



## NEW HIGH GRADE GOLD TARGETS IDENTIFIED FOR DRILLING

- **Five priority high grade gold and silver-copper targets identified for next drilling campaign**
- **Surface sampling and trenching is in progress to define the key priority drilling targets**

Perth based Red Mountain Mining Limited has prioritised testing of five (5) new high grade gold and silver-copper targets at its Lobo prospect, following a detailed exploration target review for the entire Batangas Gold Project, located two hours south of Manila in the Philippines.

A total of 30 targets were identified throughout the Batangas Gold Project area, including 5 high priority targets, 11 moderate to high priority targets and several regional copper-gold porphyry targets that are also being assessed.

The primary target remains high grade gold. However the preserved silica caps, where present, are also prospective for silver and copper.

The five high priority targets selected for immediate rockchip sampling, trenching and drilling are as follows:

- Camo** silver-copper and high grade gold target – major flexure on the South West Breccia (SWB) structure with high grade silver and copper results at surface (e.g. surface rockchip results to 729.5 g/t silver (Ag), 4.39 % Copper (Cu), 1.45 g/t Au, and drilling to LB-51: 5.5m @ 486 g/t Ag, 1.8% Copper (Cu), released pre 2012, Mindoro Resources Ltd). Targeting high grade silver-copper near surface and high grade gold potential at depth.
- Signal** high grade gold target – exceptionally high grade rock chip sample grades (72.6 g/t Au, 42.6 g/t Au (released pre 2012, Mindoro Resources Ltd) and 32.7 g/t Au (ASX release 15 July 2014) lead into an area of preserved silica cap with strongly anomalous silver and copper grades, that potentially overlay a high grade gold shoot.
- Ulupong** high grade gold target – exceptionally high grade surface trenching results (e.g. along vein, 19m @ 9.77 g/t Au including 7m @ 23.6 g/t Au and including 0.8m @ 94.8 g/t Au, ASX release 11 March 2013) at south-western end of a 3km long corridor. However the strongest soil anomaly on the property at the north-eastern end of the corridor remains untested.
- Pica** high grade gold and copper-gold target – previous drilling oriented northwest-southeast intersected multiple epithermal veins (e.g. LB-07: 2.5m @ 9.2 g/t Au, 28.4 g/t Ag, 8.6% Zn from 97.9m, ASX release 30 September 2013) within a broader, porphyry copper-gold-silver-zinc zone (LB-07: 100.4m @ 0.3 g/t Au, 156 g/t Ag, 0.2% Cu, 0.28% Zn from 54.5m). New interpretation of regional geophysics and mapping indicates this zone may trend in this direction and that drilling would be better oriented southwest-northeast.
- South West Breccia lode extended** – at the southwestern end of the 500m long SWB corridor, Trench 13 intersected 2.6m @ 28.6 g/t Au (ASX release 7 January 2014) with drilling (LB 105) of 0.65m @ 18 g/t Au from 10m (ASX release 23 April 2014), immediately before the structure passes under younger limestone that may obscure extensions to the high grade zone.

The high priority gold-silver targets are generally at Lobo, where a new model for preserved “blind” high grade epithermal gold shoots has been developed based on evidence that a silica cap historically covered the high grade SWB resource and has since been eroded, exposing the high grade mineralisation within a 500m long window (ASX release 15 July 2014). Silica caps within the Lobo prospect are generally carrying high silver-copper grades and they are still intact at the majority of the high priority targets within the 15 kilometres of mapped strike within the epithermal structures at Lobo.

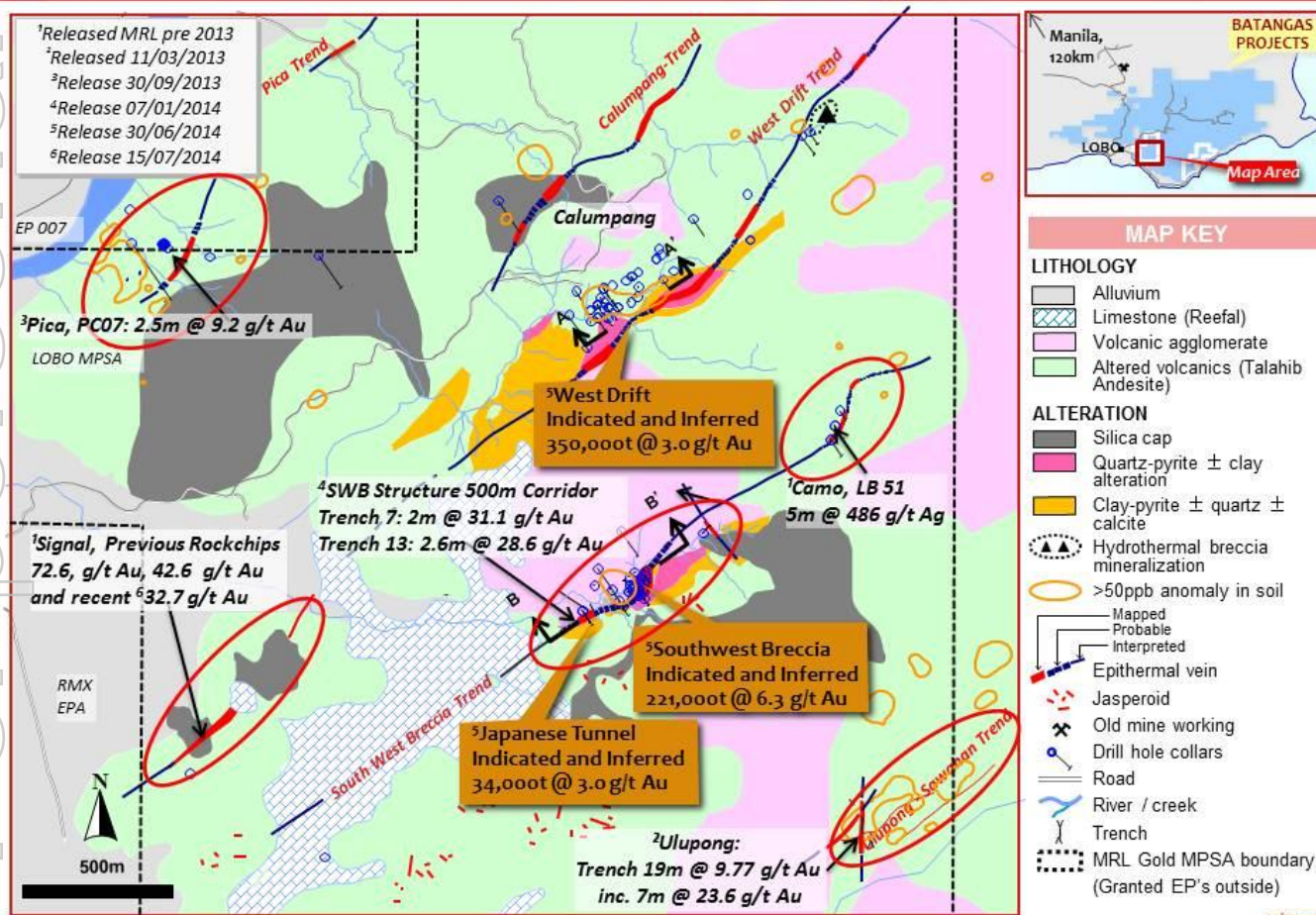
Additional mapping, soil sampling, surface rockchip sampling and trenching is in progress in order to define multiple targets for drill testing, with the objective of discovering further high grade gold and silver-copper zones that may be converted to resources.

Managing Director Jon Dugdale said: “We now understand the controls on high grade gold mineralisation at Lobo and recognise that within most of the 15 kilometres of mapped epithermal structures at Lobo the gold zone is capped by siliceous material and/or silver-copper mineralisation.”

“This opens up potential to drill test both the siliceous, silver-copper rich caps and the primary focus, targeting potential high grade gold zones underneath.”

“The drilling rig is on site and we plan to start drilling the high priority targets as soon as possible,” said Mr Dugdale.

## Lobo: Multiple High-Grade Lode Targets and New Resources



**Figure 1: Plan of Lobo epithermal gold prospect with resources and high priority targets**

## About the Lobo Prospect

Surface trench channel sampling and drilling conducted by Red Mountain has intersected high-grade epithermal gold mineralisation in five areas on the Lobo Mineral Production Sharing Agreement ("MPSA" – Philippines equivalent to a Mining Lease), namely South West Breccia, Pica, Japanese Tunnel, West Drift and Ulupong.

Mineral Resources totaling 604,000t @ 4.2 g/t Au for 82,000 ounces of gold have been defined in three areas at Lobo; South West Breccia with a total 98% Indicated and 2% Inferred Resource of 221,000t @ 6.3 g/t Au, Japanese Tunnel with a total Indicated and Inferred Resource of 34,000t @ 3.0 g/t Au and West Drift with a total Indicated and Inferred Resource of 350,000t @ 3.0 g/t Au (ASX release 30 June 2014, JORC 2012).

The Company is focussed on increasing high grade mineral resources through discovery of new, high grade, gold zones at Lobo. Exploration of new targets continues, focusing areas of identified high grade gold e.g. the 500m long SWB Lode south corridor on the Lobo MPSA including Trench 7; 2m @ 31.1 g/t Au and Trench 13; 2.6m @ 28.6 g/t Au (ASX release 7 January 2014,) and also at the new Signal target where recent rockchip samples grading up to 32.7 g/t Au (today's ASX release) and previous surface rockchip sample results of 72.6 g/t Au and 42.6 g/t Au (pre 2012) define a trend towards a blind target potentially preserved under a Silica Cap.

Five priority targets have been identified on the Lobo prospect area, for high grade gold as well as silver-copper mineralisation. A continuous program of soil sampling, mapping, surface trenching then drilling continues with the objective of defining additional high-grade Mineral Resources on the Lobo Prospect.

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## About Red Mountain Mining Limited and the Batangas Gold Project

Red Mountain Mining (ASX: RMX) is primarily a gold explorer/developer 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 include Indicated Resources of 2.97 million tonnes @ 2.4 g/t Au, 227,000 oz Au and Inferred Resources of 3.22 million tonnes @ 2.1 g/t Au, 218,000oz Au for a total of 6.19 million tonnes at 2.2 g/t Au, 444,000oz Au (ASX announcement 30 June 2014, JORC 2012).

The Company will continue exploration with the objectives of upgrading Mineral Resources at Batangas.

A Scoping Study (ASX release 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 been completed and lodged with the Philippines Government for approval to develop the Batangas Gold Project (ASX release 30 April 2014).

Other gold opportunities will be reviewed on a continuous basis.

### **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.*

### **Competent Person Statement**

*The information in this report relating to Mineral Resources and post 1 December 2013 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. The Company confirms that the form and context in which the information is presented has not been materially modified and it is not aware of any new information or data that materially affects the information included in the relevant market announcements, as detailed in the body of this announcement. All material assumptions and technical parameters underpinning the Mineral Resource estimates continue to apply and have not materially changed.*

*The information in this report relating to pre December 2013 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 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.*

### **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.*

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