ASX ANNOUNCEMENT **24 February 2016**

DESPATCH OF RED MOUNTAIN'S RIGHTS ISSUE PROSPECTUS

Perth based Red Mountain Mining Limited (**the Company**, **Red Mountain** or **RMX**) is pleased to confirm it has today despatched the Prospectus, as released 15 February 2016, with attached personalised Entitlement and Acceptance forms to Eligible Shareholders entitled to participate in the fully underwritten, pro-rata, non-renounceable rights issue offer (**Rights Issue**).

As announced 15 February 2016, the Rights Issue seeks to raise $**1.05 million** (**$1,051,449**) (before costs), on the basis of 2 new shares for every three (3) shares held by eligible shareholders on the Record Date, at an issue price of 0.1 cents ($0.001) per share. In addition, 1 free attaching New Option will be issued for every 2 new shares subscribed for, exercisable at 0.15 cents ($0.0015) each and expiring 31 March 2018. Subject to meeting ASX requirements, the New Options will be listed.

Eligible Shareholders may also access and securely download their personalised Entitlement and Acceptance Forms from Computershare's Investor Centre website. To download your form:

1. Go to www.investorcentre.com, and select 'Access a Single Holding';
2. Confirm your shareholding details: residency status; Securityholder Reference Number (SRN) or Holder Identification Number (HIN); your registered postcode; the company name where your shares are held;
3. Tick the 'Terms and Conditions' tick box, once you agree;
4. Select 'Login' to access your Portfolio page;
5. Select 'Statements & Documents';
6. In the list of statements and documents, select the 'View PDF' button next to the Entitlement and Acceptance Form;
7. Select 'Open', then save and print as required.

The closing date for the Rights Issue is Monday 7 March 2016, unless extended by the last day to extend the closing date, 2 March 2016. The Company encourages shareholders to submit their completed forms as early as possible to ensure they are received by the closing date.

AUTHORISED BY:

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