



Quarterly Activities and Cashflow Report for quarter ending 31 December 2016

Red Valley Project

As announced on 26 October 2016, the Company entered into an exploration and earn-in agreement for the lithium brine Red Valley Project in Utah, United States (**Agreement**). Under the Agreement, RMX will fund initial drilling at existing, mapped targets and conduct chemical analysis of the Red Valley Project. Following analysis of the drilling results for Lithium enrichment, RMX has the right to acquire 51% of the Red Valley Project for US\$250,000.

On 23 November 2016, the Company announced the appointment of highly experienced Borg Geoscience, a leading Lithium consulting firm, as its technical consultant to the Red Valley Lithium Brines Project.

Post the end of the quarter and as announced to ASX on 18 January 2018, Progress continues apace in respect of the Red Valley Lithium Project. Activities completed include:

- (i) securing of enlarged land tenure footprint;
- (ii) performing the required local archaeological survey; and
- (iii) submission of drill permit applications.

Business Development

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

Batangas Gold Project

The Company advised on 2 December 2016, that it has entered into a transaction with Philippines based company and 25% Batangas Gold Project joint venture partner, Bluebird Merchant Ventures Ltd (**Bluebird**), concerning RMX's 75% interest in the Batangas Gold Project (**Agreement**).

Under the terms of the Agreement, Bluebird shall acquire the remaining balance of the Batangas Gold Project in exchange for 1.25m fully paid ordinary shares in Bluebird plus a perpetual 1% net smelter production royalty over the Batangas Gold Project. Bluebird is a Philippines based company listed on the main board of the London Stock Exchange.

Furthermore, should Bluebird sell 50% or more of the Bantagas Gold Project within 12 months of settlement under the Agreement then it shall share the net proceeds of such sale with RMX on a 50/50 basis.

Corporate

As announced on 9 November 2016, the Company raised \$350,000 through an oversubscribed Share Purchase Plan, which resulted in the issue of 35,000,000 shares at an issue price of \$0.01 per share.

During the period, the Company undertook a Loyalty Option Offer to existing holders of RMXOF options on the basis of one new RMXOG (\$0.015 each on or before 21 November 2019) option for every RMXOF option held as at the Record Date at an issue price of \$0.001 per option. 33,413,985 options were issued pursuant to the Loyalty Options Offer as approved by Shareholders on 20 September 2016. A further 38,250,000 Options issued to nominees of PAC Partners, as approved by Shareholders on 20 September 2016.

Pursuant to the Prospectus released on 8 December 2016, 20,000,001 Options were issued to service providers, in consideration for the provision of professional services to the Company. A further 9,000,000 Shares were issued to service providers for nil consideration.

Following shareholder approval at the shareholder meeting on 20 September 2016, 28,000,000 Shares issued to nominees of PAC Partners as part consideration for capital raising and corporate advisory services and 14,000,000 Shares and 15,000,000 Options were issued to Directors on 14 October 2016.

On 7 October 2016, 167,500,000 Shares were issued at an issue price of \$0.01 per Share pursuant to a Share Placement to raise \$1,675,000.

During the quarter 164,063 RMXOF options were exercised.

Board Changes

On 2 December 2016 Non-Executive Director Mr Jason Bontempo resigned due to business commitments. As a result, Mr Robert Parton, a former Board member of the Company was appointed as Non-Executive Director.

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	Contractual right to acquire 100%
W1 -10 , Utah	00197960-197967 00198117-198118	William Feyerabend	80.9	31-Aug-17	31-Aug-17	Contractual right to acquire 100%
RM1 - 270, Utah	00197618-197887	RMX USA Inc.	2,266	14-Feb-17	14-Feb-17	100%

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

The mining tenement interests relinquished during the quarter and their location

MPSA-176-2002-IV – Philipines

MPSA-177-2002-IV – Philipines

EP-IVA-006 – Philipines

EP-IVA-007 – Philipines

EP-IVA-008 – Philipines

EP-IVA-009 – Philipines

EP-IVA-010 – Philipines

EP-IVA-011 – Philipines

EP-IVA-014 – Philipines

EP-IVA-015 – Philipines

EPA-IVA-093 – Philipines

EPA-IVA-102 – Philipines

EPA-IVA-103 – Philipines

The mining tenement interests acquired during the quarter and their location

The following tenement interests were acquired during the quarter.

00197818-955 - Utah

00197956-957- Utah

00197960-197967- Utah

00198117-198118- Utah

00197618-197887- Utah

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

As referenced above in more detail the Company disposed of its interests in the Batangas Gold Project, Philippines.

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")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	(42)	(4)
1.2 Payments for		
(a) exploration & evaluation	(169)	(255)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(403)	(731)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (New business)	(80)	(80)
1.9 Net cash from / (used in) operating activities	(684)	(1,058)

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

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,757	1,970
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	-	-
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 yet to be allotted)	2	2
3.10	Net cash from / (used in) financing activities	1,759	1,972
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	593	757
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(684)	(1,058)
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)	1,759	1,972
4.5	Effect of movement in exchange rates on cash held	-	(3)
4.6	Cash and cash equivalents at end of period	1,668	1,668

5. Reconciliation of cash and cash equivalents 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	1,643	568
5.2 Call deposits	25	25
5.3 Bank overdrafts	-	-
5.4 Other (details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,668	593

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	53
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	

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

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

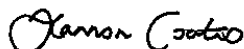
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	350
9.2 Development	-
9.3 Production	-
9.4 Staff costs	128
9.5 Administration and corporate costs	93
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	571

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	MPSA-176-2002-IV MPSA-177-2002-IV EP-IVA-006 EP-IVA-007 EP-IVA-008 EP-IVA-009 EP-IVA-010 EP-IVA-011 EP-IVA-014 EP-IVA-015 EPA-IVA-093 EPA-IVA-102 EPA-IVA-103	-	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	00197818-955 - Utah 00197956-957- Utah 00197960-197967- Utah 00198117-198118- Utah 00197618-197887- Utah	Contractual right to acquire 100%	0%	Contractual right to acquire 100%

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: 31 January 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.