ASX ANNOUNCEMENT **RED MOUNTAIN MINING LTD (ASX:RMX)** **12 February 2014**

GENERAL MEETING OF SHAREHOLDERS

Perth-based Red Mountain Mining notes that proxies for its upcoming general meeting of shareholders, scheduled for 11.00am on Monday, 17 February 2014 close at 11.00am on Saturday, 15 February 2014.

The Company encourages shareholders to return their completed proxy forms. For shareholders who have come onto the register after despatch of hard copy Notice of Meeting and proxy form on 21 January 2014 and would like to vote, a copy of the Notice of Meeting and proxy is attached.

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

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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

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) on Saturday, 15 February 2014

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 as they choose. 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 information tab, "Downloadable 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:

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

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☐ **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 BDO Audit (WA) Pty Ltd, 38 Station Street, Subiaco, Western Australia on Monday, 17 February 2014 at 11.00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 2, 3 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 2, 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For Resolution 3, this express authority is also subject to you marking the box in the section below.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 2, 3 and 4 by marking the appropriate box in step 2 below.

Important for Resolution 3: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolution 3 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Resolution 3, the Chairman of the Meeting will not cast your votes on Resolution 3, and your votes will not be counted in computing the required majority if a poll is called on this resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 3.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Resolution 3 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

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	Selective Buy-Back	☐	☐	☐
Resolution 2	Approval of Issue of Performance Rights to Director: Jon Dugdale	☐	☐	☐
Resolution 3	Approval of Issue of Performance Rights to Director: Neil Warburton	☐	☐	☐
Resolution 4	Approval of Issue of Performance Rights to Director: Michael Wolley	☐	☐	☐

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

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** / /

ABN 40 119 568 106

NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

Date of Meeting
17 February 2014

Time of Meeting
11.00am (WST)

Place of Meeting
BDO Audit (WA) Pty Ltd
38 Station Street SUBIACO WA 6008

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The General Meeting of the Shareholders of Red Mountain Mining Limited will be held at 11.00am WST on 17 February 2014 at:

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, Western Australia 6008

Voting Entitlement

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of Shareholders as at 5:00pm (WST) on 15 February 2014. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Meeting.

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 15 February 2014, being 48 hours before 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 BDO Audit (WA) Pty Ltd, 38 Station Street, Subiaco, Western Australia, on 17 February 2014 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.

AGENDA

ORDINARY BUSINESS:

Resolution 1 – Selective Buy-Back

To consider and, if thought fit, to pass the following as a **special resolution**:

> *"That, for the purpose of Section 257D(1)(b) of the Corporations Act and for all other purposes, approval is given for the Company to conduct a Selective Buy-back of 4,000,000 Ordinary Shares on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion
The Company will disregard any votes cast on Resolution 1 by Mindoro Resources Limited and any of its associates or any other person who might obtain a benefit, except solely in the capacity of a holder of shares, if the resolution is passed, and an associate of those persons. However, the Company need not disregard a vote on Resolution 1, if:

- it is cast be a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it 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.

Resolution 2 – Approval of Issue of Performance Rights to Director: Jon Dugdale

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, approval is given for the Directors to grant and issue up to 12 million Performance Rights to Mr Jon Dugdale or his nominee(s) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion
The Company will disregard any votes cast on this Resolution by Jon Dugdale and any associates of Jon Dugdale. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it 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.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed

as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:
  (i) a member of the key management personnel for the Company; or
  (ii) a closely related party of such a member; and
(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(c) the proxy is the Chair of the Meeting; and
(d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Resolution 3 – Approval of Issue of Performance Rights to Director: Neil Warburton

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, approval is given for the Directors to grant and issue up to 6 million Performance Rights to Mr Neil Warburton or his nominee(s) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Neil Warburton and any associates of Neil Warburton. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it 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.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:
  (i) a member of the key management personnel for the Company; or
  (ii) a closely related party of such a member; and
(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(c) the proxy is the Chair of the Meeting; and
(d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Resolution 4 – Approval of Issue of Performance Rights to Director: Michael Wolley

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, approval is given for the Directors to grant and issue up to 4 million Performance Rights to Mr Michael Wolley or his nominee(s) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Michael Wolley and any associates of Michael Wolley. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it 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.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:
  (i) a member of the key management personnel for the Company; or
  (ii) a closely related party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

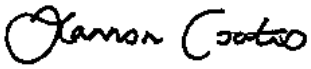
(c) the proxy is the Chair of the Meeting; and

(d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

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
8 January 2014

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, 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, 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. However, where a member of the key management personnel or a closely related party of that member is appointed as a proxy and is not directed how to vote, the proxy may only vote on Resolutions 2, 3, 4 (Approval to Issue Performance Rights to Directors) if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if Resolutions 2, 3, and 4 are connected directly or indirectly with the remuneration of a member of the key management personnel. Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Their closely related parties are defined in the Corporations Act and includes certain of their family members, dependants and companies they control.

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 for the purpose of determining the voting entitlements at the Meeting is 5.00pm WST on 15 February 2014.

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 RESOLUTION 1 – SELECTIVE BUY BACK

2.1 BACKGROUND TO RESOLUTION 1

On 23 July 2012, the Company entered into a Share Sale Agreement with Mindoro Resources Limited (**Mindoro**) for the acquisition of two gold and copper gold projects located in the Philippines, the Batangas Project and the Taipian San Francisco Project. Under the terms of the Share Sale Agreement the Company has the right to acquire a 100% direct and indirect interest in the Batangas Project and the right to acquire a 75% direct and indirect interest in the Tapian San Francisco Project. Upon settlement of the transaction on 30 October 2012, the Company issued Mindoro with 100 million fully paid ordinary shares, which were subject to a 12 month ASX imposed escrow period (**Consideration Shares**), and 50 million performance shares that were to vest upon the satisfaction of certain milestones (**Performance Shares)** by 30 October 2013.

On 1 November 2013 the Company announced that, pursuant to agreement with Mindoro, the 100 million Consideration Shares would continue to be escrowed voluntarily beyond expiry of the original ASX imposed 12 month escrow period, potentially to 30 April 2014. The Company further announced that the 50 million Performance Shares had not met the applicable milestones and where therefore converted to 1 fully paid ordinary share on 1 November 2013.

Red Mountain further announced on 1 November 2013 that, subject to the variation to the Share Sale Agreement dated 17 October 2013, placing the transfer of contractual rights to a 75% interest in the Tapian San Francisco Project in the "Further Restructure", it intended to, subject to shareholder approval, "buy-back" and cancel 4 million of the 100 million Consideration Shares held by Mindoro in return for the Company relinquishing its contractual right to a 75% interest in the low priority Tapian San Francisco Joint Venture exploration prospect on Mindanao Island in the Philippines.

2.2 SELECTIVE BUY-BACK MECHANISM

The Share Sale Agreement provides for a selective buy-back of the Consideration Shares issued to Mindoro, to be triggered on the occurrence of certain events.

Provided that Mindoro has not completed an in-specie distribution of the Consideration

Shares and has not otherwise disposed of the Consideration Shares with the consent of the Company which is the case, at the date of this Notice, the Company may elect, in its discretion, to buy back all, or a portion of the Consideration Shares, in the following circumstances:

(a) if the Further Restructure does not occur within 12 months of Settlement, or such later date as agreed by the Company and Mindoro, and as a result, Mindoro is not able to transfer title to the Projects (or the beneficial interest in the Projects) to the Company or its nominee and the value of those exploration permits (or applications) not transferred exceeds $20,000 (**Further Restructure Buy-back**);

(b) if the Exploration Permit Applications (**EPA**s) are not approved, resulting in the granted exploration permits not being transferred within 24 months after Settlement and the value of those EPA's not transferred exceeds $20,000 (**EPA Buy-back)**;

(c) if an application for the renewal of one or more of the Renewal Permits is not granted within 12 months of Settlement and the value of those exploration permits (or applications) not transferred exceeds $20,000 (**Permit Renewal Buy-back**); and

(d) if, following Settlement, the consideration payable by the Company is deemed to have decreased due Mindoro breaching a warranty it has given in favour of the Company under the Share Sale Agreement (**Breach Buy-back**),

(a reference to a Selective Buy-back shall include a reference to each of the Further Restructure Buy-back, EPA Buy-back, Permit Renewal Buy-back and Breach Buy-back).

A Selective Buy-back is subject to the approval of Shareholders, as contemplated by Resolution 1.

Provided a Selective Buy-back can occur, the Company and Mindoro would need to determine the number of Purchaser Shares that would be 'bought back' as part of a Selective Buy-back by,

(a) in the case of the Further Restructure Buy-back, acting reasonably and in good faith, conducting a valuation of those assets the subject of the Further Restructure which have not been transferred to the Company (or its nominee) as contemplated by the Further Restructure (**Value**). Failing agreement in respect of the Value, either the Company or Mindoro may refer the matter in dispute to an Independent Expert for determination.

(b) in the case of the EPA Buy-back, acting reasonably and in good faith, having an independent valuation conducted to determine the value of the exploration permits that were to be transferred upon grant of the EPAs, which were not transferred to the Company (or its nominee);

(c) in the case of the Permit Renewal Buy-back, acting reasonably and in good faith, having an independent valuation conducted to determine the value of the Renewal Permits which were unable to be renewed; and

(d) in the case of the Breach Buy-back, coming to an agreement (acting reasonably) with Mindoro as to the value to be attributed to the breach or, failing agreement, undertaking the dispute resolution process specified in the Share Sale Agreement.

To determine the volume of shares to be bought back, the Value should be divided by the Deemed Issue Price. The Deemed Issue Price is $0.10/Share.

In the event that a Further Restructure Buy-back, EPA Buy-back or Permit Buy-back occurs, the Company will also relinquish all rights and title to, and all interest in, the Permits that:

(e) in the event of a Further Restructure Buy-back, are the subject of the Further Restructure and which have not been transferred as contemplated;

(f) in the event of an EPA Buy-back, were applications at the time of execution of the Share Sale Agreement and have not been granted and transferred as contemplated; and

(g) in the event of a Permit Buy-back, were the subject of renewal applications at the time of execution of the Share Sale Agreement and for which the renewals have not been granted as contemplated.

In the event that a Selective Buy-back cannot occur for whatever reason, including but not limited to a situation where:

(a) the Distribution has already taken place; or

(b) where Shareholder approval for the Selective Buy-back has not been obtained,

Mindoro and the Company will resolve any dispute which may arise in relation to the Share Sale Agreement in accordance with the dispute resolution provisions contained in the Share Sale Agreement. These provisions are considered by the Company to be standard for an agreement of its nature. Following the Distribution or Authorised Disposal, the Company has access to normal remedies.

2.3 GENERAL

The Corporations Act provides that the rules relating to share buy-backs are designed to protect the interests of shareholders and creditors by:

(a) addressing the risk of the transaction leading to the company's solvency;

(b) seeking to ensure fairness between the shareholders of the company; and

(c) requiring the company to disclose all material information.

Section 257A of the Corporations Act provides that a company may buy back its own shares if:

(a) the buy-back does not materially prejudice the company's ability to pay its creditors;

and

(b) the company follows the procedures laid down in Division 2 of Part 2J.1 of the Corporations Act.

Section 257H(3) provides that immediately after the registration of the transfer to a company of shares bought back, the shares are cancelled.

The procedure to conduct a buy-back differs for each type of buy-back. Each of the buy-backs proposed by the Company are classified as a selective buy-backs.

Section 257D(1) of the Corporations Act, requires the terms of a selective buy-back agreement to be approved before it is entered into by either:

(a) a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose shares are to be bought back or by their associates; or

(b) a resolution agreed to, at a general meeting by all ordinary shareholders, or the agreement must be conditional on such approval.

Section 257D(2) of the Corporations Act requires that a company must, in the notice for the meeting in which it intends to seek shareholder approval, include a statement setting out all information known to the company that is material to the decision on how to vote on the resolution. However, a company does not have to disclose information if it would be unreasonable to require the company to do so, because the company had previously disclosed the information to Shareholders.

The Corporations Act and ASIC Regulatory Guide 110 set out the information that a company is expected to disclose to shareholders in a notice of meeting. This information is set out below in relation to the Company.

This Resolution 1 seeks Shareholder approval for the Selective Buy-back.

2.4 SUMMARY OF AND EFFECT OF PROPOSED SELECTIVE BUY BACK

The overall effect on the Company of the Selective Buy-back of Shares, would be to reduce the total number of Shares on issue at the time of the Selective Buy-back, by the number of Buy-back Shares, being 4 million. There are currently 481,442,016 Shares on issue.

The Company and Mindoro have, acting reasonably and in good faith, agreed the Value of the contractual right to a 75% interest in the Tapian San Francisco Project of $400,000, which, divided by the deemed Issue Price of $0.10/Share, determined a volume of shares to be bought back of 4 million shares. Neither the Company or Mindoro have chosen to refer the matter to an Independent Expert for determination. The Directors have considered that an independent valuation to determine the Value is not necessary.

The Selective Buy-back is not expected to have an effect on the control of the Company and would not reduce the Company's funds. Therefore, the proposed Selective Buy-back would

not materially prejudice the Company's ability to pay its creditors.

2.5 ADVANTAGES AND DISADVANTAGES OF PROPOSED SELECTIVE BUY BACK

The Board believes that the Selective Buy-back, as proposed by Resolution 1, would provide the following advantages to Shareholders:

(a) there will be a lesser number of Shares on issue, resulting in an increased ownership interest in the Company of each remaining Shareholder;

(b) it provides a cost effective, time efficient mechanism for the resolution of a potential conflict or dispute arising under the Share Sale Agreement;

(c) a Selective Buy-Back will be directly related to the consideration payable for the Acquisition, which consists entirely of equity in the Company. Accordingly, a Selective Buy-Back would serve to directly reduce the impact on Shareholders' interests of the Acquisition;

(d) there would be a reduction in the controlling interest of Mindoro;

(e) it will reduce ongoing working capital expenditure on the Taipian San Francisco Project; and

(f) a Selective Buy-back may provide a quicker resolution to a dispute than exploring litigious avenues.

The Board believes the disadvantage to Shareholders of the Selective Buy-back is a potential increase in the controlling interests of other shareholders, as a result in the decreased holding of Mindoro, where such increase results in any other Shareholder becoming a major Shareholder.

2.6 TRADING PRICE OF SHARES

The latest trading price of Shares on ASX prior to the date of this Notice of Meeting was $0.005 on 16 December 2013.

2.7 DIRECTOR'S RECOMMENDATION

The Directors recommend that the Shareholders vote in favour of Resolution 1 and confirm that they intend to vote in favour of the Resolution.

2.8 OTHER MATERIAL INFORMATION

There is no information material to the making of a decision by a Shareholder whether or not to approve Resolution 1, being information that is known to any of the Directors and which has not been previously disclosed to Shareholders, other than as disclosed in this Explanatory Statement.

Any material information relating to a Selective Buy-Back arising after the date of this Notice

will be announced to the ASX.

3 RESOLUTION 2, 3 AND 4 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS

3.1 Background

The Company proposes to grant Performance Rights to Directors Mr Jon Dugdale, Mr Neil Warburton and Mr Michael Wolley (together the **Related Parties**). The grant of the Performance Rights to the Related Parties is designed to encourage these Directors to have greater involvement in achieving the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances, the Directors consider that the Performance Rights are a cost effective and efficient way to incentivise, as opposed to alternative forms of incentives, such as increased remuneration and the payment of cash bonuses.

Mr Dugdale's Performance Rights will be issued pursuant to the Performance Rights Plan as approved by Shareholders at the Company's AGM on 18 November 2013 and reproduced in Schedule 3. Mr Warburton and Mr Wolley are Non-Executive Directors. The Company acknowledges that Mr Warburton and Mr Wolley are not eligible to participate in the Company's Performance Rights Plan. However the Directors are of the view that at this stage of the Company's development it is far better for Non-Executive Directors of the Company to be compensated by way of securities in the Company, rather than by way of cash. During 2013, all directors remuneration was reduced by 20% and it is intended that no cash remuneration increases will be approved in 2014. The Company therefore proposes to issue Performance Rights to Messrs Warburton and Wolley on the same terms and conditions as the Plan.

Pursuant to ASX Listing Rule 10.11 and section 208 of the Corporations Act, the Company seeks Shareholder approval to allot and issue the following Performance Rights, on the terms detailed in section 9.2 to the Related Parties:

Performance Rights	**Share Price Vesting Condition**	**Expiry Date**	**Mr Dugdale**	**Mr Warburton**	**Mr Wolley**
Class A	$0.05	18/11/16	3,000,000	1,500,000	1,000,000
Class B	$0.10	18/11/17	4,500,000	2,250,000	1,500,000
Class C	$0.15	18/11/18	4,500,000	2,250,000	1,500,000
TOTAL			**12,000,000**	**6,000,000**	**4,000,000**

3.2 Key Terms of the Performance Rights

The Performance Rights will be issued on the terms and conditions set out in Schedule 1.

Eligible recipients

(a) Mr Jon Dugdale (or his nominee(s));

(b) Mr Neil Warburton (or his nominee(s)); and

(c) Mr Michael Wolley (or his nominee(s)).

Entitlement

Each Performance Right will entitle the Related Parties or their nominee(s) to subscribe for one Share upon vesting.

Exercise price

No consideration is payable at the time the Performance Rights vest.

Vesting Conditions

The Performance Rights will vest subject to meeting the following vesting criteria:

(a) The Class A Performance Rights shall vest and convert to Shares if:

(i) the price of the Company's shares as traded on ASX is at least 5 cents or more for thirty (30) consecutive trading days; and

(ii) the recipient remains an employee/director of the Company for twelve (12) months from the date of grant of the Class A Performance Rights,

prior to the Class A Expiry Date (as defined above).

(b) The Class B Performance Rights shall vest and convert to Shares if:

(i) the price of the Company's shares as traded on ASX is at least 10 cents or more for thirty (30) consecutive trading days; and

(ii) the recipient remains an employee/director of the Company for twenty four (24) months from the date of grant of the Class B Performance Rights,

prior to the Class B Expiry Date (as defined above).

(c) The Class C Performance Rights shall vest and convert to Shares if:

(i) the price of the Company's shares as traded on ASX is at least 15 cents or more for thirty (30) consecutive trading days; and

(ii) the recipient remains an employee/director of the Company for thirty six (36) months from the date of grant of the Class C Performance Rights,

prior to the Class C Expiry Date (as defined above).

Performance Rights that do not vest in accordance with their terms and conditions will automatically lapse.

3.3 Requirement for Shareholder approval

In accordance with ASX Listing Rules 10.11, Resolutions 2, 3 and 4 require Shareholder approval for the grant of Performance Rights to the Related Parties.

3.4 ASX Listing Rule 10.11

For the purposes of the approval sought under ASX Listing Rule 10.11 and in accordance with the requirements of ASX Listing Rule 10.13 and for all other purposes, the following information is provided to Shareholders in respect of the Performance Rights:

(a) the Performance Rights will be granted to Mr Jon Dugdale or his nominee(s) (Resolution 2), Mr Neil Warburton or his nominee(s) (Resolution 3) and Mr Michael Wolley or his nominee(s) (Resolution 4);

(b) the maximum number of Performance Rights to be issued is:

(i) Mr Jon Dugdale: 12 million Performance Rights;

(ii) Mr Neil Warburton: 6 million Performance Rights; and

(iii) Mr Michael Wolley: 4 million Performance Rights.

(c) The Performance Rights will be granted no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules;

(d) Jon Dugdale, Neil Warburton and Michael Wolley are Directors and related parties of the Company;

(e) no cash consideration is payable by the Related Parties at the time of grant of the Performance Rights or upon the allocation of Shares to which they may become entitled on the vesting of some or all of the Performance Rights. The terms and conditions of the Performance Rights are set out in Schedule 1;

(f) No funds will be raised by the grant of the Performance Rights or issue of Shares on vesting.

A voting exclusion statement is included in the Notice of Meeting.

3.5 Corporations Act requirements

Chapter 2E of the Corporations Act requires shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). Directors are considered to be related parties within the meaning of the Corporations Act. The Performance Rights to be granted to Messrs Dugdale, Warburton and Wolley will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

One of the exceptions to the requirement to obtain shareholder approval in accordance with Chapter 2E applies where the financial benefit constitutes part of the related party's "reasonable remuneration".

3.6 Directors' recommendation for Resolution 2

Mr Warburton and Mr Wolley (who do not have any interest in Resolution 2) recommend that Shareholders approve the grant of Performance Rights under Resolution 2 to Mr Dugdale (or his nominee(s)) as they consider the grant of the Performance Rights:

(a) will incentivise Mr Dugdale for the reasons and factors set out above;

(b) are a fair and reasonable alternative to additional cash payment of Directors' fees;

(c) are in consideration and recognition of the services provided and to be provided by Mr Dugdale to the Company and the number of Performance Rights proposed to be issued is fair and reasonable and reflective of the contribution he has or will make to the Company;

(d) are necessary to reflect remuneration benefits to executive directors by companies operating in the Company's industry; and

(e) recognises that Directors have recently agreed to reduce cash remuneration by 20% to conserve cash.

Mr Dugdale declines to make a recommendation to Shareholders in respect of Resolution 2 as he has a material personal interest in the outcome of Resolution 2.

In forming their recommendations, each Director considered the experience of Mr Dugdale, the current market price of Shares and the current market practices when determining the number of Performance Rights and vesting conditions.

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 2.

3.9 Directors' recommendation for Resolution 3

Mr Dugdale and Mr Wolley (who do not have any interest in Resolution 3) recommend that Shareholders approve the grant of Performance Rights under Resolution 3 to Mr Warburton (or his nominee(s)) as they consider the grant of the Performance Rights:

(a) will incentivise Mr Warburton for the reasons and factors set out above;

(b) are a fair and reasonable alternative to additional cash payment of Directors' fees;

(c) are in consideration and recognition of the services provided and to be provided by Mr Warburton to the Company and the number of Performance Rights proposed to be issued is fair and reasonable and reflective of the contribution he has or will make to the Company; and

(d) are necessary to reflect remuneration benefits to non-executive directors by companies operating in the Company's industry; and

(e) recognises that Directors have recently agreed to reduce cash remuneration by 20% to conserve cash.

Mr Warburton declines to make a recommendation to Shareholders in respect of Resolution 3 as he has a material personal interest in the outcome of Resolution 3.

In forming their recommendations, each Director considered the experience of Mr Warburton, the current market price of Shares and the current market practices when determining the number of Performance Rights and vesting conditions.

The Directors (other than Mr Warburton) acknowledge that the issue of Performance Rights to Mr Warburton as a non-executive director may be contrary to guidelines for non-executive remuneration in the ASX Corporate Governance Principles and Recommendations. However, the Directors consider the grant of the Performance Rights to be reasonable for the reasons outlined above.

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3.

3.10 Directors' recommendation for Resolution 4

Mr Dugdale and Mr Warburton (who do not have any interest in Resolution 4) recommend that Shareholders approve the grant of Performance Rights under Resolution 4 to Mr Wolley (or his nominee(s)) as they consider the grant of the Performance Rights:

(a) will incentivise Mr Wolley for the reasons and factors set out above;

(b) are a fair and reasonable alternative to additional cash payment of Directors' fees;

(c) are in consideration and recognition of the services provided and to be provided by Mr Wolley to the Company and the number of Performance Rights proposed to be issued is fair and reasonable and reflective of the contribution he has or will make to the Company; and

(d) are necessary to reflect remuneration benefits to non-executive directors by companies operating in the Company's industry; and

(e) recognises that Directors have recently agreed to reduce cash remuneration by 20% to conserve cash.

Mr Wolley declines to make a recommendation to Shareholders in respect of Resolution 4 as he has a material personal interest in the outcome of Resolution 4.

In forming their recommendations, each Director considered the experience of Mr Wolley, the current market price of Shares and the current market practices when determining the number of Performance Rights and vesting conditions.

The Directors (other than Mr Wolley) acknowledge that the issue of Performance Rights to Mr Wolley as a non-executive director may be contrary to guidelines for non-executive remuneration in the ASX Corporate Governance Principles and Recommendations. However, the Directors consider the grant of the Performance Rights to be reasonable for the reasons outlined above.

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4.

3.11 Other implications for the Company

Financial implications
Australian International Financial Reporting Standards require the Performance Rights to be issued to the Related Parties be expensed in accordance with AASB 2 – Share Based Payments.

Expensing these Performance Rights will have the effect of increasing both the expenses and the contributed equity of the Company. There will be no impact on the net assets or the cash position or financial resources of the Company as a result of expensing these Performance Rights.

There are no tax implications for the Company in issuing these Performance Rights.

Dilution
The issue of Performance Rights to the Related Parties will have a diluting effect on the percentage interest of existing Shareholders holdings if the Performance Rights are exercised or vest. In the event all of the Performance Rights proposed to be issued to the Related Parties vest the diluting effect amounts to an aggregate 3.42%, comprising 1.86% by Mr Dugdale, 0.93% by Mr Warburton and 0.62% by Mr Wolley (based on the total current number of Shares on issue, which is 481,442,016 Shares). The actual dilution will depend on the extent that additional Shares are issued by the Company.

Remuneration of the Directors
The total remuneration arrangements current for each of the Directors as at the date of this Notice are set out below:

	Salary/Fees ($)[1]	Superannuation ($)	Total ($)
Jon Dugdale	240,000	22,200	262,200
Neil Warburton	72,000		72,000
Michael Wolley	38,400	3,552	41,952

Notes:
1. The Directors agreed in June 2013 to reduce their cash remuneration by 20%, as reflected in the table above.

Existing relevant interests

At the date of this Notice, the Directors and their associates have the following relevant interest in securities of the Company.

	Shares	Options
Jon Dugdale	1,550,000	112,500[1]
Neil Warburton	14,459,423	13,341,426[2]
Michael Wolley	-	-

Notes:
1. Comprising 75,000 Options exercisable at $0.015 and expiring 30 June 2014 and 37,500 Options exercisable at $0.03 and expiring 30 June 2016.
2. Comprising 3,849,375 Options exercisable at $0.20 and expiring 30 June 2014, 2,994,701 Options exercisable at $0.015 and expiring 30 June 2016 and 6,497,350 Options exercisable at $0.03 and expiring 30 June 2016.

Trading history
The following table gives details of the highest, lowest and the latest closing market price of the Company's Shares trading on the ASX over the last 12 months, current as at 16 December 2013.

	Date	Closing price
Highest price	7 December 2012	$0.1326
Lowest price	28 June 2013	$0.005
Latest price	16 December 2013	$0.005

3.12 Value of the Performance Rights

The value of the Performance Rights and the pricing methodology is set out in Schedule 2.

3.13 Other Information

The Directors are not aware of any information other than set out in this Explanatory Statement that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interests to pass the proposed Resolutions 2, 3 and 4.

3.14 Proxy restrictions

If you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Resolutions 2, 3 and 4 by marking either "For", "Against" or "Abstain" on the proxy form for these items of business.

If you appoint a member of the key management personnel whose remuneration details are

included in the Remuneration Report or a closely related party of that member as your proxy (except the Chair of the Meeting), and you do not direct that person on how to vote on Resolutions 2, 3 and 4, the proxy cannot exercise your vote and your vote will not be counted in relation to those Resolutions.

If you appoint the Chair as your proxy, and you do not direct the Chair on how to vote on this Resolutions 2, 3 and 4, then by signing and returning the proxy form you are giving express authorisation for the Chair to vote in accordance with his or her intentions. The Chair intends to vote all undirected proxies FOR Resolutions 2, 3 and 4 even though the resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel.

GLOSSARY

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

$ means Australian dollars, unless otherwise stated.

ASX means the Australian Securities Exchange.

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

Board means the board of Directors of the Company.

Breach Buy-back has the meaning given in section 1.2.

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.

Company means Red Mountain Mining Limited (ARBN 40 119 568 106).

Director means a director of the Company.

Further Restructure Buy-back has the meaning given in section 1.2.

Listing Rules means the Listing Rules of ASX.

Mindoro means Mindoro Resources Ltd (a company incorporated in Canada, ARBN 143 485 698).

New Share means a Share offered for subscription under the terms of the Entitlement Offer.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Plan means the Performance Rights Plan set out in Schedule 3 to this Explanatory Statement.

Performance Rights means performance rights in the Company on the terms and conditions set out in Schedule 1.

Selective Buy-back has the meaning given to such term in section 1.2.

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

Shareholder means the registered holder of a Share.

Share Sale Agreement means the share sale between the Company and Mindoro dated 23 July 2013.

WST means Australian Western Standard Time.

SCHEDULE 1 TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

Class A Performance Rights

The Class A Performance Rights entitle the holder to Shares on the following terms and conditions:

(a) Subject to the satisfaction of the vesting condition set out in paragraph (b) below, each Class A Performance Right vests to one Share.

(b) The Class A Performance Rights shall vest and convert to Shares if:

(i) the price of the Company's shares as traded on ASX is at least 5 cents or more for thirty (30) consecutive trading days; and

(ii) the recipient remains an employee/director of the Company for twelve (12) months from the date of grant of the Class A Performance Rights,

prior to the Expiry Date (as defined below) ((b)(i) and (ii) together, the Vesting Conditions and each a Vesting Condition).

(c) The Class A Performance Rights shall expire at 5.00 pm (WST) on the date that is 3 years from issue date (Expiry Date). Any Class A Performance Right not vested before the Expiry Date shall automatically lapse on the Expiry Date and the holder shall have no entitlement to Shares pursuant to those Class A Performance Rights.

(d) The Class A Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Class A Performance Rights on the satisfaction of the Vesting Conditions.

(e) Immediately following the Expiry Date the Company shall notify the holder of that proportion of Class A Performance Rights that have vested and shall, unless otherwise directed by the holder, allot the associated number of Shares within 10 Business Days of the Expiry Date.

(f) The Company will not apply for quotation of the Class A Performance Rights on ASX. However, subject to the Company being listed on the ASX, the Company will apply for quotation of all Shares allotted pursuant to the vesting of Class A Performance Rights on ASX within 10 Business Days after the date of allotment of those Shares.

(g) All Shares allotted upon the vesting of Class A Performance Rights will upon allotment rank pari passu in all respects with other Shares.

(h) The unvested Class A Performance Rights vest upon the happening of any of the following events:

(i) if a takeover bid is made, the takeover bid is declared unconditional and the bidder has acquired a relevant interest in more than 50% of the Company's shares; or

(iii) on the date of despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act seeking approval for a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or

(iv) on the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Class A Performance Rights, to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

(i) In addition to (a) to (h) above, all terms and conditions set out in the Performance Rights Plan ("PRP") apply to the Class A Performance Rights.

Class B Performance Rights

The Class B Performance Rights entitle the holder to Shares on the following terms and conditions:

(a) Subject to the satisfaction of the vesting condition set out in paragraph (b) below, each Class B Performance Right vests to one Share.

(b) The Class B Performance Rights shall vest and convert to Shares if:

(i) the price of the Company's shares as traded on ASX is at least 10 cents or more for thirty (30) consecutive trading days; and

(v) the recipient remains an employee/director of the Company for twenty four (24) months from the date of grant of the Class B Performance Rights,

prior to the Expiry Date (as defined below) ((b)(i) and (ii) together, the Vesting Conditions and each a Vesting Condition).

(c) The Class B Performance Rights shall expire at 5.00 pm (WST) on 3 years from issue date (Expiry Date). Any Class B Performance Right not vested before the Expiry Date shall automatically lapse on the Expiry Date and the holder shall have no entitlement to Shares pursuant to those Class B Performance Rights.

(d) The Class B Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Class B Performance Rights on the satisfaction of the Vesting Conditions.

(e) Immediately following the Expiry Date the Company shall notify the holder of that proportion of Class B Performance Rights that have vest and shall, unless otherwise directed by the holder, allot the associated number of Shares within 10 Business Days of the Expiry Date.

(f) The Company will not apply for quotation of the Class B Performance Rights on ASX. However, subject to the Company being listed on the ASX, the Company will apply for quotation of all Shares allotted pursuant to the vesting of Class B Performance Rights on ASX within 10 Business Days after the date of allotment of those Shares.

(g) All Shares allotted upon the vesting of Class B Performance Rights will upon allotment rank pari passu in all respects with other Shares.

(h) The unvested Class B Performance Rights vest upon the happening of any of the following events:

(i) if a takeover bid is made, the takeover bid is declared unconditional and the bidder has acquired a relevant interest in more than 50% of the Company's shares; or

(ii) on the date of despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act seeking approval for a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or

(iii) on the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Class B Performance Rights, to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not

already held by a person associated with such person or group of associated persons.

(i) In addition to (a) to (h) above, all terms and conditions set out in the PRP apply to the Class B Performance Rights.

Class C Performance Rights

The Class C Performance Rights entitle the holder to Shares on the following terms and conditions:

(a) Subject to the satisfaction of the vesting condition set out in paragraph (b) below, each Class C Performance Right vests to one Share.

(b) The Class C Performance Rights shall vest and convert to Shares if:
   (i) the price of the Company's shares as traded on ASX is at least 15 cents or more for thirty (30) consecutive trading days; and
   (ii) the recipient remains an employee/director of the Company for thirty six (36) months from the date of grant of the Class F Performance Rights,

   prior to the Expiry Date (as defined below) ((b)(i) and (ii) together, the Vesting Conditions and each a Vesting Condition).

(c) The Class C Performance Rights shall expire at 5.00 pm (WST) on 3 years from issue date (Expiry Date). Any Class C Performance Right not vested before the Expiry Date shall automatically lapse on the Expiry Date and the holder shall have no entitlement to Shares pursuant to those Class C Performance Rights.

(d) The Class C Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Class C Performance Rights on the satisfaction of the Vesting Conditions.

(e) Immediately following the Expiry Date the Company shall notify the holder of that proportion of Class C Performance Rights that have vest and shall, unless otherwise directed by the holder, allot the associated number of Shares within 10 Business Days of the Expiry Date.

(f) The Company will not apply for quotation of the Class C Performance Rights on ASX. However, subject to the Company being listed on the ASX, the Company will apply for quotation of all Shares allotted pursuant to the vesting of Class C Performance Rights on ASX within 10 Business Days after the date of allotment of those Shares.

(g) All Shares allotted upon the vesting of Class C Performance Rights will upon allotment rank pari passu in all respects with other Shares.

(h) The unvested Class C Performance Rights vest upon the happening of any of the following events:
   (i) if a takeover bid is made, the takeover bid is declared unconditional and the bidder has acquired a relevant interest in more than 50% of the Company's shares; or
   (ii) on the date of despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act seeking approval for a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
   (iii) on the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Class C Performance Rights, to

sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

(i) In addition to (a) to (h) above, all terms and conditions set out in the PRP apply to the Class C Performance Rights.

SCHEDULE 2
VALUATION OF PERFORMANCE RIGHTS

The Class A, Class B and Class C Performance Rights have been independently valued by Stantons International Securities.

Using International Financial Reporting Standards the Performance Rights were ascribed the following value:

Assumptions:	
Underlying share price	$0.005
Valuation date	5 December 2013
Discount	30%
Volatility	N/A
Discounted value per Performance Right	**0.35 cents each**

Notes

1. The underlying share price used for the purpose of the valuation is $0.005, being the closing share price on 5 December 2013.
2. No dividends are expected to be paid during the life of the Performance Rights.
3. The discount is to take account of the non-listed status and transferability restrictions pertaining to the Performance Rights.
4. The underlying volatility of the share price is 242.07% over the last 12 months however this does not affect the Performance Rights fair value as nil consideration is payable on the Performance Rights vesting.

Based on these assumptions, the total value of the Performance Rights to be granted to each Director are detailed below.

	Class A	Class B	Class C
Jon Dugdale	$10,500	$15,750	$15,750
Neil Warburton	$5,250	$7,875	$7,875
Michael Wolley	$3,500	$5,250	$5,250

SCHEDULE 3

PERFORMANCE RIGHTS PLAN

RED MOUNTAIN MINING LTD
ACN 119 568 106

PERFORMANCE RIGHTS PLAN

APPROVED BY SHAREHOLDERS ON 18 NOVEMBER 2013.

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RED MOUNTAIN MINING LTD

ACN 119 568 106

PERFORMANCE RIGHTS PLAN

The Directors are empowered to operate the Red Mountain Mining Ltd Performance Rights Plan (**Plan**) on the following terms and in accordance with the ASX Listing Rules of ASX (where applicable).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purposes of the Plan, the following words have the following meanings.

Acceptance Form means the Acceptance Form by which an Eligible Participant accepts an Offer for Performance Rights, in substantially the same form as set out in Schedule 2 or as otherwise approved by the Company from time to time.

ASIC means the Australian Securities and Investments Commission.

Associated Body Corporate means:

(a) a related body corporate (as defined in the Corporations Act) of the Company;

(b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and

(c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time.

Blackout Period means a period when the Participant is prohibited from trading in the Company's securities by the Company's written policies.

Board means the board of Directors of the Company or committee appointed by the Board for the purposes of the Plan.

Business Day means those days other than a Saturday, Sunday, New Year's Day, Australia Day, Good Friday, Easter Monday, Anzac Day, Christmas Day, Boxing Day and any other day which the ASX shall declare and publish is not a business day.

Change of Control means:

(a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;

(b) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in

connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or

(c) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board

Closing Date means the date on which an Offer is stated to close.

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

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time.

Director means a director of the Company.

Eligible Participant means:

(a) an Executive Director of the Company or any Group Company;

(b) a full or part time employee of the Company or any Group Company; or

(c) subject to, and in accordance with, any necessary ASIC relief being obtained, a contractor of a Group Company.

who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan.

Employee Share Scheme has the meaning given in section 9 of the Corporations Act.

Executive Director means a Director who holds salaried employment or office with a Group Company.

Expiry Date means, in respect of a Performance Right, the date that the Performance Right will lapse if it has not otherwise vested or lapsed in accordance with the Plan, as determined by the Board in its discretion with respect to that Performance Right at the time of the grant of that Performance Right.

Group means the Company and each of its Associated Bodies Corporate.

Group Company means the Company or an Associated Body Corporate.

Holding Lock has the meaning given to that term in the ASX Listing Rules.

Marketable Parcel has the meaning given to that term in the ASX Listing Rules.

Offer means an offer made to an Eligible Participant to be granted one or more Performance Rights under the Plan as set out in an Offer Document.

Offer Document means an offer document in substantially the same form as set out in Schedule 2, or such other form as required by the Board from time to time consistent with the Corporations Act and the Class Order.

Participant means an Eligible Participant to whom Performance Rights have been granted under the Plan.

Performance Right means a right to acquire a Share, subject to satisfaction of any Vesting Conditions, and the corresponding obligation of the Company to provide the Share, under a binding contract made by the Company and an Eligible Participant in the manner set out in this Plan.

Plan means the plan as set out in this document, subject to any amendments or additions made under clause 13.

Redundancy means termination of the employment of a Relevant Person due to economic, technological, structural or other organisational change where:

(a) no Group Company requires the duties and responsibilities carried out by the Eligible Participant to be carried out by anyone; or

(b) no Group Company requires the position held by the Eligible Participant to be held by anyone.

Relevant Interest has the meaning given in the Corporations Act.

Relevant Person means an Eligible Participant.

Restriction Period means the period during which a Share issued on the vesting of a Performance Right cannot be transferred or otherwise dealt with in accordance with Clause 9.

Retirement means where a Relevant Person intends to permanently cease all gainful employment in circumstances where the Relevant Person provides, in good faith, a written statutory declaration to the Board to that effect.

Severe Financial Hardship means the Eligible Participant is unable to provide themselves, their family or other dependents with basic necessities such as food, accommodation and clothing, including as a result of family tragedy, financial misfortune, serious illness, impacts of natural disaster and other serious or difficult circumstances.

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

Shareholder means a holder of Shares.

Takeover Bid means a takeover bid (as defined in the Corporations Act) to acquire the Company's Shares.

Total and Permanent Disability means that the Relevant Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Relevant Person unlikely to engage in their usual occupation again.

Vesting Condition means, in respect of a Performance Right, any condition set out in the Offer which must be satisfied (unless waived by the Board in its absolute discretion) before that Performance Right can vest or any other restriction on vesting of that Performance Right specified in the Offer or in this Plan.

Voting Power has the meaning given to that term in Section 9 of the Corporations Act.

1.2 Interpretations

In this Plan unless the context otherwise requires:

(a) headings are for convenience only and do not affect the interpretation of this Plan;

(b) any reference in the Plan to any enactment of the ASX Listing Rules includes a reference to that enactment or those ASX Listing Rules as from time to time amended, consolidated, re-enacted or replaced;

(c) the singular includes the plural and vice versa;

(d) any words denoting one gender include the other gender;

(e) where any word or phrase is given a definite meaning in this Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;

(f) a reference to:

(i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;

(ii) a document includes all amendments or supplements to that document;

(iii) a clause is a reference to a clause of this Plan;

(iv) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;

(v) an agreement other than this Plan includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and

(vi) a monetary amount is in Australian dollars; and

(g) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.

2. PURPOSE

The purpose of the Plan is to:

(a) assist in the reward, retention and motivation of Eligible Participants;

(b) link the reward of Eligible Participants to performance and the creation of Shareholder value;

(c) align the interests of Eligible Participants more closely with the interests of Shareholders by providing an opportunity for Eligible Participants to

receive Shares;

(d) provide Eligible Participants with the opportunity to share in any future growth in value of the Company; and

(e) provide greater incentive for Eligible Participants to focus on the Company's longer term goals.

3. COMMENCEMENT AND TERM

(a) This Plan will commence on the date determined by resolution of the Board and will continue until terminated by the Board.

(b) The Board may terminate the Plan at any time by resolution. Termination shall not affect the rights or obligations of a Participant or the Company which have arisen under the Plan before the date of termination and the provisions of the Plan relating to a Participant's Performance Rights shall survive termination of the Plan until fully satisfied and discharged.

4. OFFER OF PERFORMANCE RIGHTS

4.1 Offer

(a) The Board may, from time to time, in its absolute discretion, may make a written offer to Eligible Participants to apply for up to a specified number of Performance Rights, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).

(b) In exercising that discretion, the Board may have regard to the following (without limitation):

(i) the Eligible Participant's length of service with the Group;

(ii) the contribution made by the Eligible Participant to the Group;

(iii) the potential contribution of the Eligible Participant to the Group; or

(iv) any other matter the Board considers relevant.

4.2 Offer Document

An Offer must be made using an Offer Document.

4.3 Personal Offer

An Offer is personal and is not assignable.

4.4 Offer to be provided to Eligible Participants

An Offer will advise the Eligible Participant of the following minimum information regarding the Performance Rights:

(a) the maximum number of Performance Rights that the Eligible Participant may apply for, or the formula for determining the number of Performance Rights that may be applied for;

(b) the maximum number of Shares that the Participant is entitled to be issued on the vesting of each Performance Right or the formula for determining the maximum number of Shares;

(c) any applicable Vesting Conditions;

(d) when unvested Performance Rights will expire (**Expiry Date**);

(e) the date by which an Offer must be accepted (**Closing Date**); and

(f) any other relevant conditions to be attached to the Performance Rights or the Shares to be issued on the vesting of the Performance Rights.

4.5 No Consideration

Performance Rights granted under the Plan will be issued for nil cash consideration.

4.6 Vesting Conditions

A Performance Right may be made subject to Vesting Conditions as determined by the Board in its discretion and as specified in the Offer for the Performance Right.

4.7 Disposal of Performance Rights

Performance Rights are transferable, except as otherwise specified in this Plan or the Offer and will not be quoted on the ASX.

4.8 Share Restriction Period

A Share issued on vesting of a Performance Right is subject to a Restriction Period in accordance with Clause 9 of this Plan.

4.9 Limit on Offers

The Company must take reasonable steps to ensure that the number of Shares to be issued on vesting of Performance Rights offered under an Offer, when aggregated with:

(a) the number of Shares that would be issued if each outstanding Offer or other offer with respect to Shares, units of Shares or options to acquire Shares under an Employee Share Scheme (including this Plan) were to be accepted or vest; and

(b) the number of Shares issued during the previous 5 years under the Plan or any other Employee Share Scheme extended only to Eligible Participants,

does not exceed 5% of the total number of Shares on issue at the time of an Offer (but disregarding any offer or issue with respect to Shares, units of Shares or options to acquire Shares that can be disregarded in accordance with the Class Order).

5. ACCEPTANCE

5.1 Acceptance Time Period

An Eligible Participant may only accept an Offer within the time period specified in the Offer Document in whole or in part, by signing and returning an Acceptance Form to the Company no later than the Closing Date.

5.2 Board's right to reject

(a) The Board may accept or reject any Acceptance Form in its absolute discretion.

(b) Before accepting or rejecting the Acceptance Form, the Board may require the applicant to provide any information that the Board requests concerning the person's entitlement to lodge an Acceptance Form under this Plan.

(c) The Board must promptly notify an applicant if an Acceptance Form has been rejected, in whole or in part.

5.3 Participant Agrees to be Bound

An Eligible Participant, by submitting an Acceptance Form, agrees to be bound by the terms and conditions of the Offer and Acceptance Form, the Plan and the Constitution of the Company, as amended from time to time.

6. GRANT OF PERFORMANCE RIGHTS

6.1 Grant of Performance Rights

(a) Subject to clause 6.2, once the Board has received and accepted a duly signed and completed Acceptance Form for Performance Rights, the Company must, provided the Eligible Participant to whom the Offer was made remains an Eligible Participant, promptly grant Performance Rights to the applicant, upon the terms set out in the Offer, the Acceptance Form and the Plan and upon such additional terms and conditions as the Board determines.

(b) The Company will, within a reasonable period after the date a Performance Right is granted, issue the applicant with a certificate evidencing the grant of the Performance Right.

6.2 Approvals

The Company's obligation to grant Performance Rights is conditional on:

(a) the grant of the Performance Rights complying with all applicable legislation; and

(b) all necessary approvals required under any applicable legislation being obtained prior to the grant of the Performance Rights.

6.3 Restrictions on Dealings and Hedging

(a) A Performance Right granted under the Plan is only transferable, assignable or able to be otherwise disposed or encumbered:

(i) with the consent of the Board (which may be withheld in its absolute discretion); or

(ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

(b) A Participant must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Performance Rights.

(c) Where the Participant purports to transfer, assign, mortgage, charge or otherwise dispose or encumber a Performance Right, other than in accordance with clause 6.3(a), or hedge a Performance Right contrary to clause 6.3(b), the Performance Right immediately lapses.

7. VESTING OF PERFORMANCE RIGHTS

(a) Subject to clause 10.2 (Good Leaver Exceptions) and clause 10 (Change in Control and Winding Up), a Performance Right granted under the Plan will not vest unless the Vesting Conditions (if any) attaching to that Performance Right have been satisfied and the Board has notified the Participant of that fact.

(b) The Board must notify a Participant in writing within 10 Business Days of becoming aware that any Vesting Condition attaching to a Performance Right has been satisfied.

7.2 One or Several Parcels

Performance Rights may vest in one or more parcels of any size, provided that the number of Shares issued upon vesting of Performance Rights in any parcel is not less than a Marketable Parcel.

8. ISSUE OF SHARES

8.1 Issue of Shares

Subject to the Corporations Act, the ASX Listing Rules and this Plan, the Company must issue to the Participant the number of Shares the Participant is entitled to be issued in respect of vested Performance Rights within 10 business days of the Performance Rights vesting.

8.2 Blackout Period, Takeover Restrictions and Insider Trading

If the issue of Shares on vesting of a Performance Right would otherwise fall within a Blackout Period, or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Shares until 10 Business Days following the expiration, as applicable, of the Blackout Period or the day on which the insider trading or takeover provisions no longer prevent the issue of the Shares.

8.3 Withholding

If a Participant is liable for tax, duties or other amounts on the vesting of their Performance Rights, and the Company is liable to make a payment to the appropriate authorities on account of that liability, unless the Participant and the

Company agree otherwise, the Company must issue and sell such number of Shares which would otherwise be issued and allocated to the Participant so that the net proceeds of sale equal the payment the Company is required to pay to the appropriate authorities.

8.4 Share ranking

All Shares allotted under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their allotment.

8.5 Quotation on ASX

(a) If Shares of the same class as those allotted under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX within 10 Business Days of Shares being allotted for those Shares to be quoted on ASX.

(b) The Company will not apply for quotation of any Performance Rights on the ASX.

8.6 Sale of Shares

(a) Subject to clause 9 (Restriction on Disposal of Shares), there will be no transfer restrictions on Shares allotted under the Plan unless the sale, transfer or disposal by the Participant of the Shares issued to them on vesting of the Performance Rights (or any interest in them) would require the preparation of a disclosure document (as that term is defined in the Corporations Act).

(b) If a disclosure document is required, the Participant agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares in a manner that would require a disclosure document to be prepared.

(c) The Company will issue, where required to enable Shares issued on vesting of Performance Rights to be freely tradeable on the ASX from the date of issue, a cleansing statement under Section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will have a prospectus available in relation to the Shares which complies with the requirements of the Corporations Act.

9. RESTRICTION ON DISPOSAL OF SHARES

9.1 Restriction

(a) Subject to clause 9.1(b), any Share acquired by a Participant on the vesting of a Performance Right must not be disposed of or dealt with in any way by that Participant until the earlier of:

(i) the time when an event occurs so that the Eligible Participant to whom the Offer was originally made is no longer an Eligible Participant in any Group Company;

(ii) the Board approving by resolution that the restriction on disposal in this clause 9.1 is released

(iii) there is a Change in Control or the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company; or

(iv) the seven year anniversary of the date of grant of the Performance Right (**Restriction Period**).

(b) Clause 9.1(a) does not apply to any transfers by force of law, upon death, to the Participant's legal personal representative or, upon bankruptcy, to the Participant's trustee in bankruptcy.

9.2 Enforcing the disposal restriction

The Company will make such arrangements as it considers necessary to enforce the restriction on disposal of Shares under clause 9.1 and the Participant must agree to such arrangements, including entering into a voluntary restriction agreement.

9.3 Holding Locks

Without limiting clause 9.2, and subject to the ASX Listing Rules, the Company will procure that a Holding Lock be put on those Shares while the Shares are subject to the restriction on disposal under clause 9.1.

9.4 Removing the restriction

Within 10 business days of the Company becoming aware that the restriction on disposal of Shares under clause 9.1 no longer applies, the Company must procure that any restriction on dealing with that Share pursuant to this Plan no longer applies.

9.5 Removing Holding Locks

Without limiting clause 9.4, when the Company becomes aware that a Share is no longer subject to the restriction on disposal in clause 9.1, the Company must, within 10 business days, procure that any Holding Lock on that Share is removed.

10. LAPSE OF PERFORMANCE RIGHTS

10.1 Lapsing of Performance Right

A Performance Right will lapse upon the earlier to occur of:

(a) an unauthorised dealing in, or hedging of, the Performance Right occurring, as governed by clause 6.3(c);

(b) a Vesting Condition in relation to the Performance Right not being satisfied by the due date, or becoming incapable of satisfaction, as determined by the Board in its absolute discretion;

(c) a Participant ceasing to be an Eligible Participant, unless clause 10.2 (Good Leaver Exceptions) is applied;

(d) a Performance Right lapses under clause 10.3 (Bad Leaver);

(e) the Performance Right lapses following a Change in Control, or winding up resolution or order, in accordance with clause 11;

(f) the Expiry Date; and

(g) the 7 year anniversary of the date of grant of the Performance Rights.

10.2 Good Leaver Exceptions

Where a Participant ceases to be an Eligible Participant as a result of:

(a) death or Total or Permanent Disability;

(b) Retirement or Redundancy;

(c) Severe Financial Hardship;

(d) death of an immediate family member of the Participant;

(e) substantial change in circumstances, out of the control of the Participant which affects the ability of the Participant to perform his or her role with a Group Company; or

(f) terminal illness of the Participant or an immediate family member,

the Board may determine, in its absolute discretion, within 10 Business Days of the Participant ceasing to be an Eligible Participant, that all or a portion of the Participant's unvested Performance Rights vest rather than lapsing, in which case clause 7 applies.

10.3 Bad Leaver

Where a Participant:

(a) in the opinion of the Board, acts fraudulently or dishonestly, is grossly negligent, demonstrates serious and wilful misconduct, or causes a material adverse effect on the reputation of the Company;

(b) has his or her employment terminated due to serious or wilful misconduct or otherwise for cause without notice; or

(c) becomes ineligible to hold his or her office due to Part 2D.6 of the Corporations Act,

the Board may, by written notice to the Participant, deem any unvested Performance Rights of the Participant to have lapsed.

11. CHANGE OF CONTROL AND WINDING-UP

11.1 Vesting of Performance Rights

(a) Subject to the terms and conditions of a grant of a Performance Right, any unvested Performance Rights will vest within 10 Business Days of:

(i) a Change of Control occurring: or

(ii) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company,

(iii) in which case the Board must promptly notify the holder of the vested Performance Rights in writing.

(b) Any unvested Performance Rights that do not vest under clause 11.1(a) automatically lapse.

11.2 Acquisitions of shares in Acquiring Company

If a company (**Acquiring Company**) obtains control of the Company as a result of a Change of Control and both the Company and the Acquiring Company agree, a Participant may, in respect of any vested Performance Rights, be provided with shares of the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Performance Rights.

12. PARTICIPATION RIGHTS AND REORGANISATION

12.1 Participation Rights

(a) There are no participating rights or entitlements inherent in the Performance Rights and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

(b) A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can vest.

(c) A Participant who is not a Shareholder is not entitled to:

(i) notice of, or to vote or attend at, a meeting of the Shareholders of the Company; or

(ii) receive any dividends declared by the Company,

(iii) unless and until any Performance Right vests and the Participant holds Shares that provide the right to notice and dividends.

12.2 Adjustment for reorganisation

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

13. AMENDMENTS

13.1 Power to amend Plan

Subject to clause 13.2, the Corporations Act and the ASX Listing Rules:

(a) the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Performance Right granted under the Plan, provided that any material change to the provisions of the Plan will be subject to Shareholder approval; and

(b) any amendment may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

13.2 Adjustment to Performance Right Terms

(a) Subject to any requirements of the ASX Listing Rules, the Board will have the power to make adjustments to or vary the terms of a Performance Right.

(b) No adjustment or variation of the terms of a Performance Right will be made without the consent of the Participant who holds the relevant Performance Right if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Performance Rights), other than an adjustment or variation introduced primarily:

(i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;

(ii) to correct any manifest error or mistake;

(iii) to enable a member of the Group to comply with the Corporations Act, the ASX Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or

(iv) to take into consideration possible adverse taxation implications in respect of the Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.

13.3 Notice of amendment

As soon as reasonably practicable after making any amendment under clause 13.1, the Board will give notice in writing of that amendment to any Participant affected by the amendment.

14. TRUST

(a) The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares issued upon vesting of a Participant's Performance Rights, including for the purpose of enforcing the disposal restrictions and appointing a trustee to act as trustee of the trust.

(b) The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust.

(c) The Board may at any time amend all or any of the provisions of this Plan to effect the establishment of a trust and the appointment of a trustee as detailed in this clause.

15. MISCELLANEOUS

15.1 Rights and obligations of Participant

(a) The rights and obligations of Eligible Participant under the terms of their office, employment or contract with a Group Company are not affected by their participating in the Plan. This Plan will not form part of, and are not incorporated into, any contract of any Eligible Participant (whether or not they are an employee of a Group Company).

(b) No Participant will have any rights to compensation or damages in consequence of:

(i) the termination, for any reason, of the office, employment or other contract with a Group Company of the Participant where those rights arise, or may arise, as a result of the Participant ceasing to have rights under the Plan as a result of such termination; or

(ii) the lapsing of Performance Rights in accordance with this Plan.

(c) Nothing in this Plan, participation in the Plan or the terms of any Performance Right:

(i) affects the rights of any Group Company to terminate the employment, engagement or office of an Eligible Participant or a Participant (as the case may be);

(ii) affects the rights and obligations of any Eligible Participant or Participant under the terms of their employment, engagement or office with any Group Company;

(iii) confers any legal or equitable right on an Eligible Participant or a Participant whatsoever to take action against any Group Company in respect of their employment, engagement or office;

(iv) confers on an Eligible Participant or a Participant any rights to compensation or damages in consequence of the termination of their employment, engagement or office by any Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or

(v) confers any responsibility or liability or any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Participant or Participant.

(d) If a Vesting Condition attached to a Performance Right requires a Participant to remain an employee of a Group Company, then the Participant will be treated as having ceased to be an employee of a Group Company at such time the Participant's employer ceases to be a Group Company.

(e) A Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before

the vesting of a Performance Right under the Plan will be treated for those purposes as not having ceased to be such an employee.

15.2 Power of the Board

(a) The Plan is administered by the Board which has power to:

(i) determine appropriate procedures for administration of the Plan consistent with this Plan; and

(ii) delegate to any one or more persons, for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under the Plan.

(b) Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion to act, or refrain from acting, under or in connection with the Plan or any Performance Rights under the Plan and in the exercise of any power or discretion under the Plan.

15.3 Dispute or disagreement

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Performance Rights granted under it, the decision of the Board is final and binding.

15.4 ASIC relief

(a) Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan.

(b) To the extent that any covenant or other provision deemed by this clause to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

15.5 Non-residents of Australia

(a) The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which rights offered under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the rights. Any additional rule must conform to the basic principles of the Plan.

(b) When a Performance Right is granted under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any securities, exchange control or taxation laws or regulation or similar factors which may apply to the Participant or to any Group Company in relation to the Performance Right.

15.6 Communication

(a) Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post or facsimile:

(i) in the case of a company, to its registered office;

(ii) in the case of an individual, to the individual's last notified address; or

(iii) where a Participant is an Executive Director or employee of a Group Company, either to the Participant's last known address or to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office of employment.

(b) Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile, it is deemed to have been received on completion of transmission. Where a notice is given by electronic transmission, the notice is taken to have been received at the time the electronic transmission is sent.

15.7 Attorney

Each Participant:

(a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an attorney), severally, as the Participant's attorney to complete and execute any documents, including applications for Shares and Share transfers, and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of this Plan;

(b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;

(c) releases each Group Company and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this clause; and

(d) indemnifies and holds harmless each Group Company and the attorney in respect thereof.

15.8 Costs and Expenses

The Company will pay all expenses, costs and charges in relation to the establishment, implementation and administration of the Plan, including all costs incurred in or associated with the issue or purchase of Shares for the purposes of the Plan.

15.9 Data protection

By lodging an Acceptance Form, each Participant consents to the holding and processing of personal data provided by the Participant to any Group Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

(a) administering and maintaining Participants' records;

(b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;

(c) providing information to future purchasers of the Company or the business in which the Participant works; and

(d) transferring information about the Participant to a country or territory outside Australia.

15.10 Error in Allocation

If any Performance Rights are provided under this Plan in error or by mistake to a person (**Mistaken Recipient**) who is not the intended recipient, the Mistaken Recipient shall have no right or interest, and shall be taken never to have had any right or interest, in those Performance Rights and those Performance Rights will immediately lapse.

15.11 Dispute

Any disputes or differences of any nature arising under the Plan will be referred to the Board for determination.

15.12 No fiduciary capacity

The Board may exercise any power or discretion conferred on it by this Plan in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

15.13 ASX Listing Rules

While the Company remains admitted to the ASX, the provisions of the ASX Listing Rules of the ASX will apply to the Plan, and to the extent that the Plan and the ASX Listing Rules are inconsistent, the provisions of the ASX Listing Rules will prevail.

15.14 Enforcement

This Plan, any determination of the Board made pursuant to this Plans, and the terms of any Performance Rights granted under the Plan, will be deemed to form a contract between the Company and the Participant.

15.15 Laws governing Plan

(a) This Plan, and any Performance Rights issued under it, are governed by the laws of Western Australia and the Commonwealth of Australia.

(b) The Company and the Participants submit to the non-exclusive jurisdiction of the courts of Western Australia.

[insert date]

[insert name]

[Insert address]

Dear (*)

RED MOUNTAIN MINING LTD - PERFORMANCE RIGHTS PLAN

The board of directors of Red Mountain Mining Ltd (ACN 119 568 106) (**Company**) is pleased to make an offer to you of Performance Rights under its Performance Rights Plan (**Plan**) on the terms of this offer letter (**Offer**). Terms used in this Offer have the same meaning as used in the Plan.

The Company informs you of the following:

(a) this Offer is subject to the terms and conditions of the Performance Rights Plan, a copy of which is attached to this Offer;

(b) subject to the following, you will be granted [insert] Performance Rights under the Plan for nil consideration in the following tranches and subject to the following vesting conditions:

(i) [insert details of tranche and vesting conditions];

(ii) [insert details of tranche and vesting conditions];

(c) the grant of the Performance Rights is subject to the terms of the Plan, including the Company obtaining any necessary Shareholder approvals and you remaining an Eligible Participant at the time the Performance Rights are to be issued and converted into Shares;

(d) the Expiry Date of the Performance Right is seven years after the date of grant;

(e) this Offer remains open for acceptance by you until 5pm WST on [insert date] (**Closing Date**) at which time the Offer will close and lapse;

(f) you may apply for the Performance Right by filling out Acceptance Form below and returning to the Company Secretary before the Closing Date;

(g) you may apply for the Performance Right to be registered in your name;

(h) unless the Plan provides otherwise, the Shares to which you are entitled on vesting of the Performance Right will be allotted and issued to you as soon as practicable after the vesting date;

(i) unless the Plan provides otherwise, the Company will apply for the Shares to be quoted on the ASX in accordance with the ASX Listing Rules as soon as practicable after the issue date. However, the Shares will be subject to restrictions on disposal in accordance with the Plan and the Company will impose a holding lock with the Company's share registry and will not be able to be traded until the holding lock is lifted by the Company; and

(j) the Company will issue, where required to enable Shares issued on vesting of Performance Rights to be freely tradeable on the ASX from the date of issue, a cleansing statement under Section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will have a prospectus available in relation to the Shares which complies with the requirements of the Corporations Act.

This Offer and all other documents provided to you at the time of this Offer contain general advice only and you should consider obtaining your own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice. You are advised to seek independent professional advice regarding the Australian tax consequences of the grant of Performance Rights and the acquiring and disposing of any Shares that are issued on vesting of Performance Rights under the Plan according to your own particular circumstances.

Please confirm your acceptance of the Offer set out in this letter by completing the Acceptance Form below and returning it to the Company.

Yours faithfully

[insert name]
Red Mountain Mining Ltd

PERFORMANCE RIGHTS PLAN – ACCEPTANCE FORM

Red Mountain Mining Ltd (ACN 119 568 106) (**Company**) has invited you, by an offer dated [insert] (**Offer**), to apply for the grant under its Performance Rights Plan (**Plan**) of certain Performance Rights.

The person below hereby applies for the Performance Rights under the terms of the Offer, this Acceptance Form and the Plan.

Full Name: _____

Address: _____

Ph: _____ Email: _____

Tax file number(s) or exemption: _____

CHESS HIN (where applicable): _____

In applying for the grant of Performance Rights under the Offer, the person below acknowledges and agrees:

(a) to be entered on the register of members of the Company as the holder of the Performance Rights applied for, and any Shares issued on the vesting of the Performance Rights;

(b) to be bound by the terms of the Constitution of the Company;

(c) to be bound by the terms and conditions of the Plan;

(d) to be bound by the terms and conditions of the Offer;

(e) a copy of the full terms of the Plan has been provided to it;

(f) that, by completing this Acceptance Form, it agrees to appoint the Company Secretary as its attorney to complete and execute any documents and do all acts on its behalf which may be convenient or necessary for the purpose of giving effect to the provisions of the Plan (if applicable);

(g) that any tax liability arising from the Company accepting your application for Performance Rights under the Plan or the issue of Shares on vesting of the Performance Rights is your responsibility and not that of the Company; and

(h) to the extent required by the terms of the Plan and the ASX Listing Rules, to enter into any necessary restriction agreement in relation to any Shares provided on the vesting of the Performance Rights and to the placing of a holding lock on those Shares.

Where an individual

SIGNED by [insert] in the presence of:)
)
)

_____ _____
Signature of witness Signature

_____
Name of witness

Where an Australian company

EXECUTED by **[INSERT COMPANY NAME] ACN ([INSERT ACN])** in accordance with its constitution and in the presence of:)))

_____ _____
Signature of director Signature of director/company secretary (please delete as applicable)

_____ _____
Name of director Name of director/company secretary (please delete as applicable)

* Delete if not applicable