
Mukabe-Kasari Cobalt-Copper Project Exploration Update

- **RMX completes planned soil and rock chip sampling at the Mukabe-Kasari Cobalt-Copper Project**
- **RAB/AC drilling has commenced and focuses on the cobalt mineralisation target**
- **Highly efficient program implementation**

Red Mountain Mining Limited (**the Company, Red Mountain or RMX**) is pleased to advise that the Company has completed the soil and rock chip sampling part of the planned 2017 exploration work at the Mukabe-Kasari Cobalt-Copper project in the DRC and has commenced geochemical RAB/AC drilling.

Director Jeremy King commented:

“Our technical team has done an excellent job to implement this critical part of the exploration phase prior to the onset of the wet season in the Copperbelt. I am pleased to see that the original surface showings of copper mineralisation have been extended and new ones identified. We are now focusing on completing the planned drilling for the cobalt targets.”

The Mukabe-Kasari Cobalt-Copper project area is situated approximately 250 km northwest of Lubumbashi and about 70 km north of the giant Tenke-Fungurume Copper-Cobalt mine. It comprises 17 artisanal licenses covering approximately 130 km². For further detail on the region and nearby cobalt and copper mines, see the RMX announcement released on 21 March 2017.

Geological Setting of the Mukabe-Kasari Project

The Mukabe-Kasari Cobalt-Copper project area overlies the slopes of the Katanga Plateau. Based on reconnaissance work and subsequent samples and bedding measurements, it appears that the strata of the Upper Nguba and Lower Kundelungu formations are gently folded sedimentary strata. Secondary copper-cobalt mineralisation (malachite, azurite, chalcocite and heterogenite) as disseminated and strata-parallel mineralisation was mapped (see RMX announcement dated 14 September 2017).

Mineralised layers up to 1.4 m thick were recorded at surface, in creeks, and in artisanal workings. Disseminated grains and stringers of malachite surrounding cores/grains of chalcocite are observed and are interpreted to have formed after chalcocite within sandy beds and probably represent weathering products of primary sulphide mineralisation. This interpretation is inferred and needs to have confirmation from detailed geochemical studies.

Supergene cobalt mineralisation was sampled in several artisanal pits dug into old riverbeds and sampled at a depth of 7 m to 9 m below surface (see RMX release to ASX on 22 May 2017). This mineralisation is not outcropping, but was intersected in several pits, and is open along strike, and has not been tested below the pits. There was no copper mineralisation observed with this type of mineralisation.

Exploration Work Completed for the Mukabe-Kasari Project Area

Mukabe-Kasari is a greenfields exploration play. Copper and/or cobalt mineralisation is hosted in at least one (possibly several) units of weathered, gently-dipping, interbedded, shallow marine siltstones and sandstones.

The copper-cobalt target areas were targeted with a systematic surface geochemical sampling (soil and rock chip sample, depending on sample location) and pitting program to establish the lateral extent of mineralisation, the number of mineralised beds and the thickness of individual beds. The samples were collected between 30 and 70 cm below the organic rich top soil layer. About 2 kg of material was collected without any further sample medium refinement. A total of 657 samples were collected across three areas, centred on the copper mineralisation showings. The samples comprise soil and rock chip samples collected on a 200 by 100 m grid (**Map 1, Figure 1A**).

An RAB/aircore geochemical drill sampling program is well underway for the cobalt-only mineralisation area (**Figure 1B**). The objective is to determine the distribution, grade, and host rock properties of this target area. The holes are being drilled on a 500 by 200 metre grid and to a depth of 20 to 30 metres. Approximately 1,000 metres of drilling is being undertaken.

Laboratory Analysis and Timing of results

All soil and rock chip samples to date, from the Mukabe-Kasari project area have been submitted for preparation at the SGS laboratory in Lubumbashi, DRC. From here, pulps are forwarded to SGS Zambia for ICP-MS analysis. The first batch of circa 450 samples has been despatched to Zambia. Results from sampling are expected toward mid-November, with drilling results likely in late November.

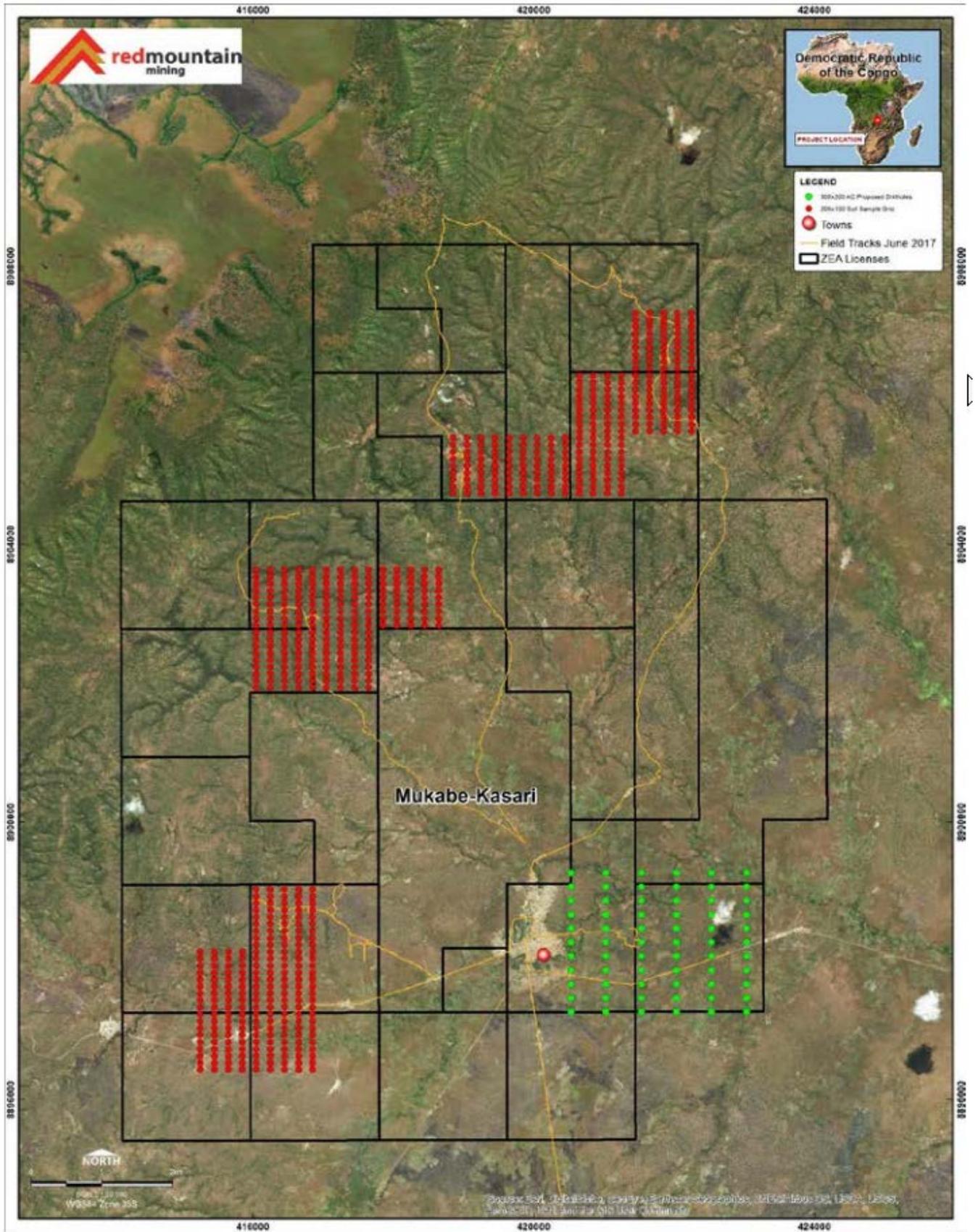


Figure 1: A: Sampling team including geologist and helpers collecting soil samples. B: RAB/AC drill rig completing drill hole on the palaeochannel grid.

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For and on behalf of the Board.

Shannon Coates, Company Secretary



Map 1: Soil sample grid (in red); RAB/AC drill pattern (in green)