ASX ANNOUNCEMENT **RED MOUNTAIN MINING LTD (ASX:RMX)** **31 October 2014**

September Quarter 2014 Activities and Cashflow Report

HIGHLIGHTS

- **Development Strategy**

  Red Mountain Mining Ltd ("the Company") continued progress towards its key milestone of completing the Definitive Feasibility Study (DFS) and Permitting for the proposed Batangas Gold Project mine development based on existing, high grade gold resources.

  The DFS is approximately 50% complete. Highlights of the DFS to date include significantly improved metallurgical recovery for the Kay Tanda West (KTW) Indicated Resource and a revised preliminary production schedule, based only on Indicated Resources, indicating longer mine life and increased production relative to the Scoping Study (released 20 March 2014). The revised, initial mining inventory is: **1.1 million tonnes grading 3.0 g/t Au and 10.3 g/t Ag,** yielding **100,000oz of gold** over 5.5 years.

  Cautionary Statement: The Scoping Study referred to in this report is based on low level technical and economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. The Scoping Study is partly based on Inferred Resources that comprise less than 10% of the total mining inventory. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources or that the production target will be realised.

- **Exploration Results**

  The Company prioritised 5 new gold and silver-copper-gold exploration targets at its Lobo Prospect (see Figure 2), following a detailed exploration target review for the entire Batangas Project.

  Surface channel sampling and an 8 hole drilling program tested the high priority Camo target, 2 kilometres northeast along strike from the South West Breccia (SWB) resource on the Lobo Prospect.

  The drilling and channel sampling defined a shallow northeast plunging zone of silver with copper and gold mineralisation over a 125 metre strike length and to a maximum 100 metres vertical depth.

  Best intersections from this drilling and channel sampling program included:

  - **LB 119: 5.5m @ 200 g/t Ag, 0.25 g/t Au, 0.65% Cu, 1.25% Pb + Zn from 27.5 metres** including **2.5m @ 418 g/t Ag, 0.23 g/t Au, 1.28% Cu, 2.6% Pb + Zn** (ASX release 2 October 2014) and,
  - **Trench C1-14** of **4m @ 379 g/t Ag, 2.0 g/t Au and 0.62% Cu** (ASX release 25 August 2014).

  The mineralisation is open down plunge to the northeast towards a second, gold-silver soil anomaly, "Anomaly 2", where exploration continues with the objective of defining a deeper high-grade gold target (see plan Figure 3 and longitudinal projection Figure 4).

  Surface channel sampling from Lumbangan Ridge, near the Archangel Prospect, produced high grade silver-gold results to **LUM 5: 4m @ 372 g/t Ag, 2.2 g/t Au**, including **1m @ 1,415 g/t Ag, 8.0 g/t Au** (ASX release 6 October 2014).

- The Company had $1.13 million cash and no debt at the end of the quarter.

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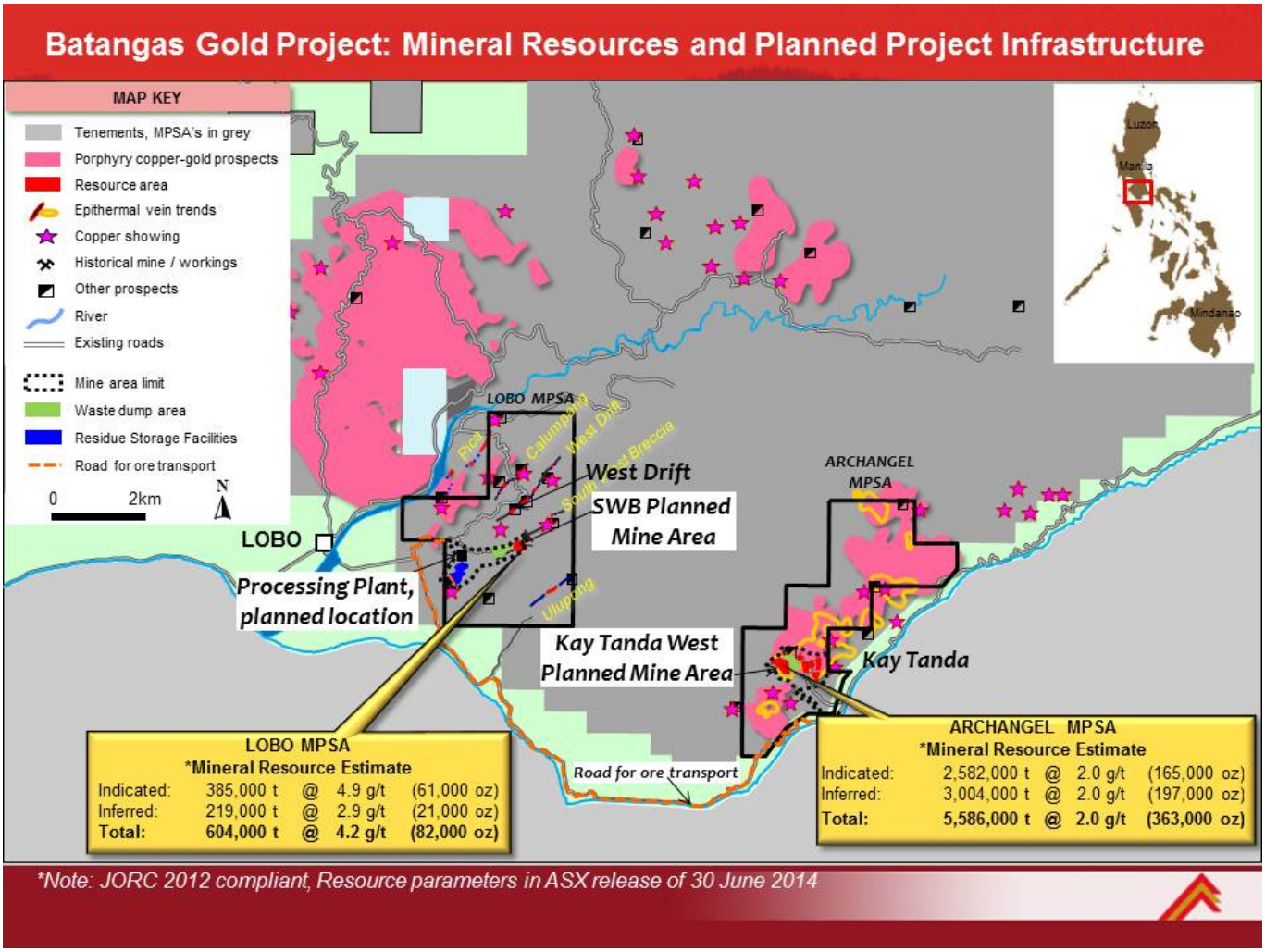

Figure 1: Batangas Gold Project Mineral Resources (JORC 2012) and planned project infrastructure

BATANGAS GOLD PROJECT

Definitive Feasibility Study (DFS) Progress

The DFS into the viability of mining and processing existing gold and silver resources at the Batangas Gold Project is approximately 50% complete, and includes metallurgical testing, geotechnical studies, new mining costs and scheduling, and a study into residue storage options.

i) Metallurgical testing (ALS, managed Como Engineers) indicates significantly increased metallurgical recovery for a composite sample from the larger Kay Tanda West (KTW) Indicated Resource at the Archangel Prospect, compared to the metallurgical recovery assumptions in the Scoping Study (released 20 March 2014). In particular, the recoveries for fresh (sulphide) material from KTW, at the assumed 106 micron grind size, are estimated to be **96%** gold recovery based on the DFS testing program compared to 83% gold recovery assumed in the Scoping Study. Oxide resource metallurgical recovery for KTW is now **97%** gold recovery compared to 92% and transition recovery remains unchanged at **90%**. The increased recoveries for resources at KTW may lead to even lower production cost per ounce, a deeper pit design and increased total production from KTW.

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The metallurgical recovery modelled for the SWB resource, based on metallurgical testing of oxide-transition material, is moderately lower than assumed in the Scoping Study at **90%** gold recovery compared to 95%. Testing was also completed for fresh (sulphide) material from SWB, producing recoveries averaging **84%** gold recovery at the assumed 45 micron grind size.

Further testing has examined the potential to increase recovery from the fresh (sulphide) zone of the SWB ore body, through gravity concentration of the sulphide residues after leaching of a relatively coarse grind, then completing a very fine grind and intensive leach on the concentrated residues. Once the flow sheet is settled, metallurgical testing will continue on a suite of variability samples representing all parts of the preliminary mining inventory at SWB and KTW.

ii) Mining engineering consultant Crystal Sun Consulting has generated a revised, preliminary production schedule that indicates potentially longer mine life and increased production compared to the Scoping Study production schedule. The new, revised, production schedule is based only on the JORC 2012 Code compliant Indicated Resources (released 30 June 2014) and includes an increased "high grade" mining inventory, equivalent to probable ore reserves totaling: **1.08 million tonnes grading 3.0 g/t gold (Au) and 10.3 g/t silver (Ag) or 3.13 g/t Au [1]equivalent**. Based on production rates assumed for the Scoping Study of 100,000 tonnes per annum (tpa) for SWB and 250,000tpa for KTW, and the new metallurgical recovery assumptions, this would allow for an **increased mine life to 5.5 years (previously 4.5 years) producing over 100,000oz of gold**.

Additional mining inventory, including Kay Tanda Main (KTM) Indicated and Inferred Resources, is included in a 10 year production schedule submitted to the Mines and Geosciences Bureau (MGB) as part of Declaration of Mining Project Feasibility final permitting, currently being processed.

iii) Geotechnical studies (RDCL, consultants) indicate that it may be possible to steepen the eastern, footwall of the planned SWB open pit, allowing for lower mining costs for the, Indicated Resources totaling 214,000 tonnes grading 6.4 g/t Au (released 30 June 2014).

iv) A residue storage options study (completed by ATC Williams) has concluded that thickened residues disposal will result in a lower environmental risk and lower capital cost (due to decreased wall volume) compared to "conventional" residue disposal methods. Detailed design and costing of the thickened residues options will be completed in the second stage of the DFS.

v) Detailed surveying (McDonald Surveys) has been completed for all potential mining and infrastructure areas.

The next stage of the DFS will include updated financial modeling of the revised inputs prior to the second, detailed design and engineering stage of the DFS, due for completion in mid 2015.

Permitting Update

The Company continues to progress the key permitting applications in the Philippines, namely the Declaration of Mining Project Feasibility report (DMPF) and the Environmental Impact Statement (EIS) that, with other environmental permit applications, forms the submission for the grant of an Environmental Compliance Certificate (ECC).

The Company is close to achieving endorsement of the necessary two out of three key Local Government Units (LGU's), including Barungay (township) level, Municipal level and/or Provincial level. LGU endorsement of the DMPF will allow revision and transfer of documentation from the regional Mines and Geosciences Bureau (MGB) to the central MGB for the final stages of approval.

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The objectives of the Company are to complete the DFS in parallel with progressing the project towards final permitting. Project financing options will be reviewed upon completion of the DFS, pending approval of the Company's Board to advance to a Financial Investment Decision.

Exploration Targeting, Lobo Prospect

Following a detailed exploration target review for the entire Batangas Gold Project, the Company prioritised testing of five (5) new high grade gold and silver-copper targets at its Lobo Prospect.

The primary target remains high grade gold. However several epithermal targets that have been identified are exposed at a high level in the system and include preserved siliceous caps that are prospective for silver and copper that may overly high grade gold zones.

The five high priority targets selected for rockchip/channel sampling, trenching and drilling are as follows:

i) **Camo** silver-copper and high grade gold target – major flexure on the SWB structure with high grade silver and copper results at surface (e.g. surface rockchip results to 729.5 g/t silver (Ag), 4.39 % Copper (Cu), 1.45 g/t Au, and drilling to LB-51: 5.5m @ 486 g/t Ag, 1.8% Copper (Cu), released pre 2012, Mindoro Resources Ltd). Targeting high grade silver-copper near surface and high grade gold potential at depth.

ii) **Signal** high grade gold target – exceptionally high grade rock chip sample grades (72.6 g/t Au, 42.6 g/t Au (released pre 2012, Mindoro Resources Ltd) and 32.7 g/t Au (ASX release 15 July 2014) lead into an area of preserved silica cap, with strongly anomalous silver and copper grades, that potentially overlays a high grade gold shoot.

iii) **Ulupong** high grade gold target – exceptionally high grade surface trenching results (e.g. along vein, 19m @ 9.77 g/t Au including 7m @ 23.6 g/t Au and including 0.8m @ 94.8 g/t Au, ASX release 11 March 2013) at south-western end of a 3km long corridor. However the strongest soil anomaly on the property at the north-eastern end of the corridor remains untested.

iv) **Pica** high grade gold and copper-gold target – previous drilling oriented northwest-southeast intersected multiple epithermal veins (e.g. LB-07: 2.5m @ 9.2 g/t Au, 28.4 g/t Ag, 8.6% Zn from 97.9m, ASX release 30 September 2013) within a broader, porphyry copper-gold-silver-zinc zone (LB-07: 100.4m @ 0.3 g/t Au, 1.56 g/t Ag, 0.2% Cu, 0.28% Zn from 54.5m, ASX release, September quarterly report, 30 October 2013). New interpretation of regional geophysics and mapping indicates this zone may trend in this direction and that drilling would be better oriented southwest-northeast.

v) **South West Breccia trend extended** – at the southwestern end of the 500m long SWB corridor, Trench 13 intersected 2.6m @ 28.6 g/t Au (ASX release 7 January 2014) with drilling (LB 105) of 0.65m @ 18 g/t Au from 10m (ASX release 23 April 2014), immediately before the structure passes under younger limestone that may obscure extensions to the high grade zone.

Additional mapping, soil sampling, surface rockchip sampling and trenching were conducted or is in progress in order to define multiple targets for drill testing in due course.

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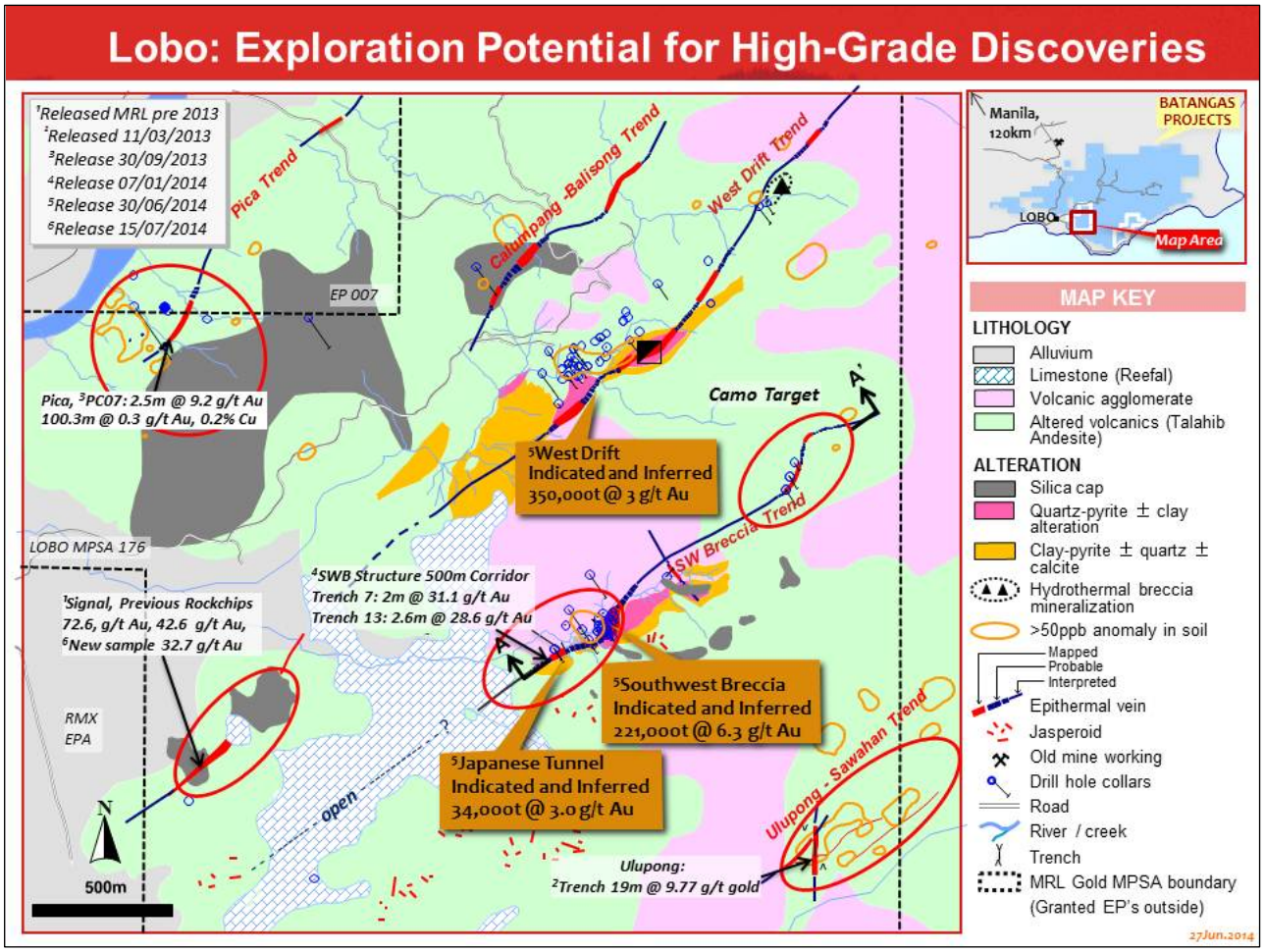

Figure 2: Plan of Lobo epithermal gold prospect with resources and high priority targets

Camo Target Drilling Results

The first priority target selected for drill testing was the Camo target, located approximately 1.2 kilometres along strike northeast of the high grade SWB resource, and associated with an identical flexure or bend in the structure to SWB (see plan, Figure 3).

Initial channel sampling produced a peak surface intersection in **Trench C1-14** of **4m @ 379 g/t Ag, 2.0 g/t Au and 0.62% Cu** (ASX release 25 August 2014)**,** located at the south western end of a 500 metre strike length zone of variably exposed epithermal lode. A previous intersection in drillhole LB-51 intersected the lode down plunge to the north of the trench, intersecting **5.5m from 25.8m @ 487 g/t Ag, 0.17 g/t Au and 1.83% Cu** (released pre 2012).

A diamond drilling program totalling 8 holes for 538 metres tested down plunge from the surface channel sampling results, defining a shallowly northeast plunging zone of silver with copper and gold mineralisation over a 125 metres strike length and to a maximum 100 metres vertical depth.

The peak new drilling intersection from this zone was in **LB 119 (**ASX release 2 October 2014):

- **5.5m @ 200 g/t Ag, 0.25 g/t Au, 0.65% Cu, 1.25% Pb + Zn from 27.5 metres**
- including **2.5m @ 418 g/t Ag, 0.23 g/t Au, 1.28% Cu, 2.6% Pb + Zn** and
- including **0.5m @ 938 g/t Ag, 2.54% Cu, 6.46% Pb + Zn**

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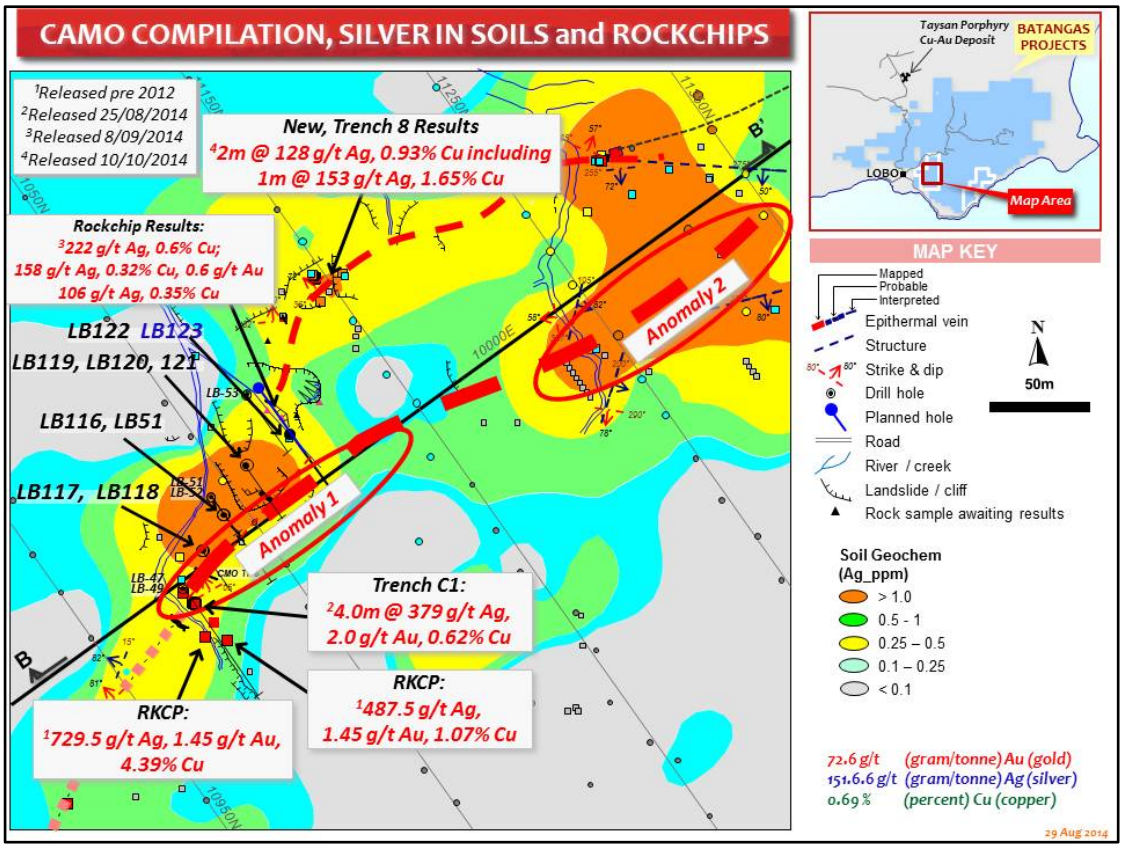

Figure 3: Plan of Camo lode with rockchip sample results and drillhole locations

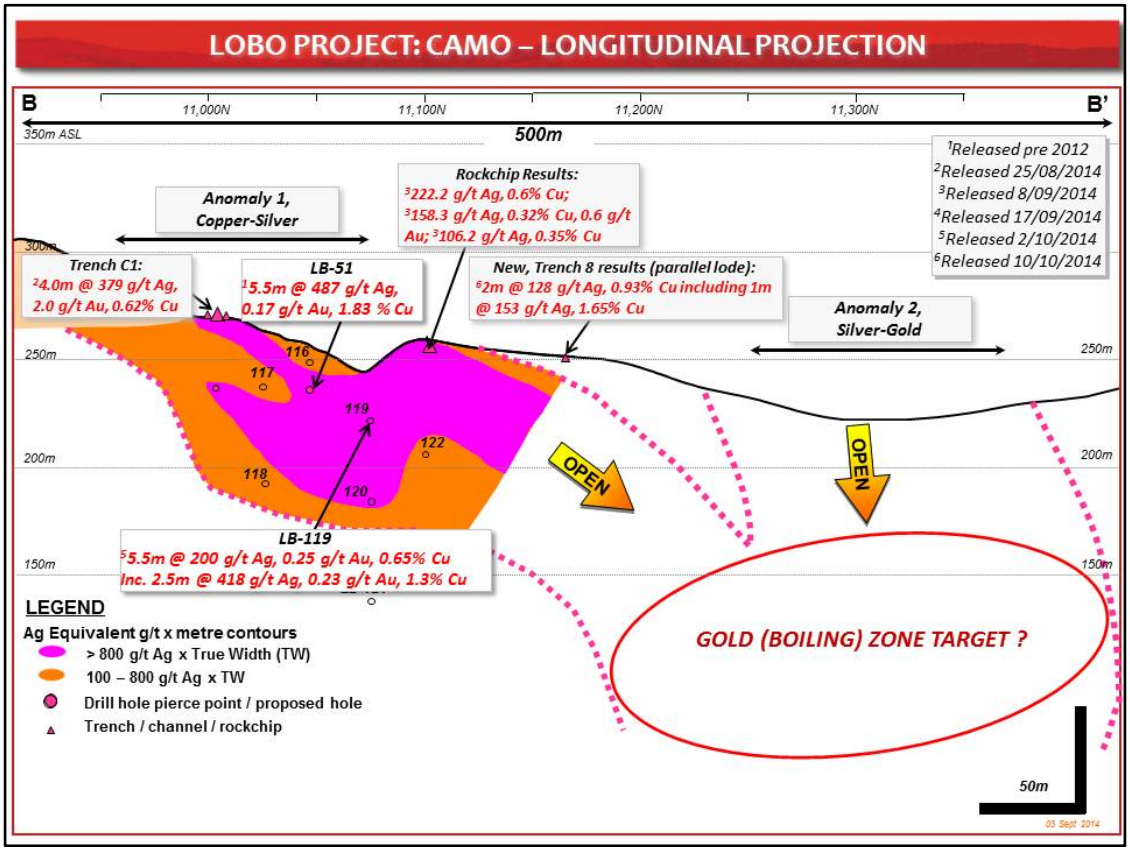

Figure 4: Camo longitudinal projection, with drilling pierce points and rockchip results

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Table 1: Camo Lode, exploration drilling results:

Hole ID	North Grid	East Grid	Dip	Azi Mag	Depth m	From m	To m	Run m	Ag g/t	Au g/t	Cu %	Pb%	Zn%
Previous, effective, drilling, MRL, released pre 2012													
LB 51	11040	9974	-45°	145°	73.8	8.1	13.4	**5.3**	**487**	0.17	**1.83**		
Including						20.3	22.3	**2.0**	**861**	0.22	**2.46**		
LB 49	11002	10003	-85°	145°	80.3	28.2	41.1	**12.9**	**80.5**	0.26	**0.34**		
Including						35.7	38.5	**2.8**	**190**	0.07	**0.31**		
New Drilling, Red Mountain, released 2 October 2014													
LB 116	11040	9986	-45°	145°	30.05	17.10	18.75	1.65	61.2	0.03	0.14	0.14	0.14
LB 117	11021	9994	-50°	143°	60	19.10	21.45	2.35	45.4	0.07	0.15	0.15	0.15
Including						19.6	20.6	1.0	83.2	0.10	0.32	0.32	0.32
LB 118	11021	9994	-75°	145°	61.15	37.8	39.8	**2.0**	**86.5**	**0.83**	0.28	0.73	0.63
Including						38.8	39.8	**1.0**	**126**	**1.58**	0.37	0.24	0.54
Including						39.3	39.8	**0.5**	**87.1**	**3.07**	0.31	0.12	0.18
LB 119	11065	9974	-45°	145°	54.9	27.5	33.0	**5.5**	**200**	0.25	**0.65**	**0.73**	**0.52**
Including						28.0	30.5	**2.5**	**418**	0.23	**1.28**	**1.56**	**1.04**
Including						29.0	29.5	**0.5**	**938**	0.06	**2.54**	**5.51**	**0.95**
LB 120	11065	9974	-65°	145°	89.9	63.3	76.0	12.7	45.4	0.24	0.32	0.15	0.29
Including						65.8	70.8	5.0	66.1	0.20	0.30	0.13	0.28
LB 121	11065	9974	-72°	145°	140.5	Results not reported during quarter							
LB 122	11090	9975	-53°	145°	65	Results not reported during quarter							
LB 123	11090	9945	-45°	145°	37.15	Terminated pre-target, no signifcant result							
8 holes					**538.7**								

The Camo lode mineralisation is open down plunge to the northeast towards a second, gold-silver soil anomaly, "Anomaly 2", where exploration continues with the objective of defining a deeper high-grade gold target (see plan Figure 3 and longitudinal projection Figure 4).

Other Exploration Results

As announced to ASX on 6 October 2014, a program of channel sampling was carried out at the Lumbangan Ridge target, on the exploration permit (EP) immediately southeast of the Archangel Prospect.

Results from the program included high grade channel sampling intersections include **LUM 5** that returned **4m @ 372 g/t Ag, 2.2 g/t Au**, including **1m @ 1,415 g/t Ag, 8.0 g/t Au** and **LUM 6** that returned **2m @ 449 g/t Ag, 1.4 g/t Au** including **1m @ 758 g/t Ag, 2.2 g/t Au** (see Table 2 for all results).

The high grade silver with gold results are from an outcropping lode located on Lumbangan Ridge, located immediately (500m) to the east of the Kay Tanda resource on the Archangel MPSA (see Figure 5, plan view).

These high grade silver with gold results are from a northwest-southeast trending lode that is still open along strike and at depth.

A second northwest-southeast trending lode at Gitna Creek, 1km to the north of Lumbangan Ridge, included the **LUM 9** intersection of **8m @ 137 g/t Ag, 0.46 g/t Au**. This thicker intersection of high grade silver

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mineralisation is a "stratabound" replacement style zone that dips shallowly back into the ridge and is also open along strike and at depth.

The Lumbangan target zone (Figure 5) offers potential to define additional resources close to the Kay Tanda resources.

Table 2: Lumbangan Ridge Channel Sampling Results:

Trench	Northing (UTM)	Easting (UTM)	Dip	From m	To m	Thickness m	Au g/t	Ag g/t	Au Equ.
LUM 1	1,507,009	317,592	1°	0.0	7.0	7.0	0.03	4.1	0.08
LUM 2	1,507,019	317,589	55 °	0.0	3.0	3.0	0.03	4.3	0.09
LUM 3	1,507,020	317,589	71°	0.0	2.6	2.6	0.05	9.1	0.17
LUM 4	1,507,025	317,582	77°	0.0	3.1	3.1	0.05	11.3	0.20
LUM 5	1,507,023	317,596	70°	0.0	4.0	**4.0**	**2.2**	**372**	**6.93**
Including				3.0	4.0	**1.0**	**8.0**	**1,415**	**26.2**
LUM 6	1,507,020	317,598	11°	0.0	2.0	**2.0**	**1.4**	**449**	**7.14**
Including				0.0	1.0	**1.0**	**2.2**	**758**	**12.0**
LUM 7	1,507,028	317,577	-21°	0.0	5.3	5.3	0.10	11.3	0.24
LUM 8	1,507,041	317,577	30°	0.0	2.0	**2.0**	**0.47**	**40.7**	1.00
LUM 9	1,507,612	317,421	7°	0.0	8.0	**8.0**	**0.46**	**137**	**2.22**

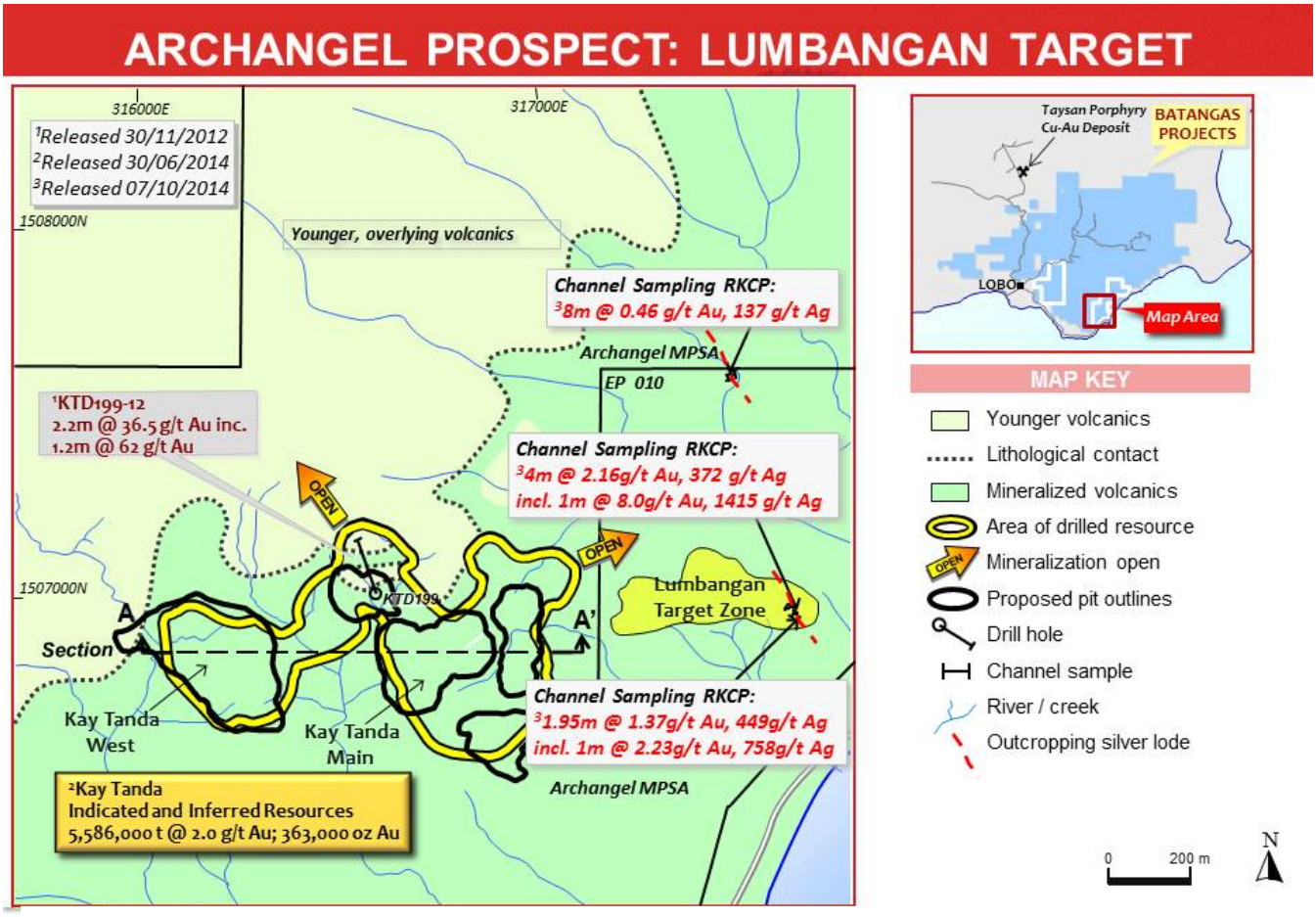

Figure 5: Archangel Prospect plan, with location of Lumbangan rock chip channel sampling results

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COMPANY STATUS AND OUTLOOK

Expenditure during the quarter ended 30 September 2014 totalled $1.1 million and included continued exploration activities including drilling; completing the first phase of the DFS and advancing mine development permitting requirements.

Exploration and evaluation or "in the ground" expenditure of almost A$0.8 million represented 72% of total expenditure of $1.1 million for the September quarter.

The Company continues to focus on safe and efficient exploration and development activities in harmony with local communities and the environment. No lost time safety or environmental incidents occurred during the quarter.

Cash on hand at 30 September 2014 was A$1.13 million, with no debt.

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About Red Mountain Mining Limited and the Batangas Gold Project

Red Mountain Mining (ASX: RMX) is primarily a gold explorer/developer and project acquisition company which listed on the ASX in September 2011. The Company's strategy is to unlock the potential of 'under-developed' gold and polymetallic projects in the greater Asian region by introducing Australian exploration and mining methods and improving efficiencies to gain significant exploration and production upside.

The Company holds a 100% direct and indirect contractual right interest in tenements in the Philippines that contain significant gold resources. Total Mineral Resources at Batangas include Indicated Resources of 2.97 million tonnes @ 2.4 g/t Au, 227,000 oz Au and Inferred Resources of 3.22 million tonnes @ 2.1 g/t Au, 218,000oz Au for a total of 6.19 million tonnes at 2.2 g/t Au, 444,000oz Au (ASX announcement 30 June 2014, JORC 2012). The Company is continuing exploration with the objectives of upgrading Mineral Resources at Batangas.

A Scoping Study (ASX announcement 20 March 2014) has demonstrated a strongly viable, low capital (USD15 million) and operating cost (USD692/oz), gold development based on initially recovering 90,000oz of gold over 4.5 years. The Company is completing a Definitive Feasibility Study (DFS) on the project, with early indications of an extended mine life to 5.5 years recovering over 100,000oz of gold (ASX release 10 September 2014).

Final mine development permitting submissions have been lodged with the Philippines Government (ASX release 3 April 2014) and are proceeding towards approval.

Other gold opportunities will be reviewed on a continuous basis.

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Cautionary Statement

The Scoping Study referred to in this announcement is based on lower-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. There is a low level of geological confidence associated with inferred mineral resources (that represent 10% of the mining inventory in the Scoping Study) and there is no certainly that further exploration work will result in the determination of indicated Mineral Resources or that the production target itself will be realised. There is no certainty that the Scoping Study production targets or the forecast financial information derived from production targets, will be realised. All material assumptions underpinning the production targets and forecast financial information derived from the production targets, full details of which were released to ASX on 20 March 2014, continue to apply and have not materially changed.

Competent Person Statement

The information in this report relating to Mineral Resources and post 1 December 2013 Exploration Results is based on information compiled by Mr Jon Dugdale who is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient exploration experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dugdale is a full time employee and Managing Director of Red Mountain Mining Ltd. The Company confirms that the form and context in which the information is presented has not been materially modified and it is not aware of any new information or data that materially affects the information included in the relevant market announcements, as detailed in the body of this announcement. All material assumptions and technical parameters underpinning the Mineral Resource estimates continue to apply and have not materially changed. The information in this report relating to pre December 2013 Exploration Results is also based on information compiled by Mr Jon Dugdale who has sufficient exploration experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dugdale takes responsibility for and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This announcement contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on Red Mountain Mining's current expectations, estimates and projections about the industry in which Red Mountain Mining operates, and beliefs and assumptions regarding Red Mountain Mining's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Red Mountain Mining, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Red Mountain Mining cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Red Mountain Mining only as of the date of this presentation. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Red Mountain Mining will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.

ASX code: RMX
ABN 40 119568106

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

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

Tenement Table: ASX Listing Rule 5.3.3

Mining tenement interests held at the end of the quarter and their location

PERMIT NAME	PERMIT NUMBER	REGISTERED HOLDER/APPLICANT	AREA IN HECTARES	DATE OF RENEWAL PERIOD EXPIRATION	PERMIT TERM EXPIRY	INTEREST / CONTRACTUAL RIGHT
Lobo	MPSA-176-2002-IV	Egerton Gold Philippines Inc.	1,164	26-Sep-14	20-Nov-27	100%
Archangel	MPSA-177-2002-IV	Egerton Gold Philippines Inc.	1,012	29-Mar-14	20-Nov-27	100%
Calo	EP-IVA-006	Egerton Gold Philippines Inc.	2,493	5-Sep-14	5-Sep-14	100%
Pica	EP-IVA-007	Egerton Gold Philippines Inc.	4,488	5-Sep-14	5-Sep-14	100%
Biga	EP-IVA-008	Egerton Gold Philippines Inc.	977	23-Oct-14	23-Oct-14	100%
El Paso	EP-IVA-009	MRL Nickel Phils. Inc.	5,000	12-Apr-14	12-Apr-14	100%
Philex	EP-IVA-010	Egerton Gold Philippines Inc.	1,579	23-Oct-14	23-Oct-14	100%
Talahib	EP-IVA-011	Egerton Gold Philippines Inc.	873	5-Oct-13	5-Oct-13	100%
Rosario	EP-IVA-014	MRL Nickel Phils. Inc.	2,991	20-Feb-15	20-Feb-15	100%
East Lobo	EP-IVA-015	Egerton Gold Philippines Inc.	2,461	20-Feb-15	20-Feb-15	100%
SW Lobo	EPA-IVA-093	MRL Nickel Phils. Inc.	166	Application	Application	100%
Calo Extension	EPA-IVA-102	MRL Nickel Phils. Inc.	850	Application	Application	100%
Batangas Extension	EPA-IVA-103	MRL Nickel Phils. Inc.	3,033	Application	Application	100%

The mining tenement interests relinquished during the quarter and their location

No mining tenements were relinquished during the quarter.

The mining tenement interests acquired during the quarter and their location

No mining tenements were acquired during the quarter.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

Not applicable

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable

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Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

RED MOUNTAIN MINING LIMITED

ABN	Quarter ended ("current quarter")
40 119 568 106	30 September 2014

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (3 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	(35)	(35)
1.2	Payments for (a) exploration & evaluation	(789)	(789)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(305)	(305)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(1,122)	(1,122)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(5)	(5)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(5)	(5)
1.13	Total operating and investing cash flows (carried forward)	(1,127)	(1,127)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,127)	(1,127)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	560	560
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	560	560
	Net increase (decrease) in cash held	(567)	(567)
1.20	Cash at beginning of quarter/year to date	1,719	1,719
1.21	Exchange rate adjustments to item 1.20	27	27
1.22	**Cash at end of quarter**	1,179	1,179

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	90
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Director fees, executive salaries and superannuation.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	40	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation including DFS	520
4.2	Development	-
4.3	Production	-
4.4	Administration	216
	Total	**736**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	1,143	683
5.2	Deposits at call	36	1,036
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	1,179	1,719

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements and petroleum tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference** +**securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+**Ordinary securities**	686,947,994	686,947,994	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	30,017	30,017		
7.5	+**Convertible debt securities** (*description)*	28,000,000 Performance Rights			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	28,000,000 Performance Rights	-		
7.7	**Options** *(description and conversion factor)*	97,822,477 15,000,000	97,822,477 -	*Exercise price* *$0.03* *$0.20*	*Expiry date* *30 June 2016* *15 Sept 2016*
7.8	Issued during quarter				
7.9	Exercised during quarter	17	17	*$0.03*	*30 June 2016*
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 October 2014
(~~Director~~/Company secretary)

Print name: SHANNON COATES

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash

+ See chapter 19 for defined terms.

position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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