ACN 119 568 106

NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

Date of Meeting
21 March 2016

Time of Meeting
11.00am (WST)

Place of Meeting
Unit 1, 2 Richardson Street
WEST PERTH WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.
Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 1587.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

A General Meeting of the Shareholders of Red Mountain Mining Limited will be held at 11.00am WST on 21 March 2016 at:

Unit 1, 2 Richardson Street
WEST PERTH WA 6005

Voting Entitlement

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth), the Board has determined that the persons eligible to vote at the Meeting are those who are registered Shareholders as at 11.00am (WST) on 19 March 2016. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlement to attend and vote at the Meeting.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 11.00am WST.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and either:

- send the Proxy Form by facsimile to the Company on facsimile number (61 8) 9486 8616; or
- deliver or post the Proxy Form to the principal office of the Company at Unit 1, 2 Richardson Street, West Perth, Western Australia, 6005.

so that it is received by no later than 11.00am WST on 19 March 2016, being 48 hours before the Meeting.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may

specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Your Proxy Form is enclosed.

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Shareholders of Red Mountain Mining Limited (ABN 40 119 568 106) **(Company**) will be held at Unit 1, 2 Richardson Street, WEST PERTH, Western Australia, on 21 March 2016 at 11.00am WST, for the purpose of transacting the business referred to in this Notice of General Meeting (**Notice**).

An Explanatory Statement, containing information in relation to the following Resolutions, and a Proxy Form accompany this Notice. Please note capitalised terms used in this Notice have the meanings set out in the glossary of the Explanatory Statement accompanying this Notice.

ORDINARY BUSINESS:

Resolution 1 – Ratification of issue of 35,000,000 Options

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution:**

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 35,000,000 Options (exercisable at $0.003 each on or before 24 December 2018) for nil cash consideration on 24 December 2015 to an institutional investor on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue the subject of Resolution 1 and any Associate of that person. However, the Company need not disregard a vote if the vote is cast by such a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or the vote is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides. **For the purpose of this voting exclusion statement "Associate" shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it extends to the Listing Rules and on the basis that the Company is the "designated body".**

Resolution 2 – Approval for issue of 53,888,889 Options

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution:**

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 53,888,889 Options (exercisable at $0.0015 each on or before 31 March 2018) for nil cash consideration to an institutional investor on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on Resolution 2 by any of the persons who may participate in the proposed issue the subject of Resolution 2 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 2 is passed and any Associate of those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides. **For the purpose of this voting exclusion statement "Associate" shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it extends to the Listing Rules and on the basis that the Company is the "designated body".**

Resolution 3 – Ratification of issue of up to 140,000,000 Shares

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution:**

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of up to 140,000,000 Shares at an issue price of $0.001 per Share to sophisticated and professional investors on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue the subject of Resolution 3 and any Associate of that person. However, the Company need not disregard a vote if the vote is cast by such a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or the vote is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides. **For the purpose of this voting exclusion statement "Associate" shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it extends to the Listing Rules and on the basis that the Company is the "designated body".**

Resolution 4 – Approval for issue of up to 70,000,000 Options

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution:**

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 70,000,000 Options (exercisable at $0.0015 each and expiring 31 March 2018) for nil cash consideration to sophisticated and professional investors on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by any of the persons who may participate in the proposed issue the subject of Resolution 4 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 4 is passed and any Associate of those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides. **For the purpose of this voting exclusion statement "Associate" shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it extends to the Listing Rules and on the basis that the Company is the "designated body".**

Resolution 5 – Approval for issue of up to 70,000,000 Options

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution:**

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 70,000,000 Options (exercisable at $0.0015 each and expiring 31 March 2018) for nil cash consideration to PAC Partners Pty Ltd or its nominee(s) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on Resolution 5 by any of the persons who may participate in the proposed issue the subject of Resolution 5 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 5 is passed and any Associate of those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or the vote is cast by the

person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides. **For the purpose of this voting exclusion statement "Associate" shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it extends to the Listing Rules and on the basis that the Company is the "designated body".**

Resolution 6 – Approval for issue of up to 525,724,559 Options

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution:**

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 525,724,559 Options (exercisable at $0.0015 each and expiring 31 March 2018) for nil consideration to PAC Partners Pty Ltd or its nominee(s) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on Resolution 6 by any of the persons who may participate in the proposed issue the subject of Resolution 6 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 6 is passed and any Associate of those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides. **For the purpose of this voting exclusion statement "Associate" shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it extends to the Listing Rules and on the basis that the Company is the "designated body".**

Resolution 7 – Approval of issue of Shares to raise up to $1,500,000

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

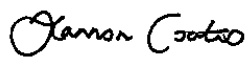
"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares which, when multiplied by the issue price, will raise up to $1,500,000, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on Resolution 7 by any of the persons who may participate in the proposed issue the subject of Resolution 7 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 7 is passed and any Associate of those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides. **For the purpose of this voting exclusion statement "Associate" shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it extends to the Listing Rules and on the basis that the Company is the "designated body".**

OTHER BUSINESS

To transact any other business which may be properly brought before the Meeting in accordance with the Company's Constitution and the Corporations Act.

BY ORDER OF THE BOARD



Shannon Coates
Company Secretary
11 February 2016

NOTES:

1. Completion of a proxy form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

2. A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the Shareholder. A proxy need not be a Shareholder of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (eg "the Company Secretary").

3. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If no such proportion is specified, each proxy may exercise half of the Shareholder's votes.

4. A proxy form is enclosed. A separate form must be used for each proxy. An additional form can be obtained by writing to the Company at Unit 1, 2 Richardson Street, West Perth, Western Australia, 6005 or by fax to (61 8) 9486 8616. Alternatively, you may photocopy the enclosed form.

5. A duly completed proxy form and (where applicable) any power of attorney or a certified copy of the power of attorney must be received by the Company at its registered office or the address or fax number set out below, **not less than 48 hours before** the time for commencement of the Meeting. Please send by post to Unit 1, 2 Richardson Street, West Perth, Western Australia, 6005 or by fax to (61 8) 9486 8616.

6. The Chairman of the Meeting will vote undirected proxies on, and in favour of, all of the proposed Resolutions. If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.

7. The Company will accept proxy appointments by a corporate Shareholder executed in accordance with either section 127(1) (not under seal) or section 127(2) (under seal) of the Corporations Act.

8. The time nominated by the Board in accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth), for the purpose of determining the voting entitlements at the Meeting is 11.00am WST on 19 March 2016.

9. The Explanatory Statement attached to this Notice forms part of this Notice.

1 EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the General Meeting of Red Mountain Mining Limited (**Company**).

The Explanatory Statement and all attachments are important documents. They should be read carefully. The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

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2 RESOLUTIONS 1 AND 2 – RATIFICATION OF ISSUE OF 35,000,000 OPTIONS AND APPROVAL TO ISSUE 53,888,889 OPTIONS

2.1 Background

As announced on 21 December 2015, the Company entered into a Convertible Security Funding Agreement (**CSFA)** for up to A$300,000, by way of convertible securities with the Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC, a New York based institutional investor (**Lind Partners**). The CSFA allows the Company to drawdown up to A$300,000 (in maximum three monthly tranches) and to issue convertible securities, to be repaid at a face value of 1.1667 times the amount drawn with no interest if the face value is paid within a 3 months (90 days) term of each drawdown. In part consideration for entering the CSFA, the Company agreed to issue Options to Lind Partners in accordance with a formula set out in the CSFA.

Accordingly, on 24 December 2015, the Company issued Lind Partners 35,000,000 Options exercisable at $0.003 each on or before 24 December 2018 (**Tranche 1 Lind Options**). Shareholder approval is being sought for a further 53,888,889 Options, exercisable at $0.0015 each on or before 31 March 2018 (**Tranche 2 Lind Options**) (together the **Lind Options)**. The Tranche 1 Lind Options were issued pursuant to the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1. The Tranche 2 Lind Options will be issued subject to Shareholder approval.

ASX Listing Rule 7.1 broadly provides that a company may, during any 12 month period, issue equity securities up to 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period without shareholder approval.

ASX Listing Rule 7.4 permits the ratification of securities issued without shareholder approval under ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1. The purpose of such ratification is to restore the Company's power to issue further securities without shareholder approval within the 15% limit.

Accordingly, Resolutions 1 seeks Shareholder ratification of the issue of the Tranche 1 Lind Options under ASX Listing Rule 7.4 to provide flexibility for the Company to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. Resolution 2 seeks Shareholder approval for the issue of the Tranche 2 Lind Options under ASX Listing Rule 7.1.

2.2 Technical information required by ASX Listing Rule 7.4 for Resolution 1

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Tranche 1 Lind Options the subject of Resolutions 1:

(a) 35,000,000 Tranche 1 Lind Options were issued;

(b) the Tranche 1 Lind Options were issued for nil cash consideration as part consideration pursuant to the CSFA announced on 21 December 2015;

(c) the Tranche 1 Lind Options have an exercise price of $0.003 each and an expiry date of 24 December 2018. The full terms and conditions of the Tranche 1 Lind Options are set out in Schedule 1 to this Explanatory Statement;

(d) the Tranche 1 Lind Options were issued to the Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC, a New York based institutional investor who is not a related party of the Company;

(e) no funds were raised from the issue of the Tranche 1 Lind Options; and

(f) a voting exclusion statement for Resolution is included in the Notice of Meeting preceding this Explanatory Statement.

2.3 Technical information required by ASX Listing Rule 7.1 for Resolution 2

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the approval of the issue of the Tranche 2 Lind Options the subject of Resolution 2:

(a) the maximum number of Tranche 2 Lind Options to be issued is 53,888,889;

(b) the Tranche 2 Lind Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

(c) the Tranche 2 Lind Options will be issued for nil cash consideration as part consideration pursuant to the CSFA announced on 21 December 2015;

(d) the Tranche 2 Lind Options will be issued to the Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC, a New York based institutional investor who is not a related party of the Company;

(e) the Tranche 2 Lind Options have an exercise price of $0.0015 each and an expiry date of 31 March 2018. The full terms and conditions of the Tranche 2 Lind Options are set out in Schedule 2 to this Explanatory Statement;

(f) no funds will be raised from the issue as they are being issued as part consideration pursuant to the CSFA announced on 21 December 2015; and

(g) a voting exclusion statement for Resolution 2 is included in the Notice of Meeting preceding this Explanatory Statement.

2.3 Board recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolutions 1 and 2.

3 RESOLUTION 3 – RATIFICATION OF ISSUE OF UP TO 140,000,000 SHARES

3.1 Background

As announced 15 February 2016, the Company received firm commitments from professional and sophisticated investors to raise $140,000 (before costs) via the issue of 140 million Shares at an issue price of $0.001 (0.1 cent) per Share (**Placement**). The Placement Shares were issued pursuant to the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

A summary of ASX Listing Rules 7.1 and 7.4 appears in section 2.1 of this Explanatory Statement.

Resolution 3 seeks Shareholder ratification of the issue of the Placement Shares under ASX Listing Rule 7.4 to provide flexibility for the Company to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares the subject of Resolution 3:

(a) 140,000,000 Placement Shares were issued;

(b) the Placement Shares were issued at $0.001 per Share;

(c) the Shares issued are fully paid ordinary shares in the capital of the Company and rank equally with the Company's existing Shares;

(d) the Shares were issued to new and existing shareholders all of whom were professional and sophisticated investors and not related parties of the Company;

(e) the funds raised from the issue of the Shares have and will be applied towards any costs of the raising; assessment of advanced gold project(s) in Australia for potential merger or acquisition; joint venture contributions (75%) towards drilling new high-grade gold targets which could upgrade resources in the Batangas Gold Project and general working capital; and

(f) a voting exclusion statement for Resolution 3 is included in the Notice of Meeting preceding this Explanatory Statement.

3.3 Board recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

4 RESOLUTION 4 – APPROVAL OF ISSUE OF UP TO 70,000,000 OPTIONS

4.1 Background

As noted in section 3.1 above, on 15 February 2016, the Company announced the Placement. In conjunction with the Placement Shares, the Company offered participants in the Placement one (1) free attaching Option, exercisable at $0.0015 each and expiring 31 March 2018, for every two (2) Shares issued (**Placement Options**). Subject to meeting ASX requirements, the new Placement Options will be listed.

Resolution 4 seeks Shareholder approval to issue up to 70,000,000 Placement Options to sophisticated and professional investors who participated in the Placement, pursuant to ASX Listing Rule 7.1.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 of this Explanatory Statement.

The effect of Resolution 4 will be to allow the Directors to grant the Placement Options pursuant to Resolution 4 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

(a) the maximum number of Placement Options to be issued is 70,000,000;

(b) the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

(c) the Placement Options will be issued for nil cash consideration as they will be issued as free attaching Options to the Placement Shares;

(d) the Placement Options will be issued to professional and sophisticated investors, none of whom are a related party of the Company;

(e) the Placement Options will be issued on the terms and conditions set out in Schedule 3;

(f) no funds will be raised from the issue as they are being issued as free attaching Options in conjunction with the Placement; and

(g) a voting exclusion statement for Resolution 4 is included in the Notice of Meeting preceding this Explanatory Statement.

4.3 Board recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

5 RESOLUTION 5 – APPROVAL OF ISSUE OF UP TO 70,000,000 OPTIONS

5.1 Background

As noted in section 3.1 above, on 15 February 2016, the Company announced the Placement. In conjunction with the Placement Shares, the Company appointed PAC Partners Pty Ltd (**PAC Partners**) as lead manager to the Placement and in part consideration for these services, the Company agreed to issue one (1) Option exercisable at $0.0015 each and expiring 31 March 2018, to PAC Partners or its nominees for every two (2) Shares issued under the Placement (**Placement Options**). Subject to meeting ASX requirements, the new Placement Options will be listed.

Resolution 5 seeks Shareholder approval to issue up to 70,000,000 Placement Options to PAC Partners or its nominees(s) pursuant to ASX Listing Rule 7.1.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 of this Explanatory Statement.

The effect of Resolution 5 will be to allow the Directors to grant the Placement Options pursuant to Resolution 5 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

(a) the maximum number of Placement Options to be issued is 70,000,000;

(b) the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

(c) the Placement Options will be issued for nil cash consideration as they will be issued in consideration for management services provided in relation to the Placement;

(d) the Placement Options will be issued to PAC Partners (or its nominee(s)), none of whom are a related party of the Company;

(e) the Placement Options will be issued on the terms and conditions set out in Schedule 3;

(f) no funds will be raised from the issue as they are being issued in part consideration for the provision of management services provided in conjunction with the Placement; and

(g) a voting exclusion statement for Resolution 5 is included in the Notice of Meeting preceding this Explanatory Statement.

5.3 Board recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

6 RESOLUTION 6 – APPROVAL FOR ISSUE OF UP TO 525,724,559 OPTIONS

6.1 Background

As noted in section 3.1 above, on 15 February 2016, the Company announced its intention to undertake a Rights Issue of up to approximately 1,051,449,119 Shares, partially to fully underwritten by PAC Partners and on the same terms as the Placement (**Rights Issue**). In part consideration for underwriting the Rights Issue, the Company agreed to issue one (1) Option exercisable at $0.0015 each and expiring 31 March 2018, to PAC Partners or its nominee(s) for every two (2) Shares underwritten pursuant to the Rights Issue (**Fee Options**). Accordingly, the Company will issue PAC Partners or its nominee(s) up to 525,724,559 Fee Options on the successful completion of the Rights Issue.

Resolution 6 seeks Shareholder approval to issue the abovementioned up to 525,724,559 Fee Options to PAC Partners or its nominees(s) pursuant to ASX Listing Rule 7.1.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 of this Explanatory Statement.

The effect of Resolution 6 will be to allow the Directors to grant the Fee Options pursuant to Resolution 6 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

(a) the maximum number of Fee Options to be issued is 525,724,559;

(b) the Fee Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

(c) the Fee Options will be issued for nil cash consideration as they are issued as part consideration for underwriting services provided by PAC Partners;

(d) the Fee Options will be issued to PAC Partners (or its nominee(s)), none of whom are a related party of the Company;

(e) the Fee Options will be issued on the terms and conditions set out in Schedule 3;

(f) no funds will be raised from the issue of the Fee Options as they are being issued as free attaching Options as part consideration for the provision of underwriting services; and

(g) a voting exclusion statement for Resolution 6 is included in the Notice of Meeting preceding this Explanatory Statement.

6.3 Board recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 6.

7 RESOLUTION 7 – APPROVAL OF ISSUE OF NEW SHARES TO RAISE UP TO $1,500,000 MILLION

7.1 Background

The Company is seeking approval for the issue of new Shares, at an issue price of not less than 80% of the volume weighted average price for Shares (**VWAP**) calculated over the 5 days on which sales in the Shares were recorded before the day on which the issue is made, or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed, to raise a total of up to $1,500,000.

Resolution 7 is seeking to renew the pre-approved facility that had been previously approved by Shareholders at the Annual General Meeting held on 16 November 2015, as the previous facility of $1,500,000 expired on 16 February 2016.

A summary of ASX Listing Rule 7.1 is provided in section 2.1 of this Explanatory Statement.

The effect of Resolution 7 will allow the Company to issue new Shares within three months of the date of the meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1. It is noted that if approval is granted by Shareholders, it does not necessarily mean the Company will issue the Shares.

7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Shares the subject of this Resolution:

(a) the maximum number of Shares to be issued will be calculated by dividing $1,500,000 by the issue price, which will be not less than 80% of the VWAP for Shares calculated over the 5 trading days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;

(b) the Shares will be issued progressively and no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(c) the issue price will be not less than 80% of the VWAP for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities

were recorded before the date the prospectus is signed;

(d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(e) the Directors will determine to whom the Shares are issued but it is anticipated these persons will be sophisticated investors and will not be related parties of the Company;

(f) the Company intends to use any funds raised from the issue of the new Shares towards:

(i) any costs of the raising;

(ii) joint venture contributions (75%) towards additional drilling of high-grade gold targets at Lobo on the Batangas Gold Project;

(iii) joint venture contributions (75%) towards the finalising of the Company's Definitive Feasibility Study and Permitting of the Batangas Gold Project;

(iv) assessment of advanced gold project(s) in Australia for potential merger or acquisition; and,

(v) general working capital; and

(g) a voting exclusion statement for Resolution 7 is included in the Notice of Meeting preceding this Explanatory Statement.

7.3 Board recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 7.

GLOSSARY

Where the following terms are used in the Notice they have the following meanings:

$ means Australian dollars, unless otherwise stated.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the rules governing the operation of the ASX.

Board means the board of Directors of the Company.

Business Day means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

CSFA means Convertible Security Funding Agreement.

Chair means the chair of the Meeting.

Company means Red Mountain Mining Limited (ACN 119 568 106).

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means this Explanatory Statement accompanying this Notice.

Fee Option means an option to acquire a Share for $0.0015 expiring 31 March 2018 and otherwise in accordance with the terms and conditions set out in Schedule 3.

General Meeting or **Meeting** means the meeting convened by the Notice.

Lind Options means the Tranche 1 Lind Options and the Tranche 2 Lind Options. Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC, a New York based institutional investor.

Lind Partners means Australian Special Opportunity Fund, LP, managed by The Lind Partners, LLC, a New York based institutional investor.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

PAC Partners means PAC Partners Pty Ltd.

Placement has the meaning given in section 3.1 of this Explanatory Statement.

Placement Option means an option to acquire a Share for $0.0015 expiring 31 March 2018 and otherwise in accordance with the terms and conditions set out in Schedule 3.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Rights Issue means an issue of up to 1,051,449,119 Shares, partially to fully underwritten by PAC Partners and on the same terms as the Placement.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means the registered holder of a Share.

Tranche 1 Lind Option means an option to acquire a Share for $0.003 on or before 24 December 2018 and otherwise in accordance with the terms and conditions set out in Schedule 1.

Tranche 2 Lind Option means an option to acquire a Share for $0.0015 on or before 31 March 2018 and otherwise in accordance with the terms and conditions set out in Schedule 2.

VWAP means volume weighted average price.

WST means Australian Western Standard Time.

SCHEDULE 1
TERMS AND CONDITIONS OF TRANCHE 1 LIND OPTIONS EXERCISABLE AT $0.003 ON OR BEFORE 24 DECEMBER 2018

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

(a) Each Option gives the Optionholder the right to subscribe for one Share.

(b) The Options will expire at 5.00pm (WST) on 24 December 2018 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) Subject to paragraph (k), the amount payable upon exercise of each Option is $0.003 per Option (Exercise Price).

(d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

(e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:

    (i) a written notice of exercise of Options specifying the number of Options being exercised; and

    (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice).

(f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

(h) The Options are transferable.

(i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.

(j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.

(k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) An Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

SCHEDULE 2
TERMS AND CONDITIONS OF TRANCHE 2 LIND OPTIONS EXERCISABLE AT $0.0015 ON OR BEFORE 31 MARCH 2018

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

(a) Each Option gives the Optionholder the right to subscribe for one Share.

(b) The Options will expire at 5.00pm (WST) on 31 March 2018 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) Subject to paragraph (k), the amount payable upon exercise of each Option is $0.0015 per Option (Exercise Price).

(d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

(e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:

(iii) a written notice of exercise of Options specifying the number of Options being exercised; and

(iv) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice).

(f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

(h) The Options are transferable.

(i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.

(j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.

(k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) An Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

SCHEDULE 3
TERMS AND CONDITIONS OF PLACEMENT/FEE OPTIONS EXERCISABLE AT $0.0015 EXPIRING 31 MARCH 2018

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

(a) Each Option gives the Optionholder the right to subscribe for one Share.

(b) The Options will expire at 5.00pm (WST) on 31 March 2018 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) Subject to paragraph (k), the amount payable upon exercise of each Option is $0.0015 per Option (Exercise Price).

(d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

(e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:

(v) a written notice of exercise of Options specifying the number of Options being exercised; and

(vi) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice).

(f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

(h) The Options are transferable.

(i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.

(j) The Company will apply for quotation of the Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.

(k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) An Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

redmountain mining

Red Mountain Mining Limited
ABN 40 119 568 106

Lodge your vote:

By Mail:
Red Mountain Mining Limited
Unit 1, 2 Richardson Street
West Perth, Western Australia, 6005

Alternatively you can fax your form to
(within Australia) 08 9486 8616
(outside Australia) +61 8 9486 8616

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 11:00am (WST) Saturday, 19 March 2016

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔

View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

☑ **Review your securityholding**

☑ **Update your securityholding**

Your secure access information is:

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

This Document is printed on **Greenhouse Friendly**™ ENVI Laser Carbon Neutral Paper

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Red Mountain Mining Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Red Mountain Mining Limited to be held at Unit 1, 2 Richardson Street, West Perth, Western Australia on Monday, 21 March 2016 at 11:00am (WST) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Ratification of issue of 35,000,000 Options	☐	☐	☐
Resolution 2	Approval for issue of 53,888,889 Options	☐	☐	☐
Resolution 3	Ratification of issue of up to 140,000,000 Shares	☐	☐	☐
Resolution 4	Approval for issue of up to 70,000,000 Options	☐	☐	☐
Resolution 5	Approval for issue of up to 70,000,000 Options	☐	☐	☐
Resolution 6	Approval for issue of up to 525,724,559 Options	☐	☐	☐
Resolution 7	Approval of issue of Shares to raise up to $1,500,000	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 | **Securityholder 2** | **Securityholder 3**

Sole Director and Sole Company Secretary | **Director** | **Director/Company Secretary**

Contact Name _____ **Contact Daytime Telephone** _____ **Date** / /