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## **Red Mountain signs Binding Share Sale Agreement to acquire Gold Assets from Mindoro Resources**

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Red Mountain Mining Limited (ASX: RMX) is pleased to announce that it has signed a Binding Share Sale Agreement with Mindoro Resources Limited (ASX: MDO) for the acquisition of Mindoro's Batangas and Tapani San Francisco gold and copper-gold assets in the Philippines through the issue of shares by the Company. Key developments include:

- Due diligence completed to the satisfaction of both parties.
- Mindoro (effectively on behalf of RMX) will immediately commence drill testing for potential high-grade "feeder zones" underneath and adjacent to the existing gold resources at Archangel, Batangas Project, under a \$1m loan draw-down facility provided by RMX to Mindoro.
- The transaction remains subject to TSX Venture Exchange approval and approval by Red Mountain Mining shareholders. A Red Mountain Mining shareholder meeting to seek approval for the acquisition is expected to be held on 28 August 2012.
- Conditions Precedent to completion of the transaction include a restructure by Mindoro of the Philippines assets, anticipated to be completed within two months (expected before end of September 2012).
- On completion, Red Mountain will issue Mindoro 100,000,000 RMX shares that will be held by Mindoro in escrow for 12 months and have full voting rights.
- In addition, Red Mountain will issue 50,000,000 Performance Shares that will convert to full voting shares upon Red Mountain upgrading the Indicated Resource at Batangas to 600,000 ozs of gold and completing a scoping study that demonstrates a viable gold mining project based on over 50% of the Indicated Resource converting to Mineral Reserve or equivalent within 12 months of completing the transaction.
- Mindoro intends to make an in-specie distribution of the initial 100,000,000 RMX Shares on expiry of the escrow period 12 months from the sale. The 50,000,000 performance based RMX shares (if milestones are achieved) may be distributed in-specie to Mindoro shareholders up

to 12 months from vesting (ie up to 24 months after the sale). Red Mountain will become a reporting issuer in Canada prior to share distribution but is not planning to list on the TSX Venture Exchange at this stage. Following in-specie distribution and release from escrow it is envisaged that a matching facility will be established to facilitate the trade of RMX shares between the TSX-V and ASX.

Red Mountain Mining's Executive Chairman, Neil Warburton said "this is a very exciting time for the company as we move towards acquiring a 100% economic interest in significant gold resources along with high exploration and additional resource potential tenements. We now look forward to commencing the drilling program on the high grade gold feeder zones at Archangel, Batangas Project and completing the transaction."

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**About Red Mountain Mining**

Red Mountain Mining is primarily a gold explorer and project acquisition company incorporated in Australia in May 2006 and which listed on the ASX in September 2011. The Company's strategy is to unlock the potential of 'under-developed' gold and polymetallic projects by introducing Australian mining methods and improving efficiencies to gain significant production and exploration upside.

Red Mountain Mining has spent more than five years examining potential project acquisitions in China. The Company recently expanded its search for advanced exploration and mining projects to the greater Asian region following several significant projects coming to its attention.

**About Mindoro**

Mindoro is a Tier 1 Issuer trading on the TSX Venture Exchange (MIO), Australian Securities Exchange (MDO) and Frankfurt Stock Exchange (WKN 906167). Mindoro is focused on nickel, gold and copper-gold exploration and development in the Philippines.