ASX ANNOUNCEMENT **RED MOUNTAIN MINING LTD (ASX:RMX)** **11 April 2016**

BATANGAS GOLD PROJECT STRATEGIC FUNDING PARTNER PUBLISHES APPROVED PROSPECTUS FOR ADMISSION TO THE LSE

- **Bluebird Merchant Ventures Ltd publishes approved Prospectus for Admission to the LSE**
- **Part proceeds of associated Placing to fund completion of Batangas Gold Project Feasibility Study and Permitting**
- **Red Mountain subscribes for GBP 500,000 of Bluebird shares in the Placing**
- **USD1.2 million (AUD1.6 million) loans to be re-paid to Red Mountain following Admission**

Perth, Western Australia: Red Mountain Mining Limited (**RMX, Red Mountain**, or **the Company**) is pleased to announce that its strategic funding partner for the Batangas Gold Project in the Philippines, Bluebird Merchant Ventures Ltd (**Bluebird**), published their approved Prospectus on 7 April 2016, that includes the minimum Placing of £1.675 million and an expected timetable for Bluebird's imminent admission to trading on the London Stock Exchange (**LSE**) main market for listed securities (**Admission**).

The next key steps following Bluebird's Admission are as follows:

- From the proceeds of the Placing, Bluebird will complete Stage 1 (A and B) payments owed to the Company's subsidiary Red Mountain Mining Singapore Pte (**RMMS**) pursuant to the Strategic Financing Agreement, totalling USD 1.7 million (~AUD 2.6 million), (see ASX release, 15 October 2015), of which USD 500,000 has previously been paid (see ASX release 12 June 2015).
- From the USD 1.2 million (~AUD 1.6 million) Stage 1 payment, Red Mountain will be repaid all outstanding loans, including interest and costs, totalling approximately USD 1.2 million (~AUD 1.6 million), due within 5 days of Bluebird's Admission.
- RMX have subscribed for Bluebird shares under the Placing to a total value of GBP 500,000, and will become a shareholder of Bluebird, holding approximately 4.7% of Bluebird's issued capital following Admission (see "About Bluebird Merchant Ventures Ltd." below).
- Net of the Subscription in Bluebird, Red Mountain will receive approximately USD 0.6 million (AUD 0.8 million) in cash, including repayment of the Bluebird Loans with interest and costs and 25% joint venture contributions. This is in addition to the AUD 1.19 million (before costs) raised through the recently completed Placement and Rights Issue (see ASX release, 10 March 2016).
- Upon completion of the Stage 1 (A and B) payments, Bluebird will earn a 25% interest in RMMS, the holder of the Batangas Gold Project assets in the Philippines, and a 75% Red Mountain: 25% Bluebird incorporated joint venture will be formed at RMMS level (**new JV**).
- The new JV will then immediately focus on completing the Definitive Feasibility Study (DFS); conducting a geotechnical and high-grade gold resource target drilling program and completing the final permitting inputs to allow approval for the Batangas Gold Project development.

Red Mountain Managing Director Jon Dugdale said,

"The success of Bluebird's Placing and Admission to trading on the LSE, will be a major milestone for both Red Mountain and Bluebird, and represents a strong vote of confidence in the planned, high grade, Batangas Gold Project development."

ASX code: RMX
ABN 40 119568106

COMPANY DIRECTORS
Neil Warburton
Non-Executive Chairman
Jon Dugdale
Managing Director
Michael Wolley
Non-Executive Director
Shannon Coates
Company Secretary

CONTACT DETAILS
RED MOUNTAIN MINING LTD
Head Office
Unit 1, 2 Richardson Street
West Perth Western Australia 6005
www.redmm.com.au
info@redmm.com.au

"This releases the shackles on the project, and will allow the new JV to get on with completing the DFS; a geotechnical and resource target drilling program, and permitting of the Batangas Gold Project development."

The USD 1.7 million in Stage 1 payments for 25% of RMMS represents a valuation of USD 6.8 million or ~AUD 9 million for 100% of the Batangas Gold Project, representing in market capitalisation terms an equivalent (undiluted) RMX share price of 0.34 cents per share (cps) for 100% or 0.26 cps for the retained 75% of the project.

Following formation of the new JV, each party will fund its share of costs until either the Sole Funding Option (additional USD 1.7 million) or the Stage 2 Funding Option (additional USD 3.8 million) are executed by Bluebird within 13 months of Admission (see ASX release 15 October 2015 for details), which will increased Bluebird's stake in RMMS to 50.1%.

About Red Mountain Mining Limited and the Batangas Gold Project

Red Mountain Mining Ltd (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 direct and indirect contractual right interest in tenements in the Philippines that contain significant gold resources totalling Indicated and Inferred 6.19 million tonnes at 2.2 g/t Au for 444,000oz Au (JORC 2012, see ASX announcement 30 June 2014).

The Company's objectives include development of gold production at the Batangas Gold Project, while continuing to focus on increasing the mineral resource base.

The Company announced a new Strategic Financing Agreement (the Agreement) with Bluebird Merchant Ventures Ltd (BMV) on 15 October 2015. The Agreement includes a two stage funding arrangement totalling up to USD5.5M, that will earn BMV up to 50.1% of wholly owned subsidiary, Red Mountain Mining Singapore Ltd (RMMS), that holds the Company's interests in the Batangas Gold Project in the Philippines, with the project to operate under an Incorporated Joint Venture (JV).

Stage 1 funding of USD1.7M under the Agreement will earn BMV 25% of RMMS and will allow the JV to complete a Definitive Feasibility Study (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 to 6 years of a 10 year production plan (ASX announcement 20 November 2014 and updated 23 January 2015).

Final permitting to allow development of the Batangas Gold Project is being progressed through the Philippines Government approval process.

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

About Bluebird Merchant Ventures Ltd

Bluebird Merchant Ventures Ltd ("**Bluebird"** or **BMV)** is a private company registered in the British Virgin Islands.

Bluebird has announced its intention to make an initial public offering of its ordinary shares, and applied for admission (collectively, "**Admission**") of its ordinary shares to the Main Market of the London Stock Exchange (**LSE**). Bluebird published its approved Prospectus and Admission timetable on 7 April 2016.

ASX code: RMX
ABN 40 119568106

COMPANY DIRECTORS
Neil Warburton
Non-Executive Chairman
Jon Dugdale
Managing Director
Michael Wolley
Non-Executive Director
Shannon Coates
Company Secretary

CONTACT DETAILS
RED MOUNTAIN MINING LTD
Head Office
Unit 1, 2 Richardson Street
West Perth Western Australia 6005
www.redmm.com.au
info@redmm.com.au

London based Optiva Securities Ltd is the Financial Advisor to the Company.

The Board of Directors and management of Bluebird consist of experienced mining engineers and executives and those with capital markets experience in the natural resources sector.

Aside from the Agreement with Red Mountain to earn an interest in the Batangas Gold Project, Bluebird has a copper concentrates trading business.

Bluebird's strategy is to identify and further develop its current asset base, identify additional trading opportunities in the Philippines and to make further investments in attractive advanced projects that are at a stage where production is a realistic near term goal.

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

Company Investors:
Jon Dugdale
Managing Director
(+61) 402 298 026
(+61) 8 9226 5668
E : jon.dugdale@redmm.com.au

Media:
Matt Birney
Birney Corporate
(+61) 419 217 090
(+61) 8 9226 5668
E : matt@birneycorporate.com.au

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 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.

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

ASX code: RMX
ABN 40 119568106

COMPANY DIRECTORS
Neil Warburton
Non-Executive Chairman
Jon Dugdale
Managing Director
Michael Wolley
Non-Executive Director
Shannon Coates
Company Secretary

CONTACT DETAILS
RED MOUNTAIN MINING LTD
Head Office
Unit 1, 2 Richardson Street
West Perth Western Australia 6005
www.redmm.com.au
info@redmm.com.au

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.

ASX code: RMX
ABN 40 119568106

COMPANY DIRECTORS
Neil Warburton
Non-Executive Chairman
Jon Dugdale
Managing Director
Michael Wolley
Non-Executive Director
Shannon Coates
Company Secretary

CONTACT DETAILS
RED MOUNTAIN MINING LTD
Head Office
Unit 1, 2 Richardson Street
West Perth Western Australia 6005
www.redmm.com.au
info@redmm.com.au