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## Quarterly Activities and Cashflow Report for quarter ending 30 September 2017

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Red Mountain Mining Limited (**the Company, Red Mountain or RMX**) is pleased to provide the following update on its activities during the quarter ending 30 September 2017.

### **Mokabe-Kasari Project**

As announced on 6 September 2017, the Company proceeded with an earn-in agreement with CoCu Metals Ltd (**CoCu**) which controls 100% of the Mokabe-Kasari Cobalt-Copper project (**Mokabe-Kasari Project**) in the Katanga Province of the Democratic Republic of Congo, Africa (**Agreement**). During the period, by mutual agreement with CoCu, the commercial terms were revised whereby the Company may earn up to 90% of the Mokabe-Kasari Project via:

1. The issue of 14 million shares in the Company (7.5 million of which will be subject to 12 months escrow);
2. Payment of A\$70,000 on commencement of phase 1 exploration;
3. Payment of A\$75,000 90 days after phase 1 exploration commencement *provided that* the Company notifies CoCu that it wishes to continue with the Project; and
4. Payment of US\$100,000 on issue of Mining Licence (or equivalent) over the Mokabe-Kasari Project area or portion thereof.

On 6 September 2017, the Company further advised that it had raised A\$735,000 (before costs) via the issue of 66,818,182 new fully paid ordinary shares at an issue price of \$0.011 (1.1 cent) per share via a Placement to provide funding towards earn-in exploration activities at the Mokabe-Kasari Project, ongoing identification and due diligence on additional asset, new project opportunities as well as general working capital.

On 14 September 2017, the Company provided an update on its Phase 1 exploration activities at the Mokabe-Kasari Project with an objective to delineate targets for reverse circulation (**RC**) and Diamond follow up drilling. Further details on the exploration update can be found in the announcement released on that date.

### **Red Valley Project**

On 4 July 2017, the Company announced that, having considered the laboratory results from drilling operations at its Red Valley Lithium Brines Project in western Utah, USA, the Board concluded that there was insufficient Lithium enrichment present in order to justify continued work at Red Valley. The

Company will therefore not be proceeding with further drillings, and nor will it proceed with its joint venture in respect of the Red Valley Lithium Brines Project, and no consideration payments shall be made.

### **Batangas Gold Project**

The Company retains its leverage to the Philippines based Batangas Gold project by way of its 1% NSR production royalty and currently holds approximately 7.35 million shares in Bluebird Merchant Ventures Ltd.

### **Business Development**

The Board continues to identify and review additional opportunities in the gold, energy metals and base metals space and will provide updates as and when required in this respect.

### **Corporate**

During the quarter, 15,625 RMXOG options were exercised and 7,500,003 RMXOE options expired unexercised.

In addition, as referred to above, 66,181,182 Shares were issued to professional and sophisticated investors under a Placement and 14,000,000 Shares were issued in part consideration for the revised terms of the Company's proposed earn-in of up to 90% of the Mokabe-Kasari Project.

For more details about Red Mountain Mining Ltd see <http://www.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
A1 - 10 , Utah	00197818-955 00197956-957	Amazona Enterprises	80.9	31-Aug-17	31-Aug-17	0%
W1 -10 , Utah	00197960-197967 00198117-198118	William Feyerabend	80.9	31-Aug-17	31-Aug-17	0%
RM1 - 270, Utah	00197618-197887	RMX USA Inc.	2,266	14-Feb-17	14-Feb-17	100%
Demiko <sup>1</sup>	ZEA 556	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
Comaki <sup>1</sup>	ZEA 557	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
Comialu <sup>1</sup>	ZEA 558	Tshiyaz Muneng Costa	425	N/A	N/A	Right to earn up to 90%
Comidel <sup>1</sup>	ZEA 559	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
KGCM <sup>1</sup>	ZEA 560	Tshiyaz Muneng Costa	425	N/A	N/A	Right to earn up to 90%
Psodema <sup>1</sup>	ZEA 561	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
CMAL <sup>1</sup>	ZEA 562	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
Comiko <sup>1</sup>	ZEA 563	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%

\*Note: Exploration Permits that have reached permit expiry have been submitted for renewal.

- As announced 21 March 2017, the Company has executed a binding exclusivity and earn-in agreement (**Agreement**) with CoCu Metals Ltd, who controls 100% of the permits ZEA 556 – 563. Pursuant to the revised terms of the Agreement released on 6 September 2017, the Company has the right to earn up to 90% interest in the permits, subject to meeting exploration expenditure commitments.

#### The mining tenement interests relinquished during the quarter and their location

On 4 July 2017, the Company announced that, it would not proceed with its joint venture in respect of the Red Valley Lithium Brines Project, and no consideration payments would be made. Hence, relinquishing the interest in the following tenements:

PERMIT NAME	PERMIT NUMBER	REGISTERED HOLDER/APPLICANT	AREA IN HECTARES	DATE OF RENEWAL PERIOD EXPIRATION	PERMIT TERM EXPIRY	INTEREST / CONTRACTUAL RIGHT
A1 - 10 , Utah	00197818-955 00197956-957	Amazona Enterprises	80.9	31-Aug-17	31-Aug-17	0%
W1 -10 , Utah	00197960-197967 00198117-198118	William Feyerabend	80.9	31-Aug-17	31-Aug-17	0%

#### The mining tenement interests acquired during the quarter and their location

Nil.

**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.

## 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, 01/05/13, 01/09/16

**Name of entity**

RED MOUNTAIN MINING LIMITED

**ABN**

40 119 568 106

**Quarter ended ("current quarter")**

30 September 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	22	22
1.2 Payments for		
(a) exploration & evaluation	(202)	(202)
(b) development	-	-
(c) production	-	-
(d) staff costs	(43)	(43)
(e) administration and corporate costs	(265)	(265)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	13
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (details)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(476)</b>	<b>(476)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	735	735
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(104)	(104)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (Monies from shares allotted from prior quarter)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>631</b>	<b>631</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,417	2,417
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(476)	(476)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	631	631
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>2,572</b>	<b>2,572</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,425	2,422
5.2 Call deposits	147	-
5.3 Bank overdrafts	-	-
5.4 Other (details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,572</b>	<b>2,422</b>

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**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
43
-

1.2(e) Includes gross salaries and fees to directors.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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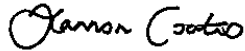
<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	375
9.2 Development	-
9.3 Production	-
9.4 Staff costs	45
9.5 Administration and corporate costs	170
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>590</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	A1-10, Utah W1-10, Utah	Earn in agreement to acquire up to 90%	Right to acquire up to 90%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				



**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: 26 October 2017

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 position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.