

RED MOUNTAIN SHARE PURCHASE PLAN TO FUND DRILLING OF NEW HIGH-GRADE GOLD TARGET

- Red Mountain to test new target for possible repeat of South West Breccia
- Resource update planned for high grade gold zone at Lobo when drilling completed

Perth, Western Australia: Red Mountain Mining Limited (**ASX:RMX**) is pleased to announce that it is offering eligible shareholders the opportunity to apply for new fully paid ordinary Shares in the Company under a Share Purchase Plan (**SPP**) to raise up to approximately \$1 million. The SPP is partially underwritten to \$600,000 (**Underwritten Amount**) by PAC Partners Pty Ltd (**PAC Partners or the Underwriter**), who has been engaged as the Underwriter to the offer.

The funds are intended to be used in part to drill the recently identified **Tamarind** target for a possible repeat of the South West Breccia (SWB) high grade gold resource at the company's Lobo prospect, 120km south of Manila in the Philippines.

The Tamarind target is associated with a large new gold, silver, multi-element soil anomaly that is similar in size to the soil anomaly at South West Breccia (SWB) (see Figure 1).

The new Tamarind target is just 400m to the south west of the original SWB high grade gold resource and sits immediately to the south of a zone that previously returned exceptional trenching results including **3.5m @ 25.9 g/t Au** (Trench 34, ASX release 2 February 2015) and **2.6m @ 28.6 g/t Au** (Trench 13, ASX release 7 January 2014).

Red Mountain Mining Managing Director Jon Dugdale said, "*the exceptional results produced last year around Japanese Tunnel and through to Trench 13, led us to believe that the main SWB lode extended in that direction.*"

"Tamarind is quite significant for us however because it has changed our view about which direction the main South West Breccia lode extends."

"Our geological team has now interpreted that the Japanese Tunnel - Trench 13 zone may actually only be a fault offset of the main SWB lode, potentially represented by the Tamarind target in the footwall."

"We are very keen to drill this target, as it lines up really well with the main, high-grade SWB resource and the soil anomaly is just as big, if not bigger than SWB", said Mr Dugdale.

The planned drilling program will also test the new footwall lode discovery at SWB, which is under the recent high grade trenching results including **Trench 39: 2.1m @ 14.4 g/t Au** including **0.6m @ 41.5 g/t Au** from the footwall lode and **Trench 38: 3.0m @ 12.1 g/t Au** including **1.0m @ 27.2 g/t Au** from the main lode, both released on the ASX 11 June 2015.

It is intended that any new drilling results will be combined with the recent trenching results to generate a new SWB Lode corridor resource model. Completion of the DFS will then allow the “mineable” portion of the resource to be converted to a maiden ore reserve (JORC 2012).

The completion of the Stage 1 funding commitment of USD 1 million, pursuant to the Strategic Financing Partnership Agreement (the Agreement) with Bluebird Merchant Ventures (Bluebird) will fund completion of the DFS and final permitting inputs for granting of the Environmental Compliance Certificate (ECC) and then the Declaration of Mining Feasibility (DMF). Bluebird are on schedule to complete a listing on the London Stock Exchange (LSE), targeting mid to late September. For material terms of the Agreement, see ASX releases 16 and 23 December 2014 and Variations to the Agreement released 12 June 2015.

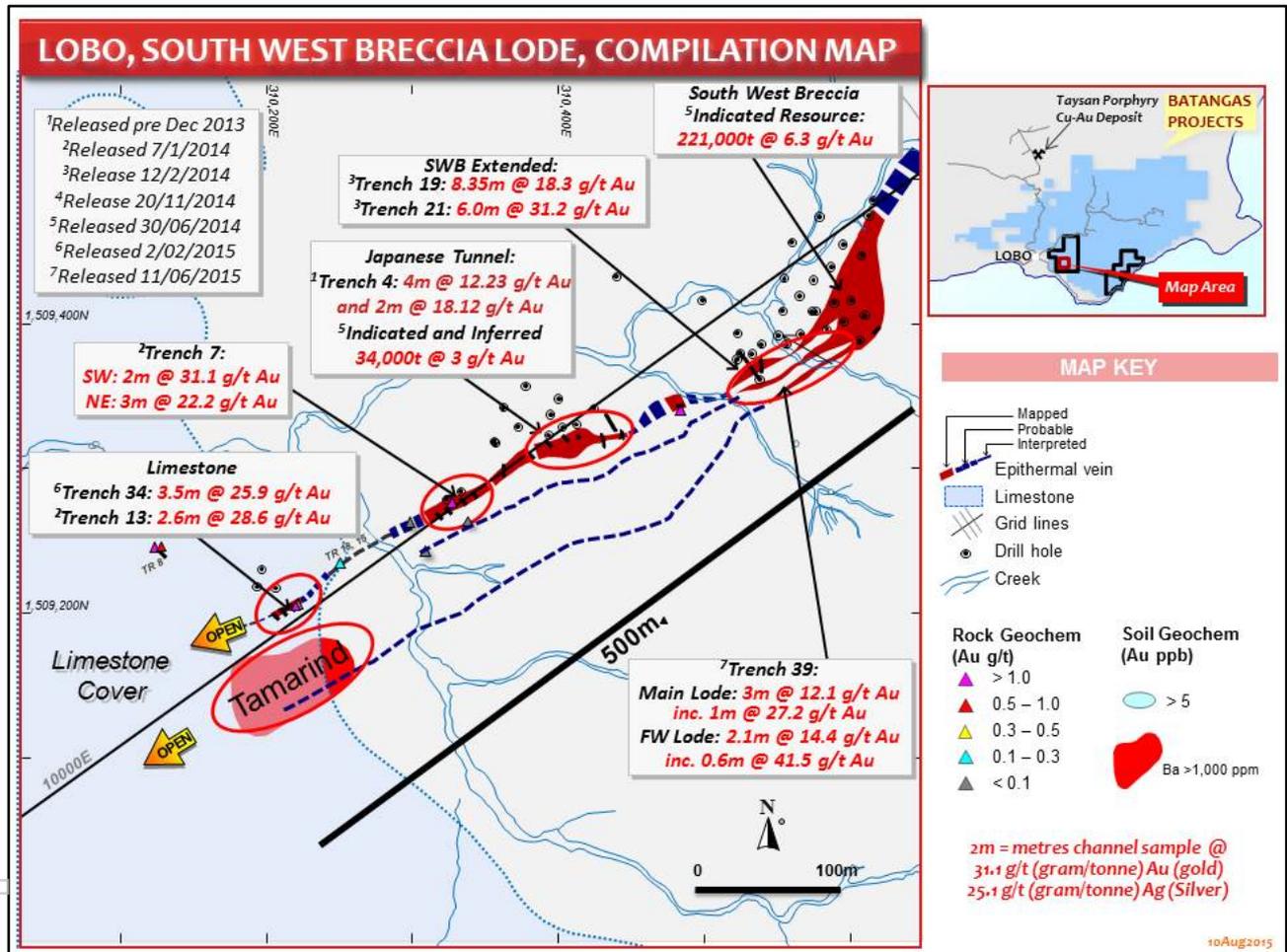


Figure 1: Plan of South West Breccia Lode with new Tamarind target (Barite-gold-silver anomaly)

About the SPP

The SPP provides the opportunity for eligible Red Mountain shareholders to subscribe for up to \$15,000 worth of new fully paid ordinary Shares (**New Shares**).

The SPP will not attract brokerage fees or other transaction costs and will be available to shareholders in one of the following amounts:

Offer	Value (\$A)
A	\$1,500 (minimum)
B	\$3,000
C	\$6,000
D	\$9,000
E	\$12,000
F	\$15,000 (maximum)

The Directors of Red Mountain who are eligible shareholders intend to support the SPP through subscribing for their entitlements under the offer.

The Company will offer eligible shareholders, being existing shareholders with a registered address in Australia or New Zealand at 5.00pm on 11 August 2015 (**Record Date**) (being the business day prior to the release of this announcement), the opportunity to participate in the SPP. Shareholders outside Australia and New Zealand are unable to participate in the SPP but will be given an opportunity to participate in any shortfall, subject to compliance with the Corporations Act 2001 (Cth) and the laws of any relevant overseas jurisdiction, and should contact their respective broker or the Company direct with such interest.

The issue price of the New Shares will be determined at the issue date of the New Shares under the SPP, based on a 20% discount to the volume weighted average price of the Company's shares traded on the ASX during the 5 days immediately prior to the issue date of the New Shares (**Issue Price**).

Funds (after expenses) raised pursuant to the SPP are intended to be applied towards:

- (a) further exploration at the Company's flagship Batangas Gold Project (**Batangas Project**) with a high impact drilling program scheduled to commence in August/September 2015;
- (b) following the drilling, a resource update then advancement of the Company's Definitive Feasibility Study (**DFS**) and final permitting inputs towards completion; and
- (c) general working capital.

It is proposed that the following timetable will apply with respect to the SPP:

Record Date (5:00pm WST)	11 August 2015
Announcement of SPP	12 August 2015
SPP Opening Date	17 August 2015
SPP Closing Date (5:00pm WST)	3 September 2015
Announcement of Shortfall	4 September 2015
Issue of SPP Shares (including Shortfall Shares) under the Plan	10 September 2015
Quotation of SPP Shares	10 September 2015
Despatch of SPP Shares holding statements	12 September 2015

The timetable is indicative only and subject to change. The Company reserves the right to change the timetable at any time or cancel the SPP at any time before the New Shares are issued, subject to regulatory requirements.

PAC Partners has been appointed as the Underwriter to the SPP. Pursuant to the Underwriting Agreement, PAC Partners will receive a once off management fee of \$20,000 plus an amount equal to 6% of the Underwritten Amount. In the event the Underwriter places any shortfall in excess of the Underwritten Amount, a 6% (plus GST) fee will also be paid (**Placement Fee**). The Underwriter will not be entitled to an Underwriting or Placement Fee for any investors introduced by RMX, but RMX agrees to pay 1% (plus GST) fee in relation to investors introduced by RMX to cover the administration and processing costs of the underwriting/capital raise. In addition, for every one (1) share underwritten under the SPP, the Company will grant one (1) new option to PAC Partners or its nominee exercisable at a 50% premium to the Issue Price and expiring two (2) years from the date of issue, unless the SPP Issue Price is \$0.004, in which case the options issued will be in the existing RMXOD class of listed options. Subject to meeting the regulatory requirements, the Company intends to apply to ASX for quotation of the options. Additionally, subject to PAC Partners underwriting a minimum of \$500,000 of the SPP, RMX agrees to pay the Underwriter a monthly retainer of \$7,000 plus GST commencing 15 August 2015 for a 6 month period ending on 14 February 2016 for on-going corporate advisory services.

Full terms and conditions of the SPP and an application form will shortly be sent to eligible shareholders and a copy will also be lodged with ASX.

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 a gold exploration and development 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, 227,000oz 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 objective of upgrading mineral resources at Batangas.

The Company announced an agreement (the Agreement) with London backed, BVI registered, Bluebird Merchant Ventures Ltd (Bluebird) on 23 December 2014. The Agreement includes a two stage funding arrangement totalling US\$5.5 million (~A\$6.7 million), earning Bluebird up to 50% of the current wholly owned subsidiary, Red Mountain Mining Singapore Ltd (RMMS), which is the holder of the Philippines based Batangas Gold Project assets.

Funding under the Agreement with Bluebird will allow the Company to complete a DFS on the project, with initial results confirming low capital and operating costs and recovery of over 100,000 ounces of gold during the initial 5 years of a 10 year production plan (ASX announcement 20 November 2014 and updated 23 January 2015).

Final mine development permitting submissions to obtain the Environmental Compliance Certificate (ECC) and the Declaration of Mining Feasibility (DMF) have been submitted to the relevant Government bureau's and are now proceeding through the final stages of approval by the central Philippines Government (ASX announcement 20 May 2015).

The Company is on the lookout for other advanced gold development and exploration opportunities, which will be reviewed on a continuous basis.

Cautionary Statement

The production targets referred to in this announcement were first released to ASX on 20 November 2014 and updated on 23 January 2015. They are preliminary and there is no certainty that the production targets or the forecast financial information derived from the production targets, will be realised. All material assumptions underpinning production targets or forecast financial information derived from production targets continue to apply and have not materially changed.

Competent Person Statement

The historic 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 historic information in this report relating to pre December 2013 Exploration Results is also based on information compiled by Mr Jon Dugdale who 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 takes responsibility for 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.