

DRILLING COMMENCES TO TEST HIGH GRADE GOLD TARGETS AT LOBO, BATANGAS GOLD PROJECT, THE PHILIPPINES

Perth-based Red Mountain Mining Limited (ASX: RMX) (“the Company”, “Red Mountain”) has commenced Stage 1 of a drilling program to test high-grade epithermal gold Exploration Targets on its Lobo prospect, Batangas Gold Project, 120 km south of Manila in the Philippines.

The initial Exploration Target to be tested will be at **Japanese Tunnel** where the first drill hole will test immediately under the high-grade surface trenching results of **5 metres (m) at 10.43 grams per tonne (g/t) gold (Au) including 1m at 25.14 g/t Au and 2m at 18.12 g/t Au including 1m at 28.69 g/t Au** that were announced on 7th January 2013 (see figure 1 for location).

Subsequent drilling is planned to test mapped extensions of the structure to the south west along strike where 20m to the southwest of the initial trench a broad ~8m wide zone of intermittently exposed veining where previous outcrop sampling to **5m @ 6.63 g/t Au, 9.9 g/t Ag, 11.47 % Cu** indicates continued strong mineralization before the veined zone passes into an area of agglomerate, then under limestone cover.

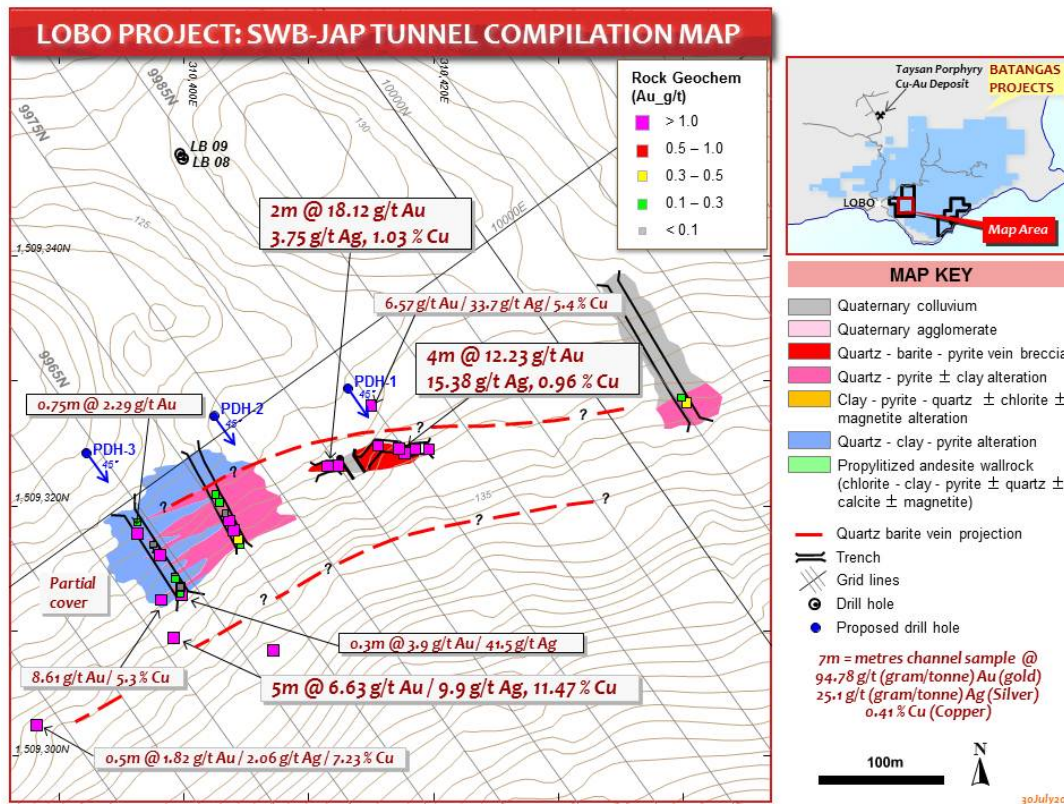


Figure 1: Japanese Tunnel plan of trenching and planned drilling

Red Mountain Managing Director, Mr Jon Dugdale, commented: *“It’s exciting to start drilling again and test these high grade, near surface, Exploration Targets at Lobo. Assay results should start flowing from the third week of August, when we can begin to assess the potential to define further high-grade gold resources.”*

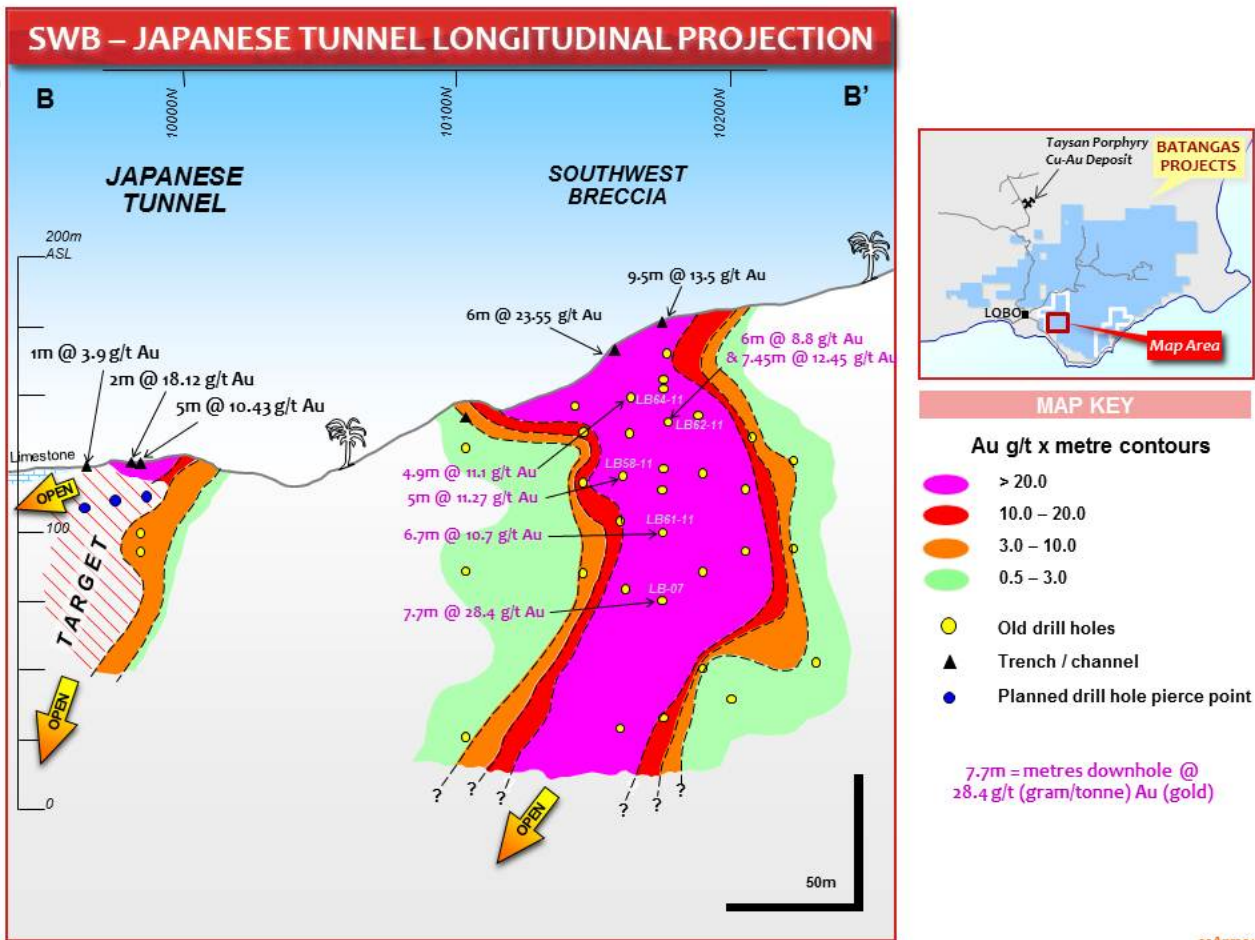


Figure2: Japanese Tunnel (+ SWB) Longitudinal Projection, with drilling planned (blue dots)

About the Lobo Project

Surface trench channel sampling and drilling conducted by Red Mountain and the previous operator has intersected high-grade epithermal gold mineralization in five areas on the Lobo Mineral Production Sharing Agreement (“MPSA” – equivalent to a Mining Lease), namely South West Breccia (“SWB”), Pica, Japanese Tunnel, West Drift and Ulupong (See Figure 3).

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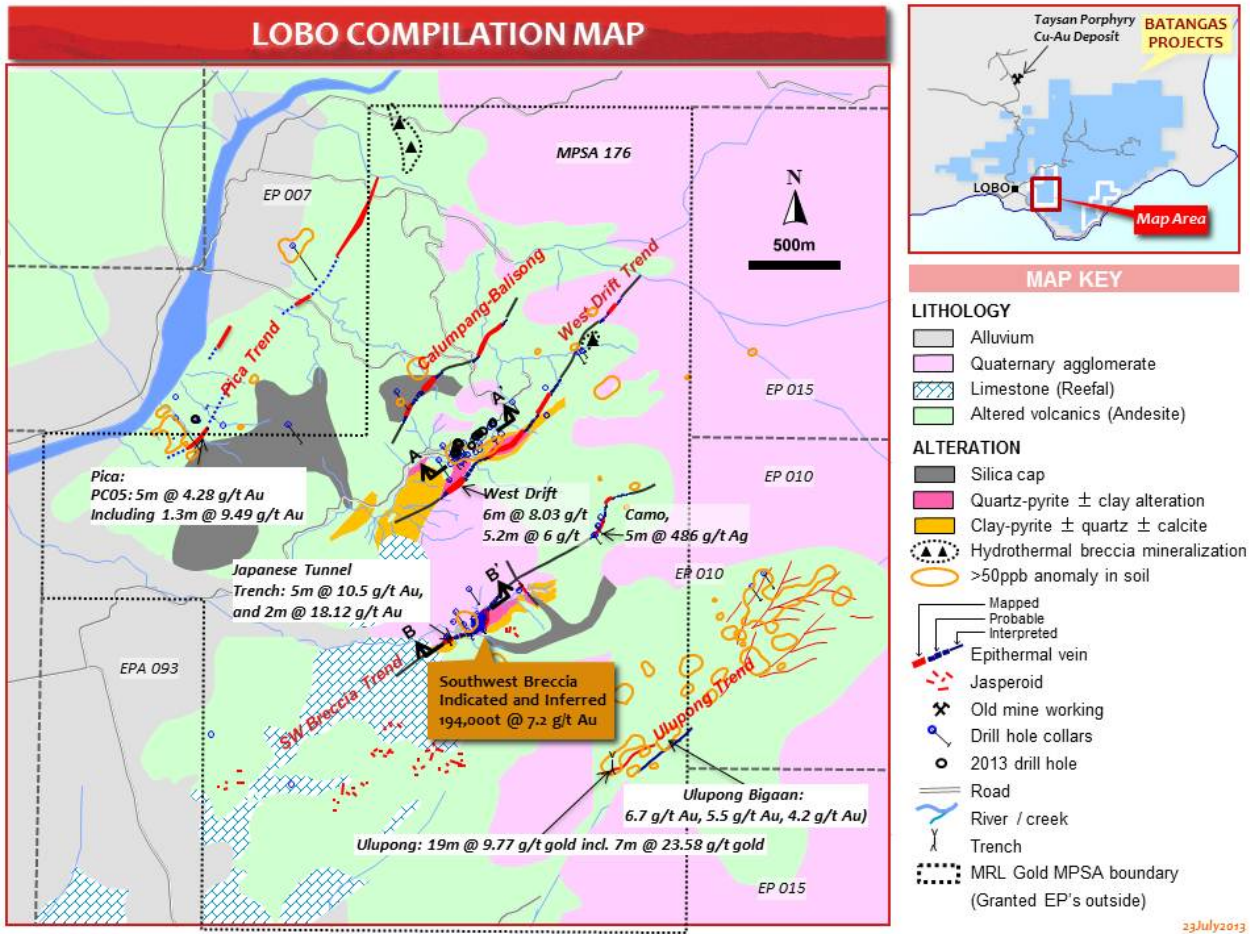


Figure 1: Plan of the Lobo MPSA with epithermal lode structures and Exploration Targets.

Mineral Resources (JORC 2004) have been defined for the SWB shoot, totaling Indicated and Inferred 194,000t @ 7.2 g/t gold for 45,000 ounces of gold ("oz Au"). This includes an Indicated Resource of 178,000t @ 7.4 g/t Au for 42,000 oz Au and an Inferred Resource of 16,000 t @ 5.3 g/t Au for 3,000 oz Au.

Drilling has discovered a new fully intact gold shoot on the West Drift epithermal lode . Initial Mineral Resource estimation is in progress for this shoot.

Drilling and surface trenching has also intersected high-grade gold epithermal vein/lode mineralization at **Pica** and **Japanese Tunnel**. The current drill spacing is of insufficient density to allow estimation of Mineral Resources. However an exploration Target has been estimated for both prospects, estimated in a range of 400,000 tonnes to 700,000 tonnes grading from 3.6 g/t gold equivalent (Au equ.) to 5.3 g/t Au equ. for 45,000 Au equ. ounces to 120,000 Au equ. ounces, (see release of 16th July 2013 for details). The potential quantity (tonnage) and grade of the Exploration Target is conceptual in nature and there is insufficient exploration to estimate Mineral Resources and it is uncertain whether further exploration will result in the estimation of Mineral Resources.

For further information about Red Mountain please visit www.redmm.com.au or contact:

Company Investors

Jon Dugdale
Managing Director
(+61) 402 298026
(+61) 8 9226 5668

Media

Kevin Skinner
Field Public Relations
(+61) 414 822631
(+61)8 8234 9555

About Red Mountain Mining Limited

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

The Company holds direct and indirect interests in tenements in the Philippines that contain significant gold resources and several high-quality copper-gold prospects.

Total Mineral Resources at Batangas at a 0.85 g/t Au lower cut off include Indicated Resources of 2.76 million tonnes @ 2.3 g/t Au, 208,000 oz Au and Inferred Resources of 3.02 million tonnes @ 2.1 g/t Au, 200,000 oz Au for a total of 5.78 million tonnes at 2.2 g/t Au, 408,000oz Au (announced January 30th 2013, 2004 JORC). The company is focussed on upgrading the Batangas resources through discovery of new, high grade, gold zones at Archangel, and Lobo (eg West Drift, Pica, Ulupong). The company will continue drilling with the objective of increasing the size and grade of the Mineral Resources at Batangas then completing a scoping study to demonstrate the viability of a potential high-margin gold project development.

Other gold opportunities will be reviewed on a continuous basis.

Competent Person Statement

The information in this report relating to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Jon Dugdale who is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient exploration experience which is relevant to the various styles of mineralisation under consideration 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'. Mr Dugdale is a full time employee and Managing Director of Red Mountain Mining Ltd. Mr Dugdale takes responsibility and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.