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

ASX ANNOUNCEMENT

RED MOUNTAIN MINING LTD

21 June 2016

RED MOUNTAIN TO RAISE $275,000 VIA PLACEMENT TO COMPLETE DFS

Perth based Red Mountain Mining Limited (**the Company**, **Red Mountain** or **RMX**) is pleased to announce that it has received firm commitments from professional and sophisticated investors to raise $275,000 (before costs) via the issue of 275 million shares, at an issue price of 0.1 cents ($0.001) per share (**Placement**), pursuant to existing placement capacity. In addition, for every two (2) shares issued under the Placement, the Company will issue participants one (1) new listed option, exercisable at 0.15 cents ($0.0015) each and expiring 31 March 2018 (**RMXOF Options**).

The Company will utilise the funds raised towards its FY17 Q1 (September quarter) expenditure requirements for the Batangas Gold Project joint venture (**BJV**), in which it holds an interest of 75%, pursuant to the strategic funding agreement (**the Agreement**) with Bluebird Merchant Ventures Ltd (**Bluebird**) released to the ASX 15 October 2015, as varied, and for general working capital.

The Company recently released to the ASX a Pre-Feasibility Study (**PFS**), on 15 June 2016. Based on the PFS demonstrating a potential low-cost, viable Batangas Gold Project development, the BJV will now seek to complete the additional technical work, including geotechnical and resource/reserve target drilling (subject to Philippines Mines and Geosciences Bureau (**MGB**) approval), required to finalise the Definitive Feasibility Study (**DFS**).

In parallel with completion of the DFS, the BJV will seek to complete all final permitting and approvals to allow development of the Project.

Patersons has been appointed as Lead Manager to the Placement and will receive a management fee of $7,500. Patersons will also receive an amount equal to 6% (plus GST if applicable) of the dollar amount raised under the Placement.

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 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 (Batangas JV).

Stage 1 funding of USD1.7M under the Agreement has earned BMV 25% of RMMS and has allowed the JV to complete a Pre-Feasibility Study (PFS) (see ASX release, 15 June 2016). Based on the results of the PFS confirming low capital and operating costs and recovery of over 116,000 ounces of gold including silver credits during the initial 7 years of a 10 year production plan, the JV will now proceed to complete a Definitive Feasibility Study (DFS) on the project.

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.

Cautionary Statement

The Probable Ore Reserves and the production targets referred to in this announcement are derived from optimised and designed open pits based on Indicated Resources only. The Probable Ore Reserves provide 100% of the total planned production schedule and financial projections. There is no dependence of the outcomes of the PFS on non-Ore Reserve material contained within the optimised and designed open pits. All cash flows are undiscounted, unless otherwise stated, and are not subject to inflation/escalation factors. The PFS has been prepared to an overall level of accuracy of approximately +/- 25%. The production targets referred to in this announcement 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. The Company has concluded that it has a reasonable basis for providing forward looking statements included in this announcement, including with respect to any production targets and financial estimates, based on the information provided in this announcement.

Competent Person Statement

The information in this report relating to Ore Reserves is based on information compiled by Dallas Cox of Crystal Sun Consulting, Mr Cox is a Member of The Australasian Institute of Mining and Metallurgy. Mr Cox has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code or Reporting of Exploration Results, Mineral Resources and Ore Reserves'. 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 presentation. All material assumptions and technical parameters underpinning the Ore Reserves continue to apply and have not materially changed.

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 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 report. The forward looking statements made in this report 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 report except as required by law or by any appropriate regulatory authority.

This announcement has been prepared in compliance with the JORC code (2012) and the current ASX listing rules.