ASX ANNOUNCEMENT **RED MOUNTAIN MINING LTD (ASX:RMX)** **08 APRIL 2015**

RED MOUNTAIN FUNDING AND DEVELOPMENT UPDATE

- Further payments received under Bluebird Funding Partnership Agreement
- Final stages of the Definitive Feasibility Study program(s) in full swing
- Additional sampling results from high-grade early mining target due shortly
- Endorsement of Batangas Gold Project from local Government expected shortly

Perth, Western Australia: Red Mountain Mining Limited (**ASX:RMX**) is pleased to announce that additional funding has been received as part of the Stage 1 funding commitment of US$1 million (~A$1.3 million) from BVI registered private company Bluebird Merchant Ventures Ltd (Bluebird).

Red Mountain's 100% owned subsidiary, Red Mountain Mining Singapore (RMMS), which is the holder of the Batangas Gold Project assets in the Philippines, has received a total of US$280,000 (~A$370,000) to-date from Bluebird under the terms of the Strategic Funding Agreement between the parties (announced 23 December 2014).

The balance of the US$1 million Stage 1 funding commitment will be paid as monthly US$100,000 instalments and/or upon Admission of Bluebird to London's AIM market.

Based on the Bluebird funding, the final stages of the Definitive Feasibility Study (DFS) are now in full swing. The processing flow sheet has been finalised, final metallurgical testing, including variability work, is underway and tailings testing and geotechnical programs will be completed to allow the key capital and operating costs inputs to be finalised.

In addition, further test pitting and trenching is in progress prior to commencement of the next drilling program to define the high grade, early mining target and convert to Measured Resource (see Figure 1). This will allow mining to commence immediately following final permitting, pending a toll treatment and/or ore sales agreement. Discussions have progressed with a Shandong, China, based operator interested in purchasing high grade gold ore concentrate. A metallurgical testing program will be initiated to investigate the potential to upgrade the high grade surface material via screening. Discussions have also commenced with a local small processing plant operator for potential processing trials / toll treatment.

The Company has previously announced the endorsement of the Batangas Gold Project mining and processing plan (Declaration of Mining Project Feasibility – DMPF) by all of the 10 potentially affected Barungay (Township) Councils (announced 23 January 2015). The Lobo Municipal Council is in the final stages of deliberation to complete local government endorsement of the project prior to the DMPF proceeding to the central Mines and Geosciences Bureau (MGB) for final approval.

Meanwhile the Philippines Environmental Management Bureau (EMB) has provided feedback on the submissions for the Environmental Compliance Certificate (ECC), the other key permitting requirement to allow the Project to proceed. Community consultation will follow, prior to the final draft of the ECC being prepared for final approval.

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

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Red Mountain Managing Director Jon Dugdale said: ***"The Definitive Feasibility Study and permitting processes are in their final stages and we are looking forward to getting this high-grade gold project underway.***

"We are also completing definition of our very high grade, at surface, gold resources that will give us a potential cash-flow advantage in the early stages of the project."

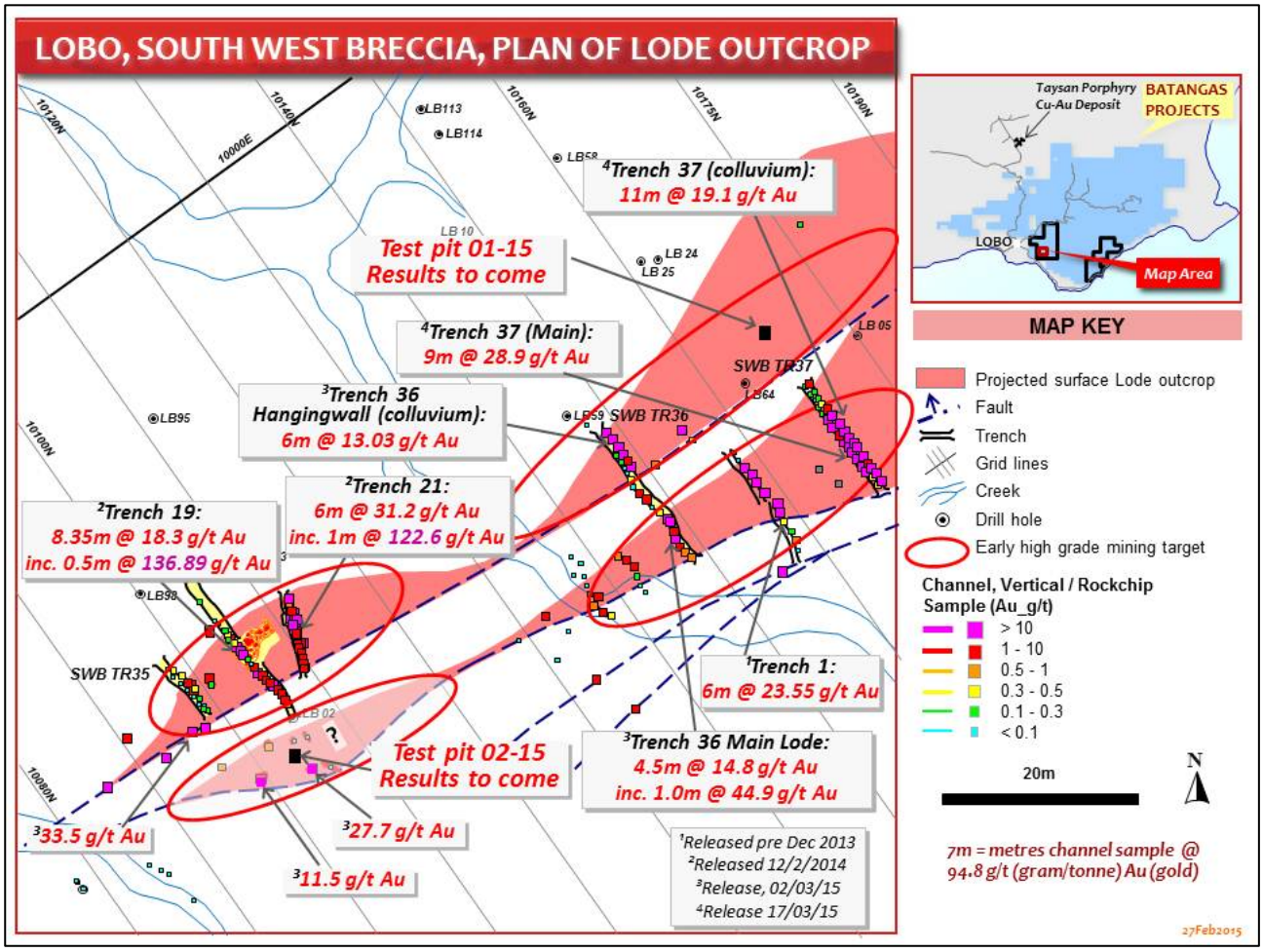

Figure 1: Plan of South West Breccia with new test pits, recent trenching results and early mining targets

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

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About Red Mountain Mining Limited and the Batangas Gold Project

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

The Company holds a 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.

The Company announced Agreement with London backed, BVI registered, BMVL on 23 December 2014 which includes a two stage funding arrangement totalling US$5.5 million (~A$6.7 million), earning BMVL up to 50% of the currently wholly owned subsidiary, Red Mountain Mining Singapore Ltd, which is the holder of the Philippines based Batangas Gold Project assets.

Funding under the Agreement with BMVL will allow the Company to complete a DFS on the project, with initial results confirming low capital and operating costs and recovery of over 100,000 ounces of gold during the initial 5 years of production (ASX announcement 20 November 2014 and updated 23 January 2015).

Final mine development permitting submissions have been lodged with the Philippines Government (ASX announcement 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 production targets referred to in this announcement were first released to ASX on 20 November 2014 and updated on 23 January 2015. They are preliminary and there is no certainty that the production targets or the forecast financial information derived from the production targets, will be realised. All material assumptions underpinning production targets or forecast financial information derived from production targets continue to apply and have not materially changed.

Competent Person Statement

The historic information in this report relating to Mineral Resources 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 historic 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.

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