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## Quarterly Activities Report for quarter ending 31 December 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 31 December 2017.

### **Mukabe-Kasari Cobalt-Copper Project**

As announced on:

- 6 September 2017, the Company advised that its exploration programme at the Mukabe-Kasari Cobalt-Copper project (**Mukabe-Kasari Cobalt-Copper Project**) in the Katanga Province of the Democratic Republic of Congo (DRC) was underway.
- 6 November 2017, the Company advised that it had 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 had commenced geochemical RAB/AC drilling.
- 7 December 2017, the Company further advised that it had completed the planned exploration at the Mukabe-Kasari Cobalt-Copper Project, including soil & rock chip sampling, RAB drilling and pitting.

### **Exploration Work Completed during the Quarter**

A surface geochemical program centred around the areas of known copper mineralisation was completed and a total of 657 samples were collected.

Areas targeted for copper mineralisation were covered with a systematic surface geochemical sampling (either soil and rock chip sample, depending on sample site), and followed-up by a pitting program to establish the vertical extent of mineralised horizons, if possible the number of mineralized beds, and the thickness of individual beds.

The area identified as hosting cobalt mineralisation in old rived-bed sediments was targeted with a rotary air blast (**RAB**) drilling programme comprising approximately 50 holes for about 850m of drilling centred on 200m by 500m spaced drill centres.

Soil samples were collected between 30 and 70 cm below the organic rich top soil layer. About 2 kg of bulk material was collected from each sample site. About the same volume of weathered rock was collected where bed rock was at surface.

Furthermore, an RAB geochemical drill sampling program of 50 drill holes totalling about 850 m was completed at the cobalt-only mineralisation area. The objective of this work was to determine the distribution, grade, and host rock properties of this target area. The holes were drilled on a 500 m by 200 m grid to a depth of 10–25 m. Every metre drilled was sampled.

The drill traverses confirmed that an east-southeast-trending, up to 12 m deep and up to 1.5 km wide palaeo-channel transects the southern project area. The pebble beds which mostly consisted of partly weathered siltstones appeared to be coated in a black oxide mineral the composition of which is not known.

These observations give support to the concept that cobalt mineralisation may be associated with the “black coating” and that it is associated with a poorly consolidated river sedimen.

## **Analysis and Results**

Soil and rock chip samples, from the Mukabe-Kasari Cobalt-Copper Project were submitted for preparation at the SGS laboratory in Lubumbashi, DRC. From here, pulps were forwarded to SGS Zambia for ICP-MS analysis

Reference is made to the Company’s announcement made on 19 January 2018 which sets out in detail a summary of the results to date. In short, the Company concludes that the results are encouraging as they confirm:

- 1) Potential for in-situ copper mineralisation
- 2) Multiple horizons of stratiform copper mineralisation
- 3) Laterally extensive anomalism, and
- 4) A regional effective mineralisation system

## **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 London listed Bluebird Merchant Ventures Ltd (share price as at 29 January 2018: 2.95 pence per share).

## **Business Development**

The Board continues to identify and assess additional opportunities in the gold, energy metals and base metals space. In this regard, the Company has entered into an exclusivity arrangement regarding a base metals project in North America in order to conduct due diligence.

The Company will provide updates as and when required on the business development front.

## **Corporate**

As at 31 December 2017, the Company has 511,352,320 fully paid ordinary shares on issue.

The Company had \$1.77m cash on hand as at 31 December 2017 and holds 7.6 million shares in London listed Bluebird Merchant Ventures Ltd (share price as at 29 January 2018: 2.95 pence per share).

**For and on behalf of the Board,  
Mauro Piccini  
Company Secretary**

### 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
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

Nil.

#### 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")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4	26
1.2 Payments for		
(a) exploration & evaluation	(239)	(441)
(b) development	-	-
(c) production	-	-
(d) staff costs	(46)	(89)
(e) administration and corporate costs	(338)	(603)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	21
1.5 Interest and other costs of finance paid	-	(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>(611)</b>	<b>(1,087)</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	-	-

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 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</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	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)
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</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>631</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,572	2,417
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(611)	(1,087)
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
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,961</b>	<b>1,961</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	1,870	2,425
5.2 Call deposits	91	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>1,961</b>	<b>2,572</b>

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6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(80)
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	
6.1 Director and consulting fees paid to Directors and/or Director related entities	\$46,000
Financial management fees paid to a Director related entity	\$34,125

7. <b>Payments to related entities of the entity and their associates</b>	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	

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

**8. Financing facilities available**

Add notes as necessary for an understanding of the position

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.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(250)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(51)
9.5 Administration and corporate costs	(300)
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>(601)</b>

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	N/A			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A			

### 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 2018

Print name: Mauro Piccini

### 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.