

RED MOUNTAIN FUNDED TO DRILL HIGH GRADE GOLD LODE TARGETS

- **\$1 Million raised from Sophisticated Investors**
- **Up to a further \$0.7 Million to be raised via Share Purchase Plan for Shareholders**
- **Drilling of exceptionally high-grade gold targets to commence immediately**

Perth based Red Mountain Mining is pleased to announce that it has received firm commitments from professional and sophisticated investors for 60,000,000 new shares at an issue price of 1.7 cents per share (A\$0.017 per share) to raise A\$1.02 million (before costs) (**Placement**) to fund initial drilling of its two, potential, exceptionally high grade gold shoot discoveries at its Lobo prospect within the Batangas project in the Philippines.

In conjunction with the Placement, which will be made pursuant to the Company's existing annual placement capacity, the Board is pleased to announce that it has resolved to raise up to a further A\$700,000 by offering existing eligible shareholders with a registered address in Australia or New Zealand the opportunity to participate in a Share Purchase Plan (**SPP**).

Funds raised will enable the Company to immediately commence the first phase of the drilling program at Lobo, which will target immediate, below surface, extensions of the exceptionally high grade epithermal gold lode mineralisation intersected in Trench 7 of **2m @ 31.1 g/t Au including 1m @ 60.2 g/t Au** (ASX release: 6 November 2013) and Trench 13 of **2.6 metres at 28.6 g/t gold (Au) including 1.5m @ 45.9 g/t Au** (ASX release: 7 January 2014). Drilling will continue with the objective of defining additional high grade mineral resources to add to the current resource base that includes the South West Breccia shoot with an Indicated and Inferred Resource of 194,000 tonnes @ 7.2 g/t Au (2004 JORC), and enhance the potential outcomes of development studies in progress.

Red Mountain's Managing Director, Jon Dugdale, said:

"We're obviously very keen to find out what's under those exceptionally high grade trenches by commencing drilling immediately.

"The drilling will determine continuity of the high grade gold shoots below surface and at depth, and allow us to drill-out, what appear to be, multiple high grade gold shoots along the at least 500m long South West Breccia lode structure at Lobo.

"The ultimate objective is to define additional high-grade gold resources and upgrade the already substantial resource base," Mr Dugdale added.

Patersons Securities Limited (**Patersons**) has been appointed as Lead Manager to the Placement and the SPP. The SPP is to be partially and conditionally underwritten to the value of A\$250,000. The Company has also granted Patersons the right to underwrite the exercise of the Company's listed options trading under ASX Code RMXO at any time up until their expiry on 30 June 2014, which if fully underwritten will raise an additional \$2.1m.



The Plan entitles eligible shareholders to purchase up to A\$15,000 worth of fully paid ordinary shares in the Company at an issue price of A\$0.017 each.

Eligible shareholders will have a choice of 5 tranches of amounts of shares of which they may subscribe for one. These are detailed below:

	Subscription Amount (\$A)	New Shares to be allotted
Tranche A	\$1,700 (minimum)	100,000
Tranche B	\$3,400	200,000
Tranche C	\$6,800	400,000
Tranche D	\$10,200	600,000
Tranche E	\$15,000 (maximum)	882,353

If the capped amount of A\$700,000 is raised under SPP, approximately 41 million new shares will be issued. Full details of the SPP Offer will be contained in a booklet which is anticipated to be dispatched to shareholders on 21 January 2014.

The proposed timetable for the Plan is detailed below however the Directors reserve the right to vary the dates and times without notice.

Indicative Timetable

Record Date (5:00pm WST)	14 January 2014
Announcement Date of Plan	15 January 2014
Opening Date of Plan	21 January 2014
Closing Date of Plan (5.00pm WST)	7 February 2014
Issue of Shares under the Plan	13 February 2014
Quotation of Shares	13 February 2014
Dispatch of holding Statements	17 February 2014

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

Company Investors

Jon Dugdale
Managing Director
(+61) 402 298 026
(+61) 8 9226 5668
E : jon.dugdale@redmm.com.au

Media

Matt Birney
Birney Corporate
(+61) 419 217 090
(+61)8 9226 5668
E : matt@birneycorporate.com.au



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 Lobo (e.g. Japanese Tunnel, Pica, West Drift, Ulupong). The Company will continue exploration with the objective of increasing the size and grade of the Mineral Resources at Batangas and complete a scoping study to demonstrate the potential viability of a gold mining and processing project.

Other gold opportunities will be reviewed on a continuous basis.

Competent Person Statement

The information in this report relating to Exploration Results 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 2012 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.

The information in this report relating to 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.