



DEFINITIVE FEASIBILITY STUDY COMMENCED WITH MANAGER APPOINTED

- **Como Engineers appointed Definitive Feasibility Study (DFS) manager**
- **DFS expected to be completed by December 2014**

Perth-based Red Mountain Mining Limited is pleased to advise that the Company has officially commenced the DFS on the Batangas Gold Project, located 120km south of Manila in the Philippines.

Perth based Como Engineers have been appointed to manage the DFS, the metallurgical program and the process engineering with the objective of completing final design for the construction of a mining and processing operation at the Company's Batangas Gold Project by December 2014.

Como Engineers have significant experience in taking gold mining projects through the study phases to final engineered design and construction and specialise in modular gold plants that may be constructed off-site and easily installed.

Appointments to complete other aspects of the DFS will be made in consultation with Barry Clout, Managing Director of Como Engineers. These will include metallurgical testing, geotechnical, residue storage systems, mine planning, civil engineering/infrastructure, environmental and financial modelling.

Drilling for metallurgical bulk samples and geotechnical studies has been completed, with very promising gold intersection assay results, released 6 May 2014. Metallurgical composite samples will be dispatched for further, larger scale testing shortly. The Company also intends to incorporate the results of this drilling into an upgraded mineral resource to be reported in accordance with the JORC Code, 2012 edition.

The DFS follows on from the recent Scoping Study (released 20 March 2014), that demonstrated potential for a strongly viable gold mining and processing project. This was based on open pit mining and carbon in leach (CIL) processing of existing, high grade gold resources, recovering over 90,000 ounces of gold and generating free cash flow after pre-production capital of A\$16.7m of approximately A\$40m over the initial 4.5 year mine life (assumes gold price of AUD\$1,500/oz, A\$:US\$ 0.90).

Any additional resources defined during the exploration program will be incorporated into the DFS.

Cautionary Statement: The Scoping Study referred to in this announcement is based on lower-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. There is a low level of geological confidence associated with inferred mineral resources (that represent 10% of the mining inventory in the Scoping Study) and there is no certainty that further exploration work will result in the determination of indicated Mineral Resources or that the production target itself will be realised. There is no certainty that the Scoping Study production targets or the forecast financial information derived from production targets, will be realised. All material assumptions underpinning the production targets and forecast financial information derived from the production targets, full details of which were released to ASX on 20 March 2014, continue to apply and have not materially changed.

Managing Director Jon Dugdale said, "We are pretty excited to get the DFS officially underway. Our aim is to complete the DFS and all required permitting in parallel so that we are in a position to finance and develop the project from as early as next year."

"Our strategy at Batangas is to develop the project based on identified high grade resources, and continue to explore for new ounces at the same time. A key advantage of this project is the very high grade of the, at surface, initial planned production, which provides the opportunity for rapid payback of installed capital," said Mr Dugdale.

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

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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.

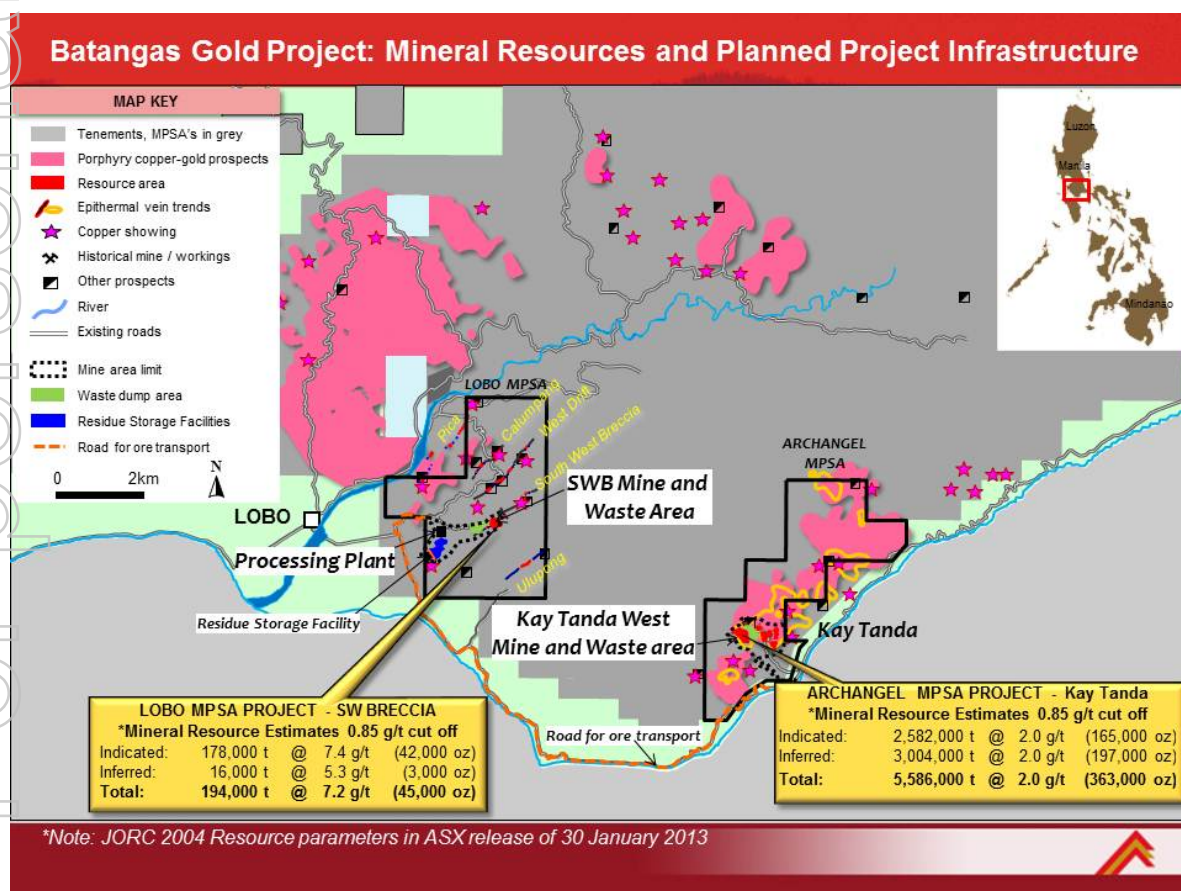
The Company holds a 100% direct and indirect contractual right interest in tenements in the Philippines that contain significant gold resources. Total Mineral Resources at Batangas, at a 0.85 g/t Au lower cut off, include Indicated Resources of 2.76 million tonnes @ 2.3 g/t Au, 208,000 oz Au and Inferred 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.

A Scoping Study (released 20 March 2014) has demonstrated a strongly viable, low capital and operating cost, gold development based on initially recovering 90,000oz of gold over 4.5 years. The Company has committed to completing a Definitive Feasibility Study (DFS) by December 2014.

Final permitting submissions have completed and lodged with the Philippines Government for approval to develop the Batangas Gold 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.

Forward Looking Statements

This announcement contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on Red Mountain Mining's current expectations, estimates and projections about the industry in which Red Mountain Mining operates, and beliefs and assumptions regarding Red Mountain Mining's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Red Mountain Mining, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Red Mountain Mining cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Red Mountain Mining only as of the date of this presentation. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Red Mountain Mining will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.