

30 May 2014

Dear Option Holder

LISTED OPTIONS EXERCISABLE AT \$0.015 EACH ON OR BEFORE 30 JUNE 2014

We write to you as a registered holder of Listed Options in Red Mountain Mining Limited ("the Company") (ASX:RMX) as at 30 May 2014. The Options are exercisable at \$0.015 each on or before 30 June 2014, with each Option providing the right to purchase a single fully paid ordinary share in the Company ("Share").

You are advised that these Options will expire at 5pm Australian Western Standard Time ("AWST") on **Monday 30 June 2014**. The courses of action open to you as a holder of Options are:

- i. Exercise all or some of the Options. A valid exercise of options notice and cleared payment must be received by the Company no later than **5pm AWST on Monday 30 June 2014**;
- ii. Sell your Options on the ASX. Quotation of the Options will cease on **Monday 23 June 2014**. If you require assistance, please do not hesitate to contact the Company's share registry, Computershare Investor Services, on 1300 850 505; or
- iii. Do nothing. If you do not take any action to exercise your Options prior to **Monday 30 June 2014**, the Options will expire and your rights to purchase Shares at \$0.015 will lapse.

TIMETABLE OF EVENTS

Notice to Option Holders:	30 May 2014
Apply for Quotation:	20 June 2014
Last Day of Trading/Quotation of Options:	23 June 2014
RMX trade of deferred basis:	24 June 2014
Options Expiry Date:	30 June 2014
Issue Date – deferred settlement trading ends:	Any time prior to 21 July 2014

In the event you wish to exercise all or part of your Options, please complete the exercise of Options notice form enclosed with this letter and lodge it with the Company, together with your payment for the number of Shares you wish to purchase.

The Company provides the following information in accordance with the ASX Listing Rules:

- i. The total number of outstanding Options as at the date of this letter is 137,761,798;
- ii. Each Option entitles the holder to receive, on exercise, one single fully paid ordinary shares in the Company. If all Options are exercised, 137,761,798 fully paid ordinary shares will be issued;

ASX code: RMX
ABN 40 119568106

COMPANY DIRECTORS
Neil Warburton
Non-Executive Chairman
Jon Dugdale
Managing Director

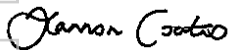
CONTACT DETAILS
Michael Wolley
Non-Executive Director
Shannon Coates
Company Secretary

RED MOUNTAIN MINING LTD
Head Office
Unit 1, 2 Richardson Street
West Perth Western Australia
www.redmm.com.au
info@redmm.com.au

- iii. The exercise price of the Options is \$0.015;
- iv. The due date for payment of the exercise price is on or before **5pm AWST on Monday 30 June 2014**;
- v. If payment is not received by **5pm AWST on Monday 30 June 2014**, your Options will expire with no value and no further entitlement will exist;
- vi. Official quotation of Options on the ASX will cease at the close of trading on **Monday 23 June 2014**;
- vii. The closing price of the Company's fully paid ordinary Shares on 29 May 2014 (ASX.RMX) was \$0.012 and
- viii. The highest and lowest market prices of the shares in the three (3) months immediately before this notice were:
 - a. Highest – \$0.022 24 February 2014; and
 - b. Lowest – \$0.01 29 April 2014.

The Directors of the Company thank you for your continued support. If you require any further information, please contact Ms Shannon Coates on (08) 9322 1587.

Yours sincerely



Shannon Coates
Company Secretary



Red Mountain Mining Limited
ABN 40 119 568 106

Application Form on Exercise of Options Expiring 30 June 2014

To the Directors, Red Mountain Mining Limited

I/We hereby exercise option(s) and hand you herewith my/our cheque for

being \$0.015 per share on application for ordinary shares in the capital of the Company.

I/We request that you allot me that number of shares and I/we agree to accept that number of shares on the terms below and the Constitution of the Company, and I/we authorise you to place my/our name on the register.

My/Our SRN/HIN (as shown on my/our Issuer Sponsored holding statement or CHES holdings statement) is

Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with my/our instructions set out above.

Individual or Securityholder 1

Director

Securityholder 2

Director/Company Secretary

Securityholder 3

**Sole Director and
Sole Company Secretary**

Note: when signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

Day/Date Month Year

Contact Name

Contact Telephone Number

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Terms and Conditions of Options Expiring 30 June 2014

- (a) Each Option entitles the holder to one Share in the capital of the Company.
- (b) The Options may be exercised at any time prior to 5.00pm WST on 30 June 2014.
- (c) The exercise price of the Options is 1.5 cents each.
- (d) Application will be made for the Options to be quoted and the Options will be freely tradeable.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- (f) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX within 7 business days after the date of issue of all Shares pursuant to the exercise of Options to be admitted to quotation.
- (g) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (h) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.

LODGEMENT INSTRUCTIONS

Cheques shall be in Australian currency made payable to Red Mountain Mining Limited and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate remittance should be lodged at the Company's Office, Unit 1, 2 Richardson Street, West Perth WA 6005.

For personal use only