to be a tentative agreement that no jurisdictional waters of the US will be affected by the project and, therefore, no Clean Water Permit will be required. A formal determination will be made in the quarter commencing April 2012.

Logistics

Negotiations were held with a number of rail car leasing companies with regard to providing a 10 year full service deal for a fleet of up to 400 rail cars and expressions of interest were received. The Company is planning to use standard design rapid discharge, bottom dump aggregate hopper cars for the rail haul from Colado, Nevada to one of the northern California ports.

Importantly, a Memorandum of Understanding has been signed with a major railroad company outlining the infrastructure elements required to efficiently and safely provide rail service to the Company's Colado rail siding and to establish the protocol for their track authorisation processes.

The Colado rail siding site plan is being finalised, subject to confirmation from the railroad of the maximum number of rail cars permissible per unit train.

At Nevada Iron's request; the railroad, Peninsula Rail Board and Port of San Francisco have met to review the operating requirements for accessing the Port of San Francisco. The Port has recently received a federal grant to upgrade the lead track from the main line into the port rail yard.

This upgrade will reduce the potential for delays caused by a slow moving freight train switching from the main line onto the lead track by providing improved signalling and a motorised switch (points).

The Company continues to review other sites for port facilities including disused industrial sites around the San Francisco Bay region.

Exploration

A review of historical drilling data over the Section 5 target at Buena Vista commenced and early results have highlighted the potential for additions to the resources at Buena Vista as well as higher grade magnetite mineralisation.

Four of these holes from the Southern Pacific Company's 17 hole drilling programme have been reviewed to date and all demonstrate wide widths of magnetite mineralisation, with in many cases individual assays grading +30% total Fe and as high as +50% total Fe.

Hole	Easting	Northing	From	To	Interval	Total Fe
SP 06	611 180 ft	190 3040 ft	46.7 ft	210.0 ft	163.3 ft (49.8m)	33.4%
			245 ft	440.0 ft (EOH)	195.0 ft (59.4m)	32.6%
SP 07	611 290 ft	190 3070 ft	39.9 ft	560.0 ft (EOH)	520.1 ft (158.5m)	21.9%
SP 11	611 100 ft	190 3440 ft	73.5 ft	301.2 ft	227.7 ft (69.4m)	24.6%
SP 17	611 330 ft	190 2900 ft	50.0 ft	195.0 ft	145.0 ft (44.2m)	31.3%
			325 ft	500.0 ft (EOH)	175.0 ft (53.3m)	26.6%

Note: The majority of the sample intervals were 5ft (1.5m). Drill holes were vertical diamond holes. A nominal cut-off of 15% total Fe has been used to determine the bulk intervals.

The feasibility study for Buena Vista was completed over the West Deposit for a base case of ten years of operation producing an average of 1.75 Mtpa of high grade (+67.5% Fe) magnetite concentrate.

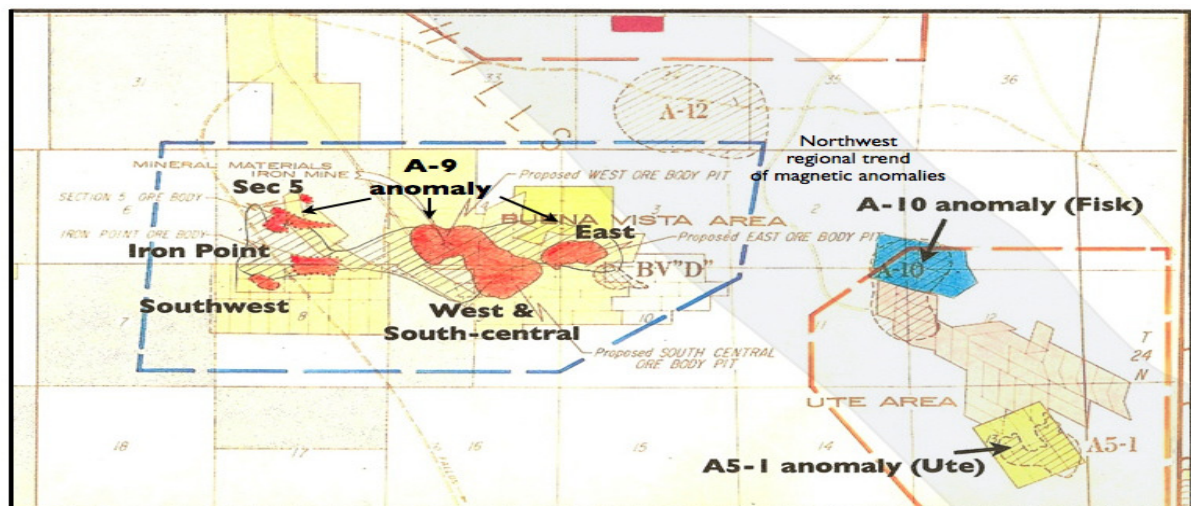


Figure 1: Location of Buena Vista magnetite occurrences

The existing JORC resources and clear potential of targets such as Section 5 support Richmond's expectations that the operational life at Buena Vista could reach or exceed 20 years.

Work has also commenced on examining a number of the other significant historical magnetite occurrences at Buena Vista, with initial focus on the South Central, Section 5 and Iron Point targets (Figure 1).

Financing of Buena Vista

During the December quarter, Richmond moved to mandate a prominent international banking group as the Company's "Mandated Lead Arranger". Such an appointment is subject to the final negotiation of an acceptable term sheet.

As part of the financing process, an independent due diligence review of the project is required to be undertaken. During the quarter, a Colorado based engineering firm commenced their investigation of Buena Vista on behalf of the Lead Arranger.

The engineer's independent report will provide an opinion on the suitability of the feasibility study's underlying assumptions and project plan. This review document is utilised by the bank's credit committee in considering the credit approval of the senior debt facility.

In addition to the receipt of debt financing offers from international 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.

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 moving to negotiate working capital and cost overrun facilities.

Iron Ore Market

Subsequent to the end of the quarter, the iron ore price has stabilised at a level around US\$130 – US\$140/dmt range (Platts 62% Fe) and the current market consensus for the future iron ore price is around US\$130/dmt.

As has been previously reported, the Buena Vista concentrate is a high grade, low impurity clean concentrate that is expected to attract a significant premium. If the Platts 62% Fe assessment maintains a level of US\$130/dmt, this would suggest a delivered price of US\$158/dmt for Buena Vista 69% Fe concentrate.

This price is compared to the average pricing forecast of FOB US\$110 used by Richmond in its feasibility study.

Narracoota (100% Richmond – Latin Gold Limited earning 50%)

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

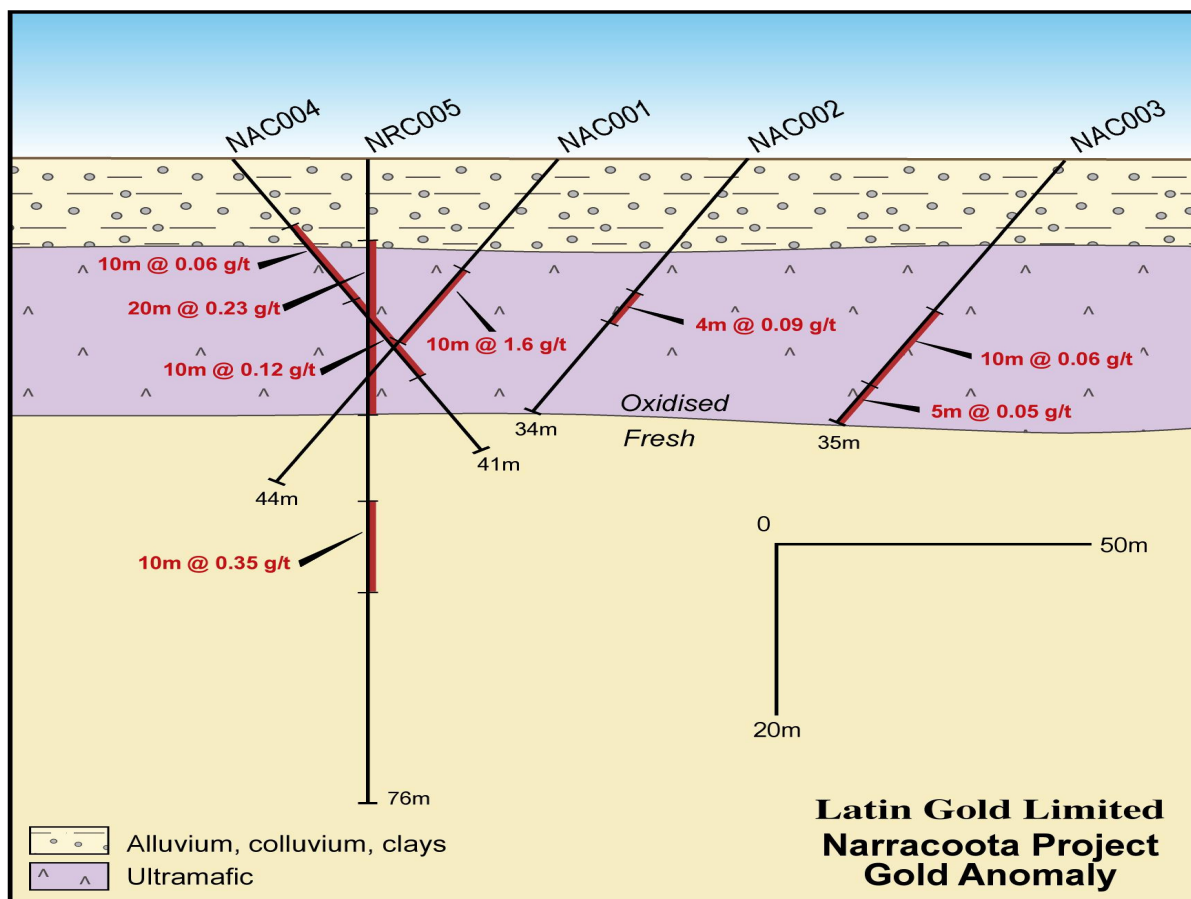
The project covers part of the southern section of the Palaeoproterozoic Bryah Basin (a sub-basin of the Glengarry Basin) and has been explored for epigenetic gold and VHMS-style base and precious metals by previous explorers.

The project area lies some 75 kilometres southwest of the DeGrussa discovery which is hosted by rock units of the Narracoota Volcanics. The Narracoota project contains extensive widths of Narracoota Volcanics which are interpreted to occur in at least three structural repetitions, providing a target zone of approximately 20 kilometres in length.

A drilling programme in 2010 intersected highly anomalous gold values in an alluvial covered area described as lying over a bullseye magnetic feature which is bounded by a number of prominent magnetic breaks and lineaments.

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 and Zn assayed by AAS.

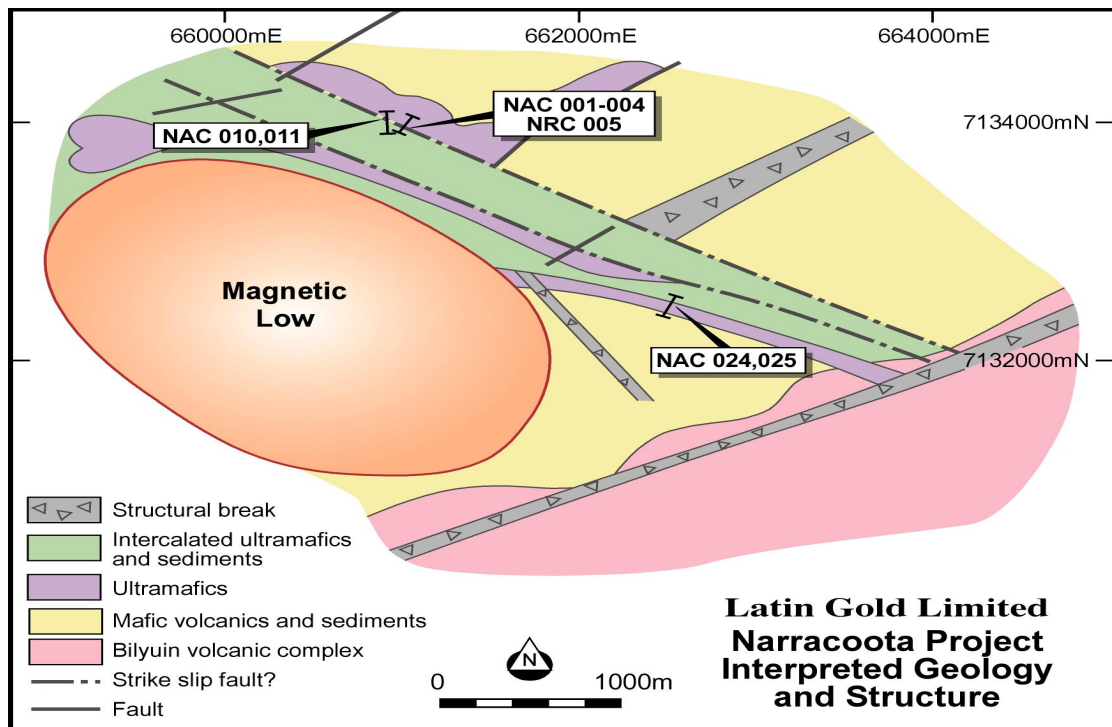


A subsequent follow-up aircore programme in 2011 which drilled across the anomaly returned similar results with a best intersection of 6 metres grading 2.35 g/t gold.

Initial petrological work suggests the host rock to this gold anomaly could be a high magnesium ultramafic rather than a mafic intrusive as originally identified.

Hole	Co-ordinates	Azimuth/Inclination	Interval	Au assay (g/t)
NRC 5	66100mE 7133990mN	Vertical	10-20m	0.33
			20-30m	0.12
			40-50m	0.35
NAC 001	661605mE 7134004mN	60/180	15-17m	0.41
			17-23m	2.35
			23-25	0.52
NAC 002	661604mE 7134019mN	60/180	18-22m	0.09
NAC 003	661605mE 7134044mN	60/180	20-30m	0.06
			30-35m	0.05
NAC 004	661616mE 7133979mN	60/360	12-20m	0.06
			20-30m	0.12

These drill results are very encouraging as the intersection in NAC 001 which bulks out at 10 metres grading 1.6 g/t Au is open along strike and down dip. It also appears to be surrounded by a wide but low grade halo which could indicate a larger mineralised zone is present.



In addition to the follow-up of the gold anomaly, vertical aircore holes were also drilled to refusal across 2.5 kms of strike focusing on areas where the magnetics suggested significant structural dislocation and/or possible magnetite destruction.

The large majority of these regional holes bottomed in ultramafic fragmental rocks with a number of intersections returning highly anomalous nickel values.

These values ranged as high as 3113 ppm Ni (0.31%) and were all in the saprolite zone or weathered basement rocks where there were no obvious signs of any secondary enrichment.

Hole	Interval	Description	Nickel assay (ppm)
NAC 006	23-33m	Saprolite clay, minor ultramafic chips	1003
	33-43m	as above	1026
NAC 010	40-47m	as above	3009
NAC 011	37-54.5m	as above	1313
NAC 024	40-50m	as above	1091
	50-60m	as above	1965
	60-63m	as above	1346
NAC 025	20-30m	as above	1369
	30-35m	as above	3113

From the assay data the background nickel values for the ultramafics in this part of the project area are in the range 250-300 ppm.

Under the terms of the Narracoota joint venture, Latin Gold Limited has the right to earn a 50% interest in Narracoota by expending \$500,000 by no later than 31 December 2012.

Latin Gold Limited was required to expend a minimum of \$75,000 by 30 September 2011. This condition has been met.

Latin Gold applied for a drilling grant under the Royalties for Regions programme funded by the West Australian State government. The Company was successful in achieving a grant of \$59,000 for the proposed 2012 programme.

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 six drill holes completed to date by Richmond have confirmed the geology.

A reverse circulation drilling programme to test three magnetic and gravity co-incident anomalies within the tail and neck section of the ultramafic intrusive is planned for the June quarter of 2012. Three vertical holes are planned with an average depth of around 400 metres.

Richmond was successful in receiving funding of \$122,500 from the Royalties for Regions programme for this proposed drill programme.

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.