

RED MOUNTAIN RAISES \$1.75 MILLION TO PROGRESS RED VALLEY LITHIUM PROJECT

Capital Raising

Red Mountain Mining Limited (**the Company, Red Mountain or RMX**) is pleased to advise that it has received firm commitments to raise \$1.75 million (before costs) (**Placement**).

The Placement was heavily oversubscribed with significant interest from professional and sophisticated investors experienced in the energy metals sector, and the Company expects to issue the Placement shares on or around 3 March 2017.

The Placement will be undertaken using the Company's available placement capacity, comprising 23,306,983 shares issued at an issue price of \$0.029 under the Company's 15% placement capacity and 34,648,306 shares issued at an issue price of \$0.031 under the additional 10% placement capacity, approved by shareholders at the Company's 2016 annual general meeting.

The Company intends to use the funds raised to:

- undertake its drilling program at the Red Valley Lithium Brines Project in Utah;
- analyse and assess Red Valley drill results;
- progress the acquisition of the Red Valley Lithium Brines Project (at RMX's election, post-drilling);
- to review and assess complementary new assets;
- for general working capital; and
- any costs associated with the Placement.

Xcel Capital acted as Lead Manager to the Placement.

Red Valley Lithium Brines Project Update

The Company is in the final stages of its Lithium brines drilling permitting process with both the Bureau of Land Management and the State of Utah, USA. In preparation for this, RMX has proceeded to appoint Salt Lake City based Grimshaw Drilling, to carry out the drilling program.

The Company expects to provide updates in respect of permitting and drilling in the near future.

Other Business

As announced on 18 January, 2017, the Company continues to review additional projects in the new energy metal and gold spaces. Contact with vendors of such projects continues and the Company will update the market in this respect as appropriate.

The Company retains its leverage to the Philippines based Batangas Gold project by way of its 1% NSR production royalty.

For and on behalf of the Board
Shannon Coates, Company Secretary