

6 July 2017

Dale Allen  
Australian Securities Exchange  
Level 40, Central Park  
152 St Georges Terrace  
PERTH WA 6000  
BY EMAIL: dale.allen@asx.com.au

Dear Dale

### **RMX ASX AWARE LETTER**

We refer to your letter dated 5 July 2017 and respond to the questions raised in your letter as follows:

**1. ASX understands that RMX was in possession of material information, being the analyses of lithium levels for Drill Hole 1 prior to 4 July 2017. Is this correct?**

No, this is incorrect. ALS (Fort Collins, Colorado), the primary laboratory conducting the analyses, had, prior to July 4, 2017, notified RMX that the results for drill hole 1 were available for collection by RMX.

However, RMX did not take possession of such information until 11.45pm (WST) Thursday 29 June, 2017.

By way of explanation, Red Valley was a greenfields exploration project that was seeking to define a large, Lithium brines deposit, amenable to conventional extraction techniques.

Following advice from our prospective and technical JV partner and Lithium specialist, Arizona based geologist, Mr William Feyerabend, the Board took the view that in order to properly evaluate the project as a whole, both results for drill hole 1 AND drill hole 2 needed to be considered.

Therefore, the Company instructed ALS to hold the results for drill hole 1 until the results of drill hole 2 were also to hand. In this way, a full and complete analysis of ground conditions at depth, stratigraphy, as well as Lithium content could be completed on the project as a whole and communicated to shareholders and the market generally. This decision was communicated to shareholders in the Company's announcement of 29 May, 2017.

**2. If ASX's understanding is not correct, please advise the time and circumstances in which RMX became aware of:**

**a. the completion of analyses of lithium levels for Drill Hole 1;**

We were notified by e-mail at 10.53pm on Tuesday 23 May, 2017 that ALS had concluded its laboratory analysis of the brine samples collected from drill hole 1.

**and**

**b. the level of lithium present in the Drill Hole 1 analyses was not at a quantity required for commercial operations?**

As above, RMX received the results of drill hole 1 AND drill hole 2 analysis from ALS at 11.45pm on Thursday 29 June, 2017. By that point, the Company had been informed by ALS that the results would be forthcoming and, to that end, at 11.20pm, Mr King had

already sent an e-mail to the Company Secretary requesting the Company be put into trading halt the following morning. Following receipt of the results, discussions took place between directors, Mr Jeremy King and Mr Lincoln Ho from around midnight that evening until about 1am. Having already requested a trading halt, it was agreed to further review results the next day and, importantly, to arrange a conference call with Mr Feyerabend.

3. ***If answering question 2, please advise if RMX considers the information, is information that a reasonable person would expect to have a material effect on the price or value of its securities?***

It is RMX's view that possession of the results of laboratory analysis is information that a reasonable person would expect to have a material effect on the price or value of its securities.

It is RMX's view that possession of information that the results of analysis for drill hole 1 are available for collection is not information that a reasonable person would expect to have a material effect on the price or value of its securities

4. ***Please advise the time and circumstances in which RMX became aware that the lithium levels present in Drill Hole 1 analyses were not of a quantity required for commercial operations? In answering this question, please comment specifically on the statement included in RMX's announcement released to ASX on 29 May 2017: "Analyses for lithium levels are ready for hole 1 and remains secure at the respective laboratories."***

The Company received the results of both hole 1 and 2 on 11.45pm Thursday 29 June, 2017, as per above.

Consequently, as above, the Company had no choice but to immediately put its securities into trading halt while results were reviewed.

After a conference call with Mr Feyerabend on the morning of Monday 3 July 2017, Perth time, the Board concluded that the Lithium levels present in drill hole 1 and drill hole 2 analyses were not of a quantity required for commercial operations.

5. ***Please confirm that RMX is in compliance with the Listing Rules, in particular, Listing Rule 3.1.***

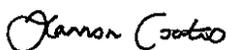
Confirmed.

6. ***Please confirm that RMX's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of RMX with delegated authority from the Board to respond to ASX on disclosure matters.***

Confirmed.

Please do not hesitate to contact me if further information is required.

Yours sincerely



Shannon Coates  
Company Secretary



5 July 2017

Ms Shannon Coates  
Company Secretary  
Red Mountain Mining Limited

**By Email**

Dear Ms Coates

**Red Mountain Mining Limited (“RMX”): ASX Aware Letter**

ASX Limited (“ASX”) refers to the following.

- A. RMX’s announcement lodged on the ASX Market Announcements Platform and released at 10:44:52 am AEST on 29 May 2017 entitled “Red Valley Drilling Update” (“Drill Hole One Announcement”) which stated the following:

*“Analyses for lithium levels are ready for hole 1 and remains secure at the respective laboratories. However, it has been determined that RMX will receive all results for DH1 and DH2 together so that a comprehensive geological evaluation of Red Valley can be undertaken.”*

- B. The following recent change in the price of RMX’s securities:

Date	Open	High	Low	Close	%
29 June 2017	\$0.025	\$0.026	\$0.024	\$0.024	-4%
4 July 2017	\$0.011	\$0.012	\$0.009	\$0.011	-54%

- C. RMX’s announcement entitled “Company Update” lodged on the ASX Market Announcements Platform and released at 09:52:35 am AEST on 4 July 2017 (the “Announcement”), disclosing the following:

*“While anomalous levels of Lithium were present in brine samples for a reasonable portion of both hole 1 and hole 2, the Board has concluded that there was insufficient Lithium enrichment present in order to justify continued work at Red Valley”*

- D. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.

- E. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

*“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into*

*possession of the information in the course of the performance of their duties as an officer of that entity”*

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed.”*

Having regard to the above, ASX asks RMX to respond separately to each of the following questions and requests for information:

1. ASX understands that RMX was in possession of material information, being the analyses of lithium levels for Drill Hole 1 prior to 4 July 2017. Is this correct?
2. If ASX’s understanding is not correct, please advise the time and circumstances in which RMX became aware of:
  - a. the completion of analyses of lithium levels for Drill Hole 1; and
  - b. the level of lithium present in the Drill Hole 1 analyses was not at a quantity required for commercial operations?
3. If answering question 2, please advise if RMX considers the information, is information that a reasonable person would expect to have a material effect on the price or value of its securities?
4. Please advise the time and circumstances in which RMX became aware that the lithium levels present in the Drill Hole 1 analyses were not of a quantity required for commercial operations? In answering this question, please comment specifically on the statement included in RMX’s announcement released to ASX on 29 May 2017: *“Analyses for lithium levels are ready for hole 1 and remains secure at the respective laboratories.”*

5. Please confirm that RMX is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that RMX's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of RMX with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 7.00 a.m. WST on 7 July 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in RMX's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, RMX's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow ASX to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to RMX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that RMX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in RMX's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.



You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Dale Allen  
Senior Adviser, Listings Compliance  
P: 08 9224 0000  
E: [dale.allen@asx.com.au](mailto:dale.allen@asx.com.au)