**RED MOUNTAIN MINING LTD**
20 January 2018

Mukabe-Kasari Cobalt-Copper Project Exploration Update III

- **RMX delineates extensive geochemical copper anomaly at the Mukabe-Kasari Cobalt-Copper Project**

- **New copper anomaly extends over a strike length of more than 12 km, and has been confirmed over three zones of geochemical sampling**

- **Copper anomalies occur at several elevations suggesting multiple mineralised horizons**

- **Scout drilling for cobalt mineralisation has not yet returned results sufficient to sustain a commercial cobalt operation**

Red Mountain Mining Limited (**the Company**, **Red Mountain** or **RMX**) provides the final results of its maiden 2017 exploration program at the Mukabe-Kasari Cobalt-Copper project in the DRC.
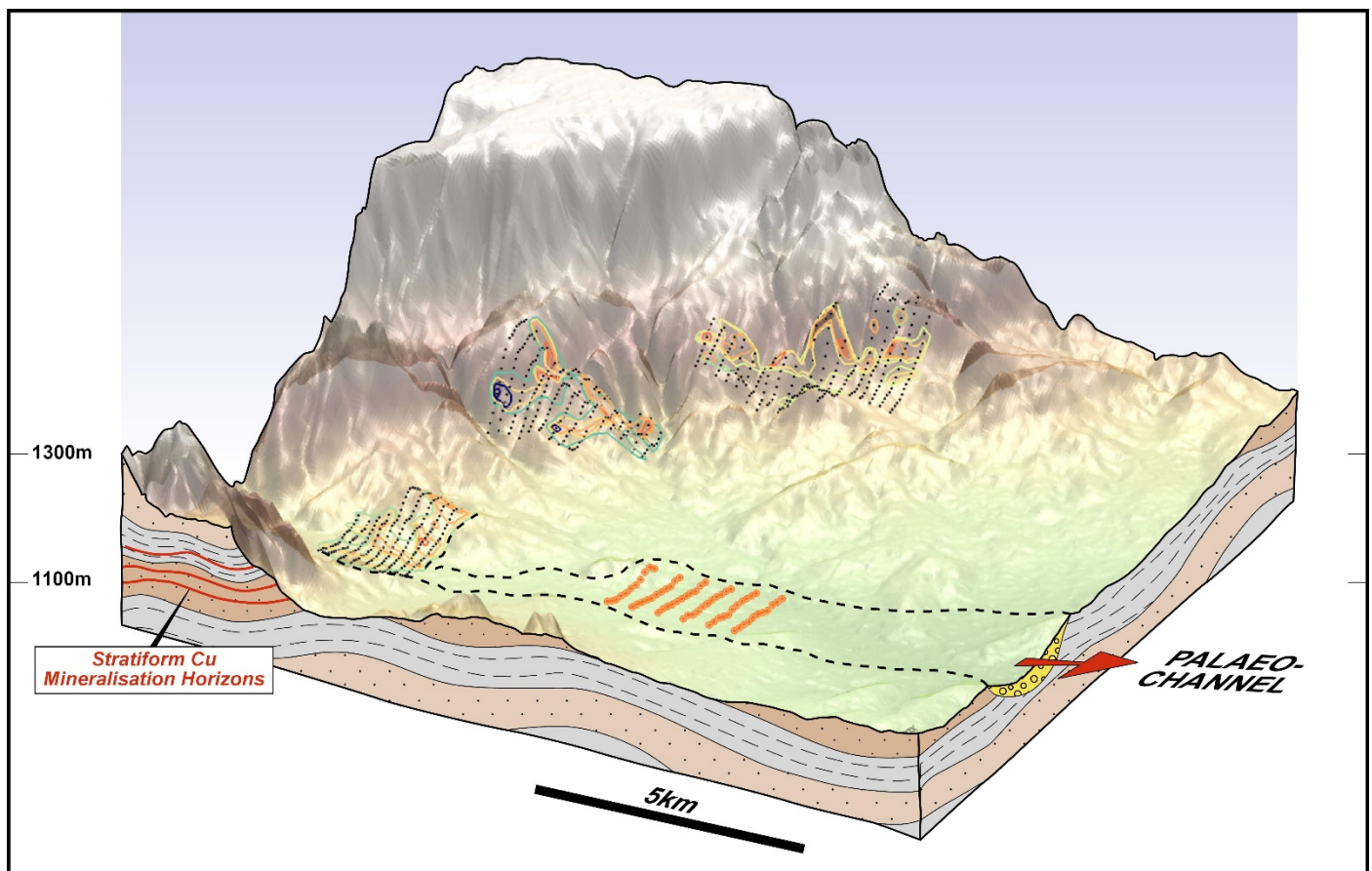
The Mukabe-Kasari Cobalt-Copper project area is a greenfields exploration play situated approximately 250 km northwest of Lubumbashi, and about 70 km north of the giant Tenke-Fungerume Copper-Cobalt mine. It comprises 17 artisanal licenses covering approximately 130 km^2. For further detail on the region and nearby cobalt and copper mines, see the RMX announcement released on 21 March 2017.

The Mukabe-Kasari Cobalt-Copper project was considered prospective because of its multiple showings of copper mineralisation and its proximity to major mining localities. The area occupies the slopes of the Katanga Plateau (Figure 1 and Figure 2). The bed rock consists of sedimentary strata of the Upper Nguba and Lower Kundelungu Formations which are gently folded in the project area and consist of siltstones, sandstones and calcareous siltstones (Figure 2). Secondary copper-cobalt mineralisation (malachite, azurite, chalcocite), occurring as layer-parallel horizons of disseminated secondary (malachite and azurite) and transitional copper (chalcocite, bornite) mineralisation. Mineralisation was mapped at several locations in the project area.
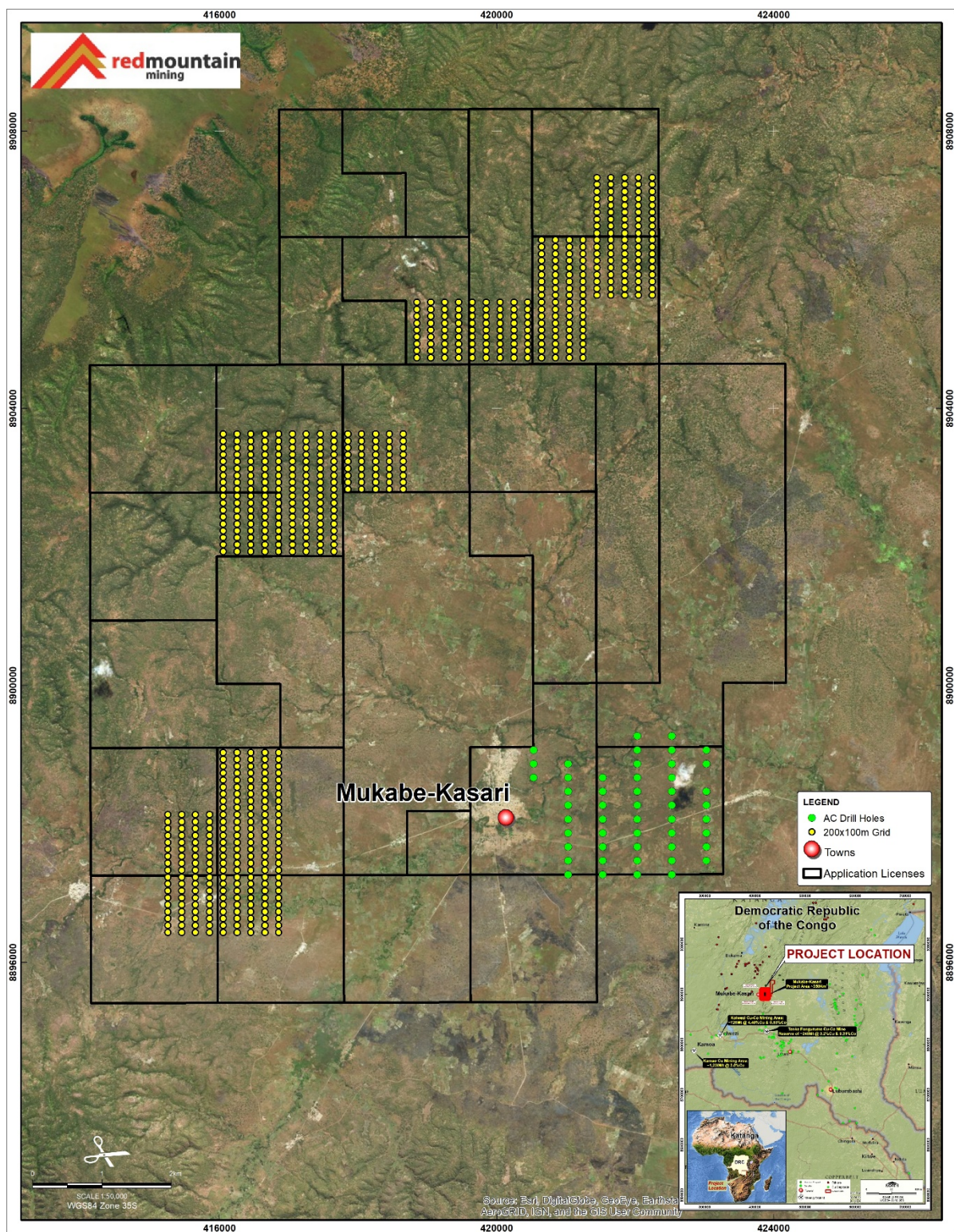
Figure 1: Mukabe-Kasari property location map and extent of surface geochemistry and RAB drilling.

Figure 2: 3D diagrammatic illustration of the geological setting and target areas. Based on reconnaissance work, the Mukabe-Kasari area is prospective for stratiform copper mineralisation. The diagram represents a 3D view the project area and shows gentle folded strata of the Nguba / Kundelungu Formations that host seams of stratiform copper mineralisation. Contours of anomalous geochemical copper samples are shown as coloured outlines. (Vertical exaggeration 1:10, for actual locations and sample grade ranges refer to Figure 3).

Exploration Work Completed

The surface geochemical program was centred around areas of outcropping copper mineralisation and a total of 657 samples were collected across three areas (Figure 1). The samples comprise soil and rock chip samples collected on a 200 by 100 m grid (**Figure 1, Figure 3**).

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.

Areas of geochemical sampling (either soil and rock chip sample, depending on sample site), were followed-up by a small number of shallow pits to establish the vertical extent of mineralised horizons, if possible the number of mineralized beds, and the thickness of individual beds.
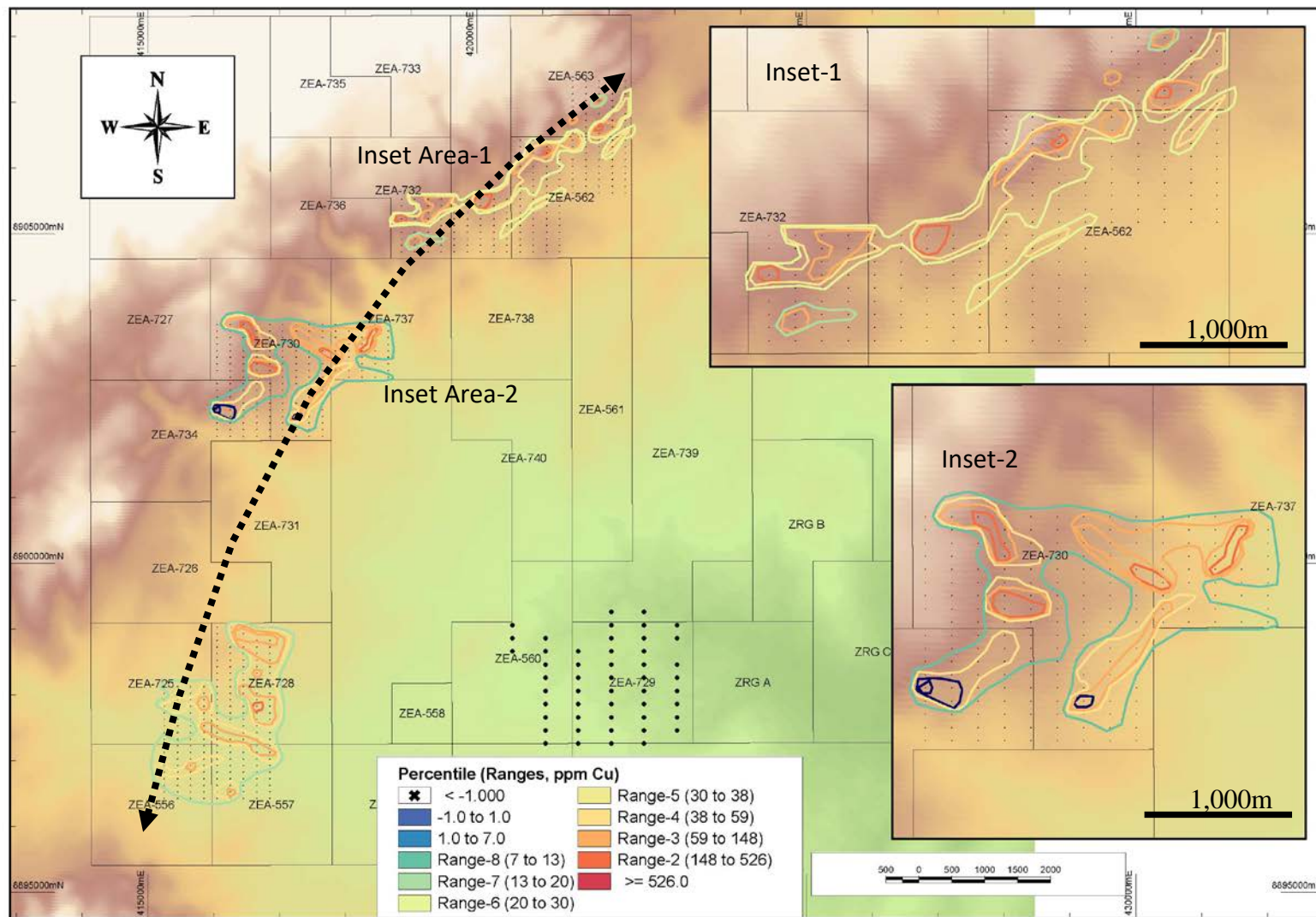
Figure 3: Interpreted geochemical results for the all geochemical sampling grids. Map shows contoured-percentile ranges. Results are plotted on elevation background (see Figure 2 for elevation ranges).

The geochemical results and geological observations strongly suggest that the copper mineralisation occurs as laterally extensive horizons, possibly several kilometres in strike extent if individual occurrences at a similar elevation are connected.

The topography of the project area rises to the northwest (Figure 3), suggesting that anomalies at different elevation in an area of sub-horizontal layering are possibly related to different layers of the stratigraphy, possibly indicating multiple layers with mineralisation. The spacing, thickness and grade of these different layers needs to be tested. Drilling will be required to establish the thickness and lateral extent of any mineralisation.

Analysis and Results

Analytical results have been received for all batches submitted to the laboratory and include 659 sample assay results (Figure 3). Inset 1 and 2 in Figure 3 show contoured results for copper for the central and northern sampling grids. The map shows percentile contours of both samples types. (Figure 3, Inset 1 and 2).

Anomalous copper values range up to 730 ppm Cu in rock chips and 810 ppm Cu in soils samples and correlate with zinc, silver and elevated cobalt values. Table 1 presents the sample results from the upper percentile ranges, represented by the yellow / orange/red contours in Figure 3.

The upper percentile ranges (greater than 148 ppm Cu) for both soil and rock chip values overlap when contoured identifying multiple anomalous area of up to 3 km^2 and confirm the robustness of the anomaly. The anomalies interpreted, are broadly parallel to the sub-horizontal strata and are observed, at a project scale, to occur at multiple elevations (Figure 3).

These copper results are encouraging as they confirm:
1. The potential for in-situ copper mineralisation,
2. Multiple horizons of stratiform copper mineralisation
3. Laterally extensive anomalism, and
4. A regional effective mineralisation system.

The results are expected to support the planning of a targeted drill testing campaign to determine the thickness and spacing of the mineralised horizons. However, this will be evaluated in the context of the overall risk profile of the project, pre-season mapping results and the other opportunities that may become available to the Company.

The RAB drilling carried out which focussed on potential cobalt mineralisation did not yield significant results. While anomalous levels of cobalt were detected across a meaningful area within the project area, such levels are insufficient to sustain a commercial cobalt operation.

Table 1: Rock chip and soil assay results in the 1st and 2nd percentile range from copper and its associated base metals.

East	North	Sample medium	Ag_PPM	Co_PPM	Cu_PPM	Mn_PPM	Pb_PPM	Zn_PPM
416252.3	8897431	Rock chip	0.3	41	526	923	40	90.5
416452.3	8897431	Rock chip	0.5	113	276	2640	60	102
416652.3	8897731	Rock chip	4.7	117	196	3940	72	103
416252.3	8898931	Rock Chips	0.5	74	208	2000	39	77.6
416052.3	8899031	Rock Chips	2.2	55	163	1740	30	117
416252.3	8902431	Rock Chips	2.3	20	501	1140	13	143
417652.3	8902531	Rock Chips	1.7	17	170	787	2	128
416052.3	8902631	Rock Chips	0.8	23	216	495	10	131
416852.3	8902731	Rock Chips	1.7	84	408	826	72	126
416452.3	8902831	Rock Chips	0.7	15	435	732	19	128
418852.3	8905231	Rock Chips	-0.2	21	730	1610	6	150
421852.3	8907031	Rock Chips	-0.2	54	233	451	31	162
416252.3	8897331	Soil	1.5	8	185	331	15	77.1
416652.3	8897831	Soil	0.5	50	505	1480	60	97.2
415852.3	8897831	Soil	0.5	44	234	1080	33	99.9
417252.3	8902231	Soil	2	28	275	908	12	108
418252.3	8903231	Soil	4.5	20	297	944	41	112
421452.3	8906431	Soil	-0.2	19	157	546	13	51.2
421452.3	8906331	Soil	-0.2	22	430	623	9	82.9
421052.3	8906331	Soil	-0.2	25	262	1380	10	98.2
421052.3	8906231	Soil	-0.2	24	774	1070	22	114
422052.3	8906631	Soil	1	35	434	1500	104	114
421852.3	8906531	Soil	-0.2	23	345	1370	73	117
421852.3	8906631	Soil	-0.2	23	810	574	7	134
416852.3	8898831	Soil	1.5	75	162	2700	45	103
416452.3	8898931	Soil	0.7	22	202	442	11	171
419252.3	8905231	Soil	-0.2	22	216	385	22	121
419452.3	8905431	Soil	-0.2	48	192	713	31	130
420052.3	8905431	Soil	-0.2	29	594	1100	125	83.4
419252.3	8905531	Soil	0.5	21	372	804	16	104
420052.3	8905531	Soil	-0.2	21	597	1060	48	114

Competent Person Statement
Technical information in this release that relates to Exploration and Geology is based on, and fairly represents, information compiled by Dr Simon Dorling, a Competent Person who is a member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Dr Dorling is a consultant to Red Mountain Ltd, employed by CSA Global Pty Ltd, independent mining industry consultants. Dr Dorling has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Dorling consents to the inclusion of the data in the form and context in which it appears.

-Ends-

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

JORC Code, 2012 Edition – Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Rock chip of outcrop and soil samples were collected in uniquely numbered sample bags by various company geologists during the geochemical survey. About 1.5 to 2.0 kg of material was collected. • Rock chip and soil sample records for a particular point location were collected and should not be regarded as representative of the entire outcrop or underlying rock unit. • Vertical RAB drilling from surface was used to obtain ~3kg samples over 1 m intervals with the sample line blown clean at the completion of every sampled interval. • Samples were dried, crushed, pulverised to 85% passing 75 microns, and a 0.40g representative split obtained for a four-acid digest and subsequent analysis. • Field duplicates were inserted to confirm samples representivity and certified reference materials were inserted to confirm assay precision. •
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling was completed using the rotary air blast drilling (RAB) technique with a 5 5/8" face sampling bit. • A booster compressor was used to exclude groundwater as much as possible and keep samples dry. Occasionally this was not possible, and the sample was recorded as "wet" in the logging sheet.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recovery was recorded by the geological assistant during drilling by weighing of the volume of sample returned from each interval. Sample recovery was recorded as "Fair" to 'Good' for all intervals.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• A representative sample of each metre drilled was sieved and retained in chip trays for future reference. • Samples were geologically logged during drilling including lithology, mineralogy, grainsize, colour, texture, alteration, veining and moisture content recorded. • Most information recorded is qualitative, with semi-quantitative estimates of relative abundances of different lithologies and minerals.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise*	• RAB drill chips were collected using a face sampling bit in uniquely numbered sample bags. • Approximately 90% of the drill chips returned from the bit were collected in the sample bags. The sample material in the bags was manually mixed and a sample of approximately 4 to 5 kg was taken using a spear. Wet samples were dried, homogenized and mixed and subsequently sampled using a spear.

Criteria	JORC Code explanation	Commentary
	representivity of samples. • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Field duplicate samples were collected the same way at a frequency of approximately 1 duplicate for every 30 samples. • Sample spear was wiped clean at the completion of every sample to minimise the potential for contamination of subsequent samples. • Booster compressed air maintains a dry sample and minimises contamination of samples.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All samples were assayed by SGS Kalulushi/Zambia by an acid digest and ICP–MS/OES analysis (SGS codes (IMS90Q, ICP90Q). This technique is considered a total digest and to be appropriate for the elements of interest and sample material type. • Laboratory duplicates were undertaken by SGS for all assay batches at a rate of 2%. • Reference standards were inserted by Red Mountain Ltd at a frequency of 1 per 30 samples. • Blank samples were inserted by Red Mountain Ltd at a frequency of 1 per 30 samples and assay results found to be consistent. Rock chip samples were analysed for some or all of Ag, As, Ba, Bi, Ca, Cd, Co, Cu, Fe, K, Mg, Mn, Mo, Ni, Na, P, Pb, Pt, S, Sr, V, W and Zn. • Field duplicate samples were collected the same way at a frequency of approximately 1 duplicate for every 30 samples. • SGS includes ~5% additional check samples; every batch of 25 samples at SGS includes 2 certified reference standards. I blank and one repeat.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Field data was recorded directly into standard templates on site using pre-established library tables, and subsequently validated and loaded into the company drill database. • Significant intersections were calculated by experienced staff and verified by other staff. • No twinned holes have been completed.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collar locations were surveyed using a Garmin handheld GPS with an accuracy of +/- 5m • All drill holes are vertical • Standard WGS 84 Zone 35 S grid coordinates are presented in Table 1.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill hole locations were appropriate for first pass, wide spaced drill testing of the lithologies present and potential mineralisation, but is not adequate to support Mineral Resource modelling. • 1m samples were collected during drilling.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill holes were oriented vertically based on prior geological mapping suggesting stratigraphy was near flat lying. • No mineralised structures were observed.
Sample security	• *The measures taken to ensure sample security.*	• All samples were collected and sealed in individually labelled bulk bags on pallets by the field geologist, with individual sample submissions for each batch. • Pallets were transported by the company geologist direct to SGS Laboratories in Lubumbashi. SGS manages the onward transport from Lubumbashi to Zambia. • Samples were checked against the submission forms on arrival at SGS.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Audits and reviews were not undertaken, apart from the QAQC checks outlined above.

JORC Code, 2012 Edition – Section 2 – Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Mukabe Kasari Project consists of 13 ZEAs (artisanal exploitation licences), located approximately 170km northwest of Lubumbashi, DRC. • The three applications are held by CoCu Minerals sarl, a DRC registered private company.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration work within the project area has consisted of regional mapping, however there are no detailed record of this work other than the 1:2,000,000 regional geological map.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Company is exploring for cobalt and copper within the Mukabe-Kasari Project, which is wholly located within the Proterozoic Katanga Basin in southeastern DRC. • The Katanga Basin is a triangular shaped remnant sedimentary basin dominated by weakly metamorphosed, folded and flat-lying to shallowly dipping sediments. The mineralisation in the project area is considered a typical example of a deeply weathered, sediment-hosted copper deposit typical for the Congolese part of the Central African Copper Belt. Primary sulphide mineralisation is oxidised and re-distributed during weathering in ex-dolomitic siltstones. The host rocks are weakly deformed and occur as tabular strata near the margin of the Lufilian Fold Belt. • Mineralisation appears to be preferentially hosted in stratiform sedimentary rocks of the Kundelungu Group of rocks. • Mineralisation is predominantly secondary, and is mostly stratabound. The

Criteria	JORC Code explanation	Commentary
		principle copper oxide mineral is malachite, with minor amounts of azurite and chrysocolla. Cobalt occurs as heterogenite.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	   o *easting and northing of the drill hole collar*
	   o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	   o *dip and azimuth of the hole*
	   o *down hole length and interception depth*
	   o *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• See Figure 1 above for location of historic results which have been verified against the original reports.
		• The number of historic surface data points is >25000, too many to be individually reported. Locations of the original data have been transposed directly from the digital data downloads with the relevant grid systems verified by reference to the original reports. The exact location of the data points are represented in the figures above, at a scale appropriate to the intent of identifying focus areas for follow up work.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighting, or cut off grades were employed. • No metal equivalent values are reported
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• To date, the mineralisation is known to occur a stratabound (layer-parallel) seam of fine disseminated copper oxide and sulphide mineralisation. Pitting shows that mineralisation occurs in seams from 0.3 to 1.4m in thickness. The near flat-lying stratigraphy and mineralisation mapped and samples at several elevations suggests that there are multiple mineralized seams. It is not known what the spacing between these seams is and will need to be tested by drilling (Figure 3).
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to main body of announcement for map of sample locations and selected assay results.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Only Cu results have been reported as this is the only element relevant to this announcement. Selected assay results demonstrate the extent of anomalism only and require follow up by Red Mountain. .
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Relevant substantive geological observations are presented in the main body text.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Follow up work planned by Red Mountain includes field mapping and additional surface geochemical sampling, followed by drilling if results warrant it. • See body of report