

RED MOUNTAIN RAISES ADDITIONAL \$0.34 MILLION

- **Placement to raise approximately \$0.34 million from sophisticated investors**
- **Funds raised to continue exploration of priority targets at Lobo**

Perth, Western Australia: Red Mountain Mining Limited (ASX:RMX) is pleased to announce that it has received firm commitments from professional and sophisticated investors to raise approximately **\$0.34 million** (before costs) via the issue of 56,402,833 Shares at an issue price of \$0.006 (0.6 cent) per Share (**Placement**). This is the maximum amount the Company is currently able to raise pursuant to its remaining placement capacity.

Including the previous placement announced on 15 September 2014, the Company has raised a total of **\$0.94 million** (before costs), increasing the Company's cash balance to circa \$1.4 million.

For every one new Share issued under the Placement, the Company will grant one new option, exercisable at \$0.012 (1.2 cents) each on or before 31 March 2016 (**New Option**). It is the Company's intention to issue these New Options following the expected refreshment of the Company's 15% annual placement capacity at the Annual General Meeting (**AGM**), scheduled for 17 November 2014.

The 37,480,000 Options agreed to be granted in connection with the previous placement announced on 15 September 2014 (on the same terms as the New Options) will be issued at the same time as the Placement Shares, which is expected to be on or around 21 October 2014. The Company will apply for quotation of both tranches of Options following the refreshment of the Company's 15% annual placement capacity at the AGM.

Red Mountain's Managing Director, Jon Dugdale, said: *"We are delighted with the interest and demand for this placement, in difficult market conditions, from our loyal supporters. The funds will be used to continue exploration of the five new priority gold-silver targets within the 15 kilometre strike of epithermal structures on the Lobo Prospect and general working capital."*

Lead brokers to the Placement will be entitled to a fee equal to 6% of the dollar amount raised by the Placement, to be issued in Shares or cash (at the Company's election) and a fixed number of Options, subject to availability under the Company's 15% and additional 10% capacity following the AGM. The Company anticipates up to 2,992,170 Shares and 1,722,036 Options may be issued in lieu of fees.

Proposed Capital Structure

On completion of the Placement, the Company's capital structure is expected to be as follows:

Description	Shares	Options ¹	Gross Amount Raised
Existing	688,558,011	112,839,460 ²	
Placement(Announced 15/09/2014)	74,960,000	37,480,000 ³	\$599,680
Current Placement	56,402,833	56,402,833	\$338,417
Broker Shares and Options (6%)	2,992,170	1,722,036	
Capital Structure on completion	822,913,014	208,444,329	\$938,097

1. The Company also has 28,000,000 performance rights on issue (conversion subject to performance based conditions), as announced to ASX on 5 March 2014.
2. The Company currently has 97,839,460 listed options exercisable at \$0.03 each on or before 30 June 2016 and 15,000,000 unlisted options exercisable at \$0.20 each on or before 15 September 2016 on issue.
3. The Company will issue the 37,480,000 Options from the placement announced 15 September 2014 at the same time as the Placement Shares.

Use of Funds

It is intended that funds raised by the Placement will be used to continue sampling and selective drilling of the five priority targets on the Lobo Prospect and general working capital.

Existing Mineral Resources (released 30 June 2014, JORC 2012) and the general layout of the planned Batangas Gold Project development are shown on Figure 1 below.

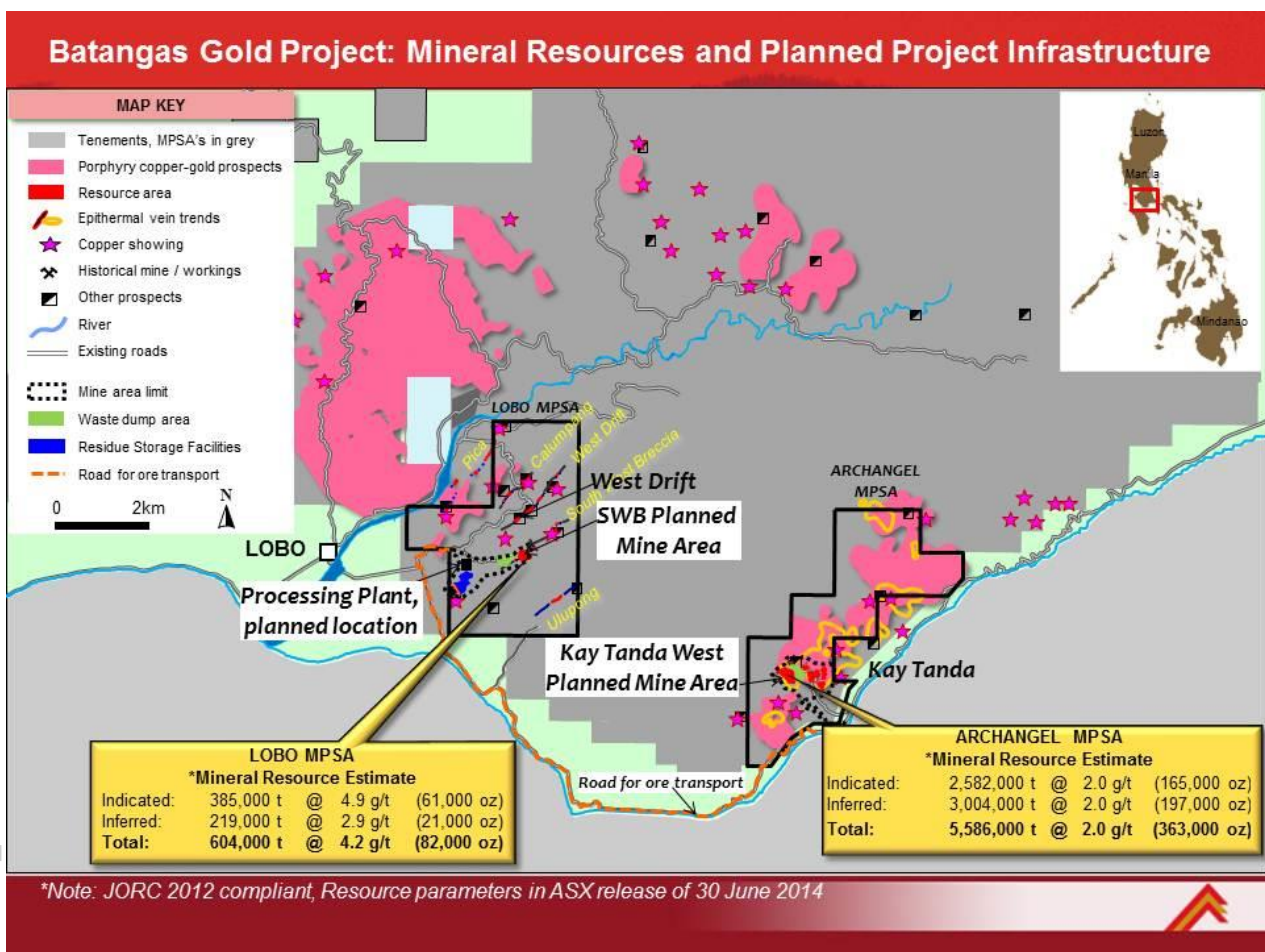


Figure 1: Batangas Gold Project, Mineral Resources and Planned Development Layout

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

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About Red Mountain Mining Limited

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 is continuing exploration with the objectives of upgrading Mineral Resources at Batangas.

A Scoping Study (ASX announcement 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 is completing a Definitive Feasibility Study (DFS) on the project, with early indications of an extension to mine life to 5.5 years recovering 100,000oz of gold (ASX release 10 September 2014).

Final mine development permitting submissions have been lodged with the Philippines Government (ASX release 3 April 2014) and are proceeding towards approval.

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 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.

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ASX code: RMX
ABN 40 119568106

COMPANY DIRECTORS
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