



SCOPING STUDY NEARING COMPLETION

*FOCUS ON POTENTIAL LOW COST EARLY CASHFLOW GOLD PROJECT

Perth-based Red Mountain Mining is pleased to provide a progress update on the Scoping Study that is currently examining the viability of a gold mining and processing operation at the Company's Batangas Gold Project in the Philippines.

The Scoping Study is now focused on mining and processing higher grade, near surface, gold resources initially from the South West Breccia (SWB) resource at the Lobo prospect then the Kay Tanda West resource at the Archangel prospect.

The lower tonnage higher-grade focused processing plant is now planned to be located at Lobo, close to the SWB resource and the old Lobo mine.

Previously the processing plant was to be located at Archangel, close to the larger but lower grade resource. This new focus at Lobo is expected to greatly reduce capital expenditure and minimise the environmental footprint whilst greatly enhancing overall economic returns.

Under the updated plan the processing plant will be located close to the initial planned feed from the high grade SWB resource at Lobo. The Company will also target the highest grade ore at the Kay Tanda West resource at Archangel by transporting it approximately 12km by road to the Lobo processing plant following processing of the SWB resources (see **Figure 1** for relative location of Mineral Resources).

The initial mining and processing project, the subject of the Scoping Study, will be entirely based on surface mining of existing higher-grade resources. Sedgman Ltd is finalising processing capital and operating costs that are expected to be relatively low, particularly when initially processing the high grade SWB resources at Lobo.

Completion of the Scoping Study and financial modeling is expected shortly. Based on a positive economic outcome, the Board of Red Mountain Mining will then contemplate committing to a bankable feasibility study and final permitting to fast track the project to production.

Red Mountain Managing Director Jon Dugdale said: *"The scoping study is likely to demonstrate a low capital cost, practical, proven technology based gold project that takes advantage of our existing high grade, close to surface, gold resources with demonstrated high recoveries from carbon in leach processing."*

"Anything else that we discover at Lobo as a result of our current exploration program will potentially add to the current resource inventory and enhance the economic viability of the planned operation," said Mr Dugdale.

BATANGAS GOLD PROJECT: MINERAL RESOURCES

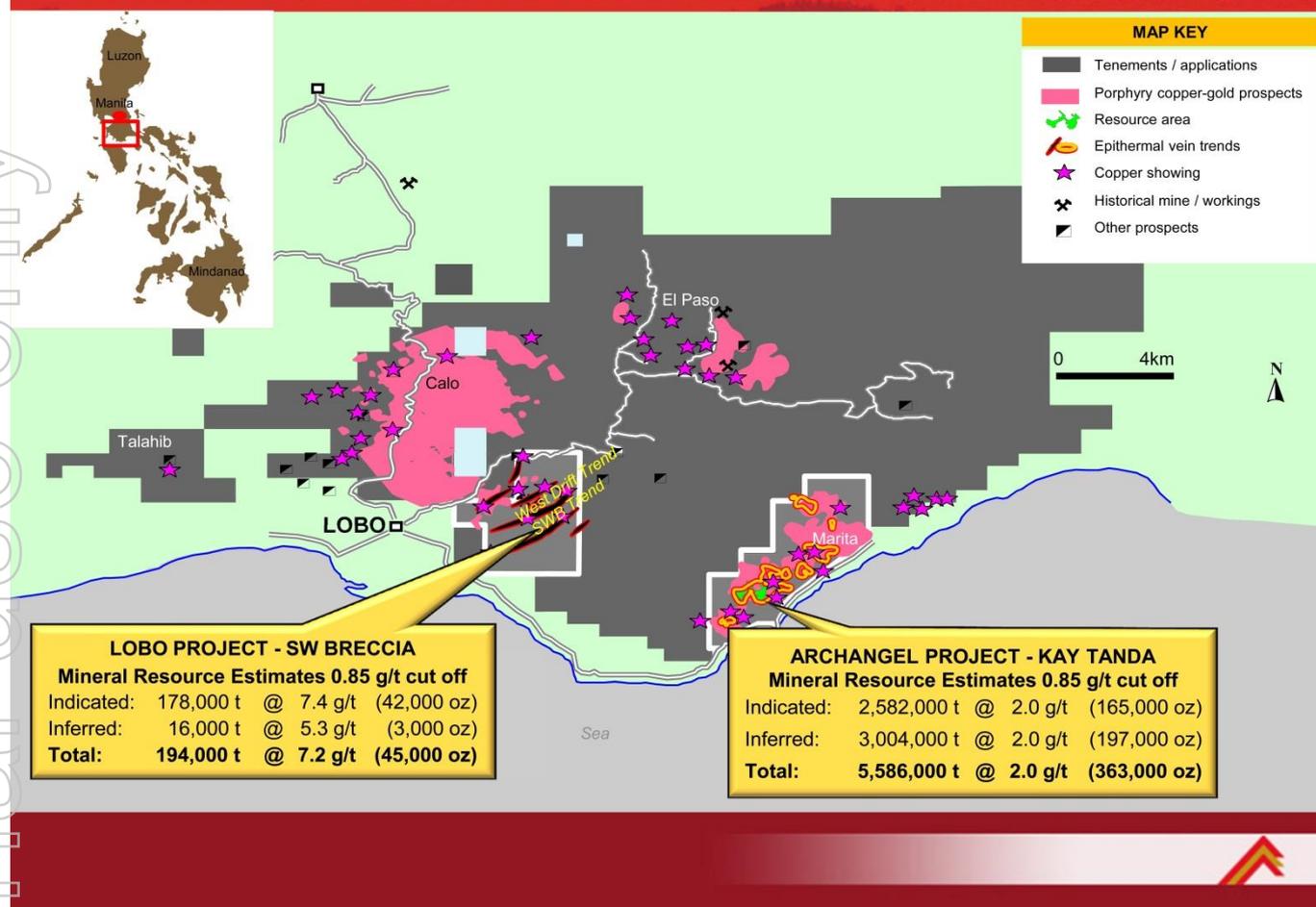


Figure 1: Batangas Gold Project Mineral Resources (JORC 2004)

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About Red Mountain Mining Limited and the Batangas Gold Project

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 exploration and mining methods and improving efficiencies to gain significant exploration and production upside.

The Company holds a 100% direct and indirect contractual right interest in tenements in the Philippines that contain significant gold resources. 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, 200,000oz Au for a total of 5.78 million tonnes at 2.2 g/t Au, 408,000oz Au (30 January 2013, JORC 2004).

The Company will continue exploration with the objectives of upgrading 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 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. The information in this report relating to Mineral Resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.