ASX ANNOUNCEMENT

RED MOUNTAIN MINING LTD 30 October 2020

Quarterly Report for quarter ending 30 September 2020

Red Mountain Mining Limited (the **Company, Red Mountain** or **RMX**) is pleased to provide the following report on its activities during the quarter ending 30 September 2020.

OPERATIONAL REVIEW

MT Maitland Project

On 6 July 2020, the Company announced that it was to exclusively conduct due diligence on the Mt Maitland Gold Project in the Murchison goldfields of Western Australia.

On 8 October 2020, The Company announced it had recently successfully completed the required heritage clearance survey, and secured an RC drill rig for its maiden drill programme at Mt Maitland.

The programme is planned for 18 holes for approximately 1,300 metres, with onsite earthworks and preparation having already been completed.

A brief delay due to the preceding programme at a neighbouring project being extended has meant that drilling at the Company's Mt Maitland high grade gold project is now scheduled to commence in the first week of November.

Koonenberry Gold Project

The Koonenberry Gold Project covers approximately 657 km2, and is located in a geologic setting considered analogous to the prolific Victorian Goldfields located in south-eastern Australia.

The Koonenberry Gold Project adjoins Manhattan Corporation's (ASX:MHC) Tibooburra Gold Project where Manhattan has recently announced a new high grade gold discovery (see announcement dated 25 June 2020). It is understood Manhattan Corporation will re-commence drilling at Tibooburra during August 2020.

During the quarter, the Company advised that the recent application for ELA5980 had been officially granted. The granted tenement is now known as EL8997.

EL8997 comprises tenure approximately 350km2 in size and sits adjacent to Manhattan Corporate's (ASX: MHC) recent high-grade gold discovery (see MHC announcement dated 25/06/2020).

The Company had undertaken preliminary assessment of historic data within EL8997 and notes MHC's recent 5000m RC drilling campaign adjacent to its tenure which is ongoing.

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A preliminary groundwork exploration programme has been designed for prospective regions within the granted Koonenberry tenement EL8997, with land access agreements currently in the process of being finalised.

Mukabe-Kasari Cobalt-Copper Project, DRC

As announced on 16 September 2020, Johannesburg based geologic consultants Minrom Consulting (**Minrom**) supervised an extensive soil sampling programme at the Company's copper-cobalt project, Mukabe-Kasari. Minrom has concluded that Mukabe-Kasari Copper Cobalt project holds the potential for a stratiform copper mineralised body with potential cobalt mineralisation. The available exploration, geological and mineralisation data propose a similar mineralisation model to that of the world class Kamoa-Kakula Copper Project.

The Board has assessed the opportunity at Mukabe Kasari in the light of the report, and have elected to extend its right to exclusively explore Mukabe Kasari for 12 months ending 30 September 2021.

The Company shall work with Minrom to design an appropriate work programme in light of the recent work there and the upcoming wet season in DRC. However, broadly, a proposed exploration programme would comprise of the following components:

- Detailed Field Mapping: detailed lithological and structural mapping programme over the project area in order to determine the stratigraphic sequence and structural characteristics.
- Airborne Geophysical Survey: airborne electromagnetic and magnetic geophysical survey will provide data on possible mineralisation targets and major subsurface structural lineaments.
- Scout Diamond Core Drilling: proposed diamond core drilling aimed at providing detailed subsurface stratigraphic and mineralisation intersection for grade and metallurgy studies.

Batangas Gold Project, Phillippines

The Company currently holds over 5.5m shares in London listed Blue Bird Merchant Ventures Limited (LON: BMV). Blue Bird is focused on its near-term production gold project in South Korea. BMV share price as at 30 September 2020 was 5.25 pence.

The Company retains its net smelter royalty over the Philippines located Batangas gold project.

Corporate

During the quarter, the Company raised $800,000 via a placement to sophisticated and professional investors. Furthermore, on 28 October 2020, the Company announced it had received firm commitments for a further $360,000.

The Company's cash position at the end of the September quarter was $1.676 million.

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Significant Post Quarter Activity

On 28 October2020, the Company announced that an agreement had been reached with ARD Group (ARD), the vendors of the Mt Mansbridge heavy rare earths project, to favourably restructure the transaction that was voted against by shareholders in March 2020. Mt Mansbridge Project, consists of three West Australian tenements containing targets prospective for HREE and nickel-cobalt (**Transaction**).

Details on the revised and final Transaction terms are set out below.

- Red Mountain to acquire 100% of Mt Mansbridge HREE project in exchange for the issue of 50 million shares (subject to shareholder approval) and cash consideration payment of $100,000.
- $50,000 is payable immediately and $50,000 is payable upon shareholder approval of share issue to the vendor at the next General Meeting.

New Projects

The Company continues to review and assess opportunities that will add value to its portfolio.

Authorised on behalf of the Board,



Mauro Piccini
Company Secretary

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ASX ADDITIONAL INFORMATION

ASX Listing Rule 5.3.1
Exploration and Evaluation during the quarter was $324,000. The majority of this was spent on the Company's MT Maitland Project.

ASX Listing Rule 5.3.2
There was no substantive mining production and development activities during the quarter.

ASX Listing Rule 5.3.5
Payments to related parties of the entity and their associates:

Payments to Related Parties & their Associates	Amount
Director Fees and Superannuation	$61,000
Company Secretarial, Registered Office and Financial Management Services	$52,500

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[1]	ZEA 556	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
Comaki[1]	ZEA 557	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
Comialu[1]	ZEA 558	Tshiyaz Muneng Costa	425	N/A	N/A	Right to earn up to 90%
Comidel[1]	ZEA 559	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
KGCM[1]	ZEA 560	Tshiyaz Muneng Costa	425	N/A	N/A	Right to earn up to 90%
Psodema[1]	ZEA 561	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
CMAL[1]	ZEA 562	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
Comiko[1]	ZEA 563	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
Koonenberry	EL8997	Red Mountain Mining	35,400	3-Sept-23	3-Sept-23	100%
Koonenberry	ELA5996	Red Mountain Mining	30,300	N/A	N/A	100%

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

1. 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.

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The mining tenement interests relinquished during the quarter and their location

Nil.

The mining tenement interests acquired during the quarter and their location

ELA5980 was granted and became known as EL8997, New South Wales.

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.

Competent Persons Statement

The information in this announcement that relates to Exploration Results and other technical information complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of Mr Mark Major. Mr Major is a Member of the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Major consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

RED MOUNTAIN MINING LIMITED

ABN	Quarter ended ("current quarter")
40 119 568 106	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(24)	(24)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(66)	(66)
	(e) administration and corporate costs	(300)	(300)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(389)**	**(389)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(480)	(480)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	54	54
	(e) 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**	**(426)**	**(426)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,100	1,100
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(53)	(53)
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 (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,047**	**1,047**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,444	1,444
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(389)	(389)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(426)	(426)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,047	1,047
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,676**	**1,676**

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	1,652	1,420
5.2	Call deposits	24	24
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,676**	**1,396**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(114)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Director and consulting fees paid to Directors and/or Director related entities $61,000

Company Secretary and Financial management Fees paid to Director related entity $52,500

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(389)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(480)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(869)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,676
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,676
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	2

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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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.

Date: 30 October 2020

Authorised by: The Board of RMX

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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