ASX ANNOUNCEMENT **1 October 2019**

RED MOUNTAIN TO ACQUIRE HIGH GRADE KAOLIN PROJECT, MT KOKEBY

SUCCESSFULLY NEGOTIATES FAVOURABLE RESTRUCTURE TERMS FOR RARE EARTHS TRANSACTION, MT MANSBRIDGE

- **RMX executes agreement to acquire 100% of the historic Mt Kokeby Kaolin Project**
- **Mt Kokeby region previously a significant producer of kaolin in Western Australia**
- **1970s drilling returned consistent high-grade kaolin results with Alumina grades > 30% Al_2O_3: highly suitable for low capex, DSO operations**
- **Exploration upside: significant areas of the Murray deposit remaining untested**
- **Excellent infrastructure: Rail and trucking options to the Port of Fremantle and Kwinana**
- **Potential for early cashflow generation through low capex DSO operation and exposure to the thriving HPA market**
- **Favourable restructuring of Mt Mansbridge Rare Earths transaction: RMX now has a twin focus of specialty metal projects in world class mining jurisdiction**
- **Experienced WA geologist Mr Kevin Das to join the Board on completion**

Red Mountain Mining Limited (**RMX, the Company**) (ASX: RMX) is pleased to advise that it has entered into a binding agreement with the vendors of HPA Resources Pty Ltd (**HPA Resources**) to acquire 100% of the Mt Kokeby Kaolin Project. The Project area comprises 84km^2 in a region with historic production of high-grade kaolin in Western Australia.

Furthermore, the Company is pleased to advise that it has agreed terms to favourably restructure the transaction terms for the acquisition of the Mt Mansbridge Rare Earths Project (see ASX announcement 12 August 2019). Both the acquisition of the Mt Kokeby Kaolin Project and the restructured transaction for the Mt Mansbridge Rare Earths Project are contained in a revised binding term sheet. Full transaction details are provided below.

Director Jeremy King commented:

> *"The introduction of two high-quality specialty metal Western Australian projects is an exciting development for the Company. Our view is that both the HPA and Rare Earths markets are attractive places for a producer to be, and with each project at different stages they complement each other well. We look forward to completing the Acquisition and getting to work."*

The Mt Kokeby Kaolin Project

The Mt Kokeby Kaolin Project is located approximately 99 kms south-east of Perth and consists of granted exploration license (E70/5205) and exploration license application (E70/5284) which together cover a combined area of 84 km^2.

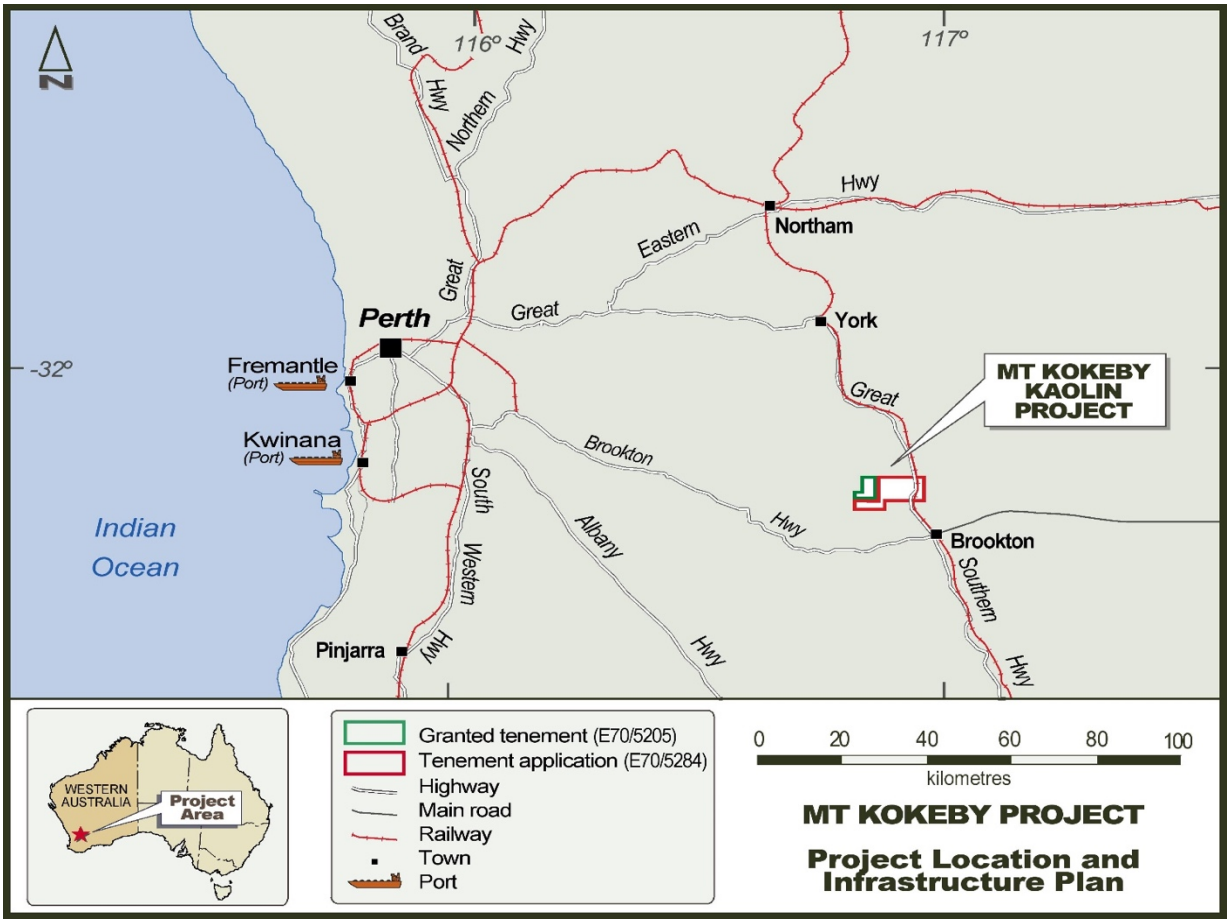

Figure 1: Mt Kokeby Kaolin Project location and Infrastructure map

The project area boasts excellent infrastructure and is located within close proximity to rail and all-weather roads providing access to container handling at the port of Fremantle and bulk handling at Kwinana (Figure 1). Kwinana is an emerging battery hub with downstream, value added processing being pursued aggressively and supported by all levels of government.

Its strategic location and rail access allow the opportunity to explore both a near term direct shipping ore operation and a longer-term High Purity Alumina operation.

The Mount Kokeby Project area has been subject to kaolin exploration activities since the 1940's. The Murray Deposit which is located on granted tenement E70/5205 was first discovered by King Mountain Mining in 1971. Also, within the immediate tenement area is the Mount Kokeby Deposit, which was historically mined from 1941 (Figure 2).

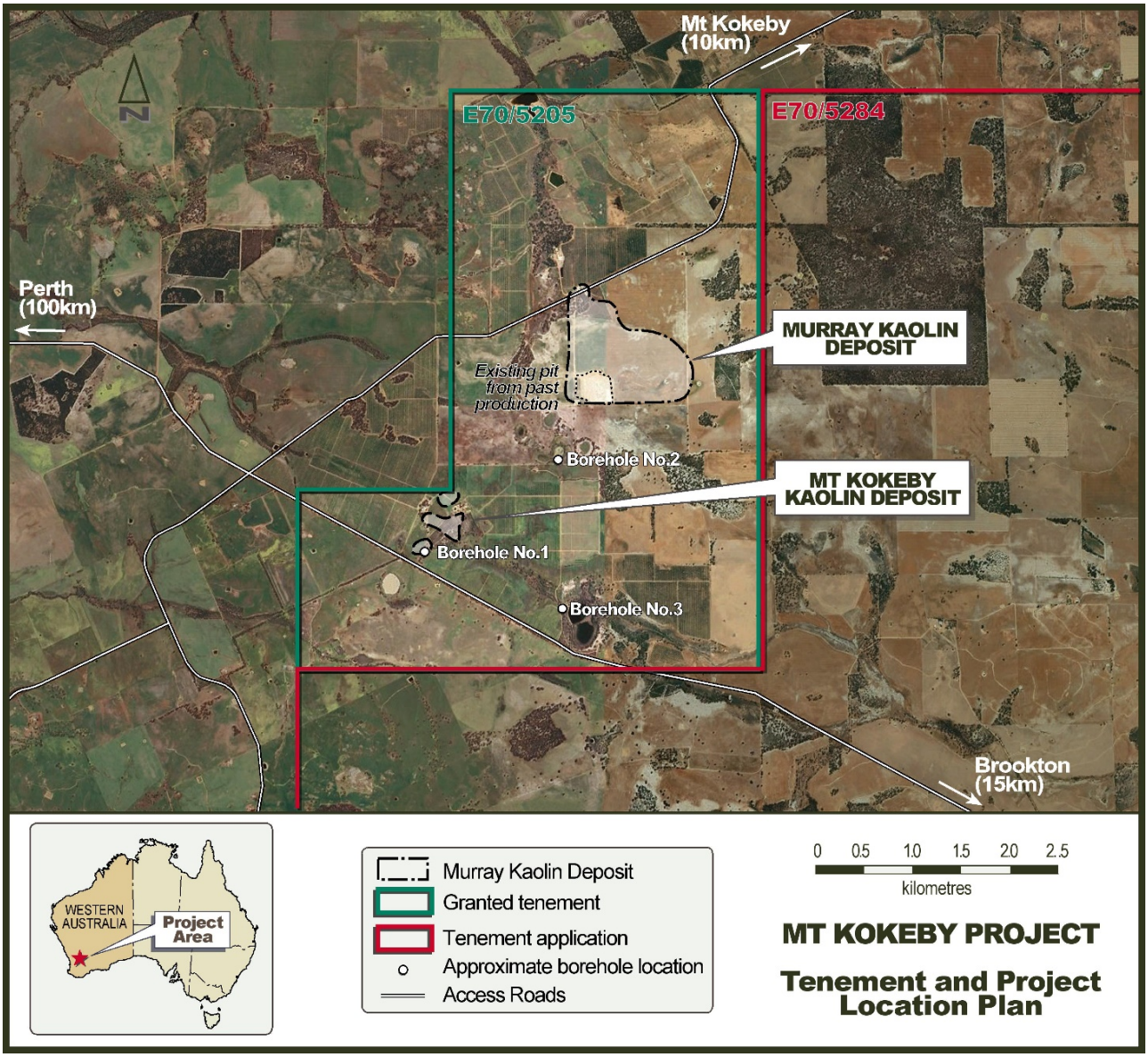

Figure 2: Mt Kokeby Kaolin Deposits as defined in Mineral Resources Bulletin 19, p70

Three wide spaced exploration bore holes were drilled at the Mount Kokeby Project area during 1916 in search for coal and oil without any success for those commodities (shown as Borehole No. 1, 2 and 3 on Figure 2). When geologically logged, the bore holes were noted to have passed through 65 to 70 meters of sediments which contained lenticular beds of kaolin, with the upper most bed averaging a

thickness of 2.3 m demonstrating the widespread nature of the kaolin clays at Mount Kokeby which is recorded by GSWA (Mineral Resources Bulletin 19, p71).

Murray Deposit

The Murray Kaolin Deposit is located on granted tenement E70/5205 and was first discovered by King Mountain Mining after a drilling program was undertaken in the area in July 1971. Aminco and Associates were engaged by King Mountain Mining to undertake a reconnaissance drill program which identified the presence of widespread kaolin at shallow depths over an area of approximately 1km N-S and 1.5km E-W (Figure 3, further information in Appendix 1).

The assay results from the pattern drill program not only confirmed the occurrence of the kaolin, but the widespread and high-grade nature of Al_2O_3 content within the kaolin layer. Geochemical assay results in Appendix 2 have reported the Al_2O_3 content to range from 31.8% Al_2O_3 to 36.5% Al_2O_3, with exception of holes SM10 and SM37, which returned Al_2O_3 grades of 29.6% and 23.2% respectively (Figure 3, further information in Appendix 2).

Geochemical analysis by the Geological Society of Western Australia (GSWA) of a (–10 μm fraction) sample "GSWA 140383" was noted as "good quality high grade kaolinite with 35.4% Al_2O_3, 48.1% SiO2, and acceptable levels of TiO2, Fe2O3 and MgO" (Mineral Resources Bulletin 19, p66).

The kaolin clays of the Murray Deposit are near surface, covered with an overburden of 6 – 45 feet of loose sands and gravels. The kaolin layer is seen to undulate with varying thicknesses from 5 – 14 feet. Significant areas of the Murray Deposit are untested, and the deposit remains open in all directions.

Mt Kokeby Deposit

The Mount Kokeby deposit is situated on granted tenement E70/5205 and is located approximately 1.5 kms to the south-west of the Murray Kaolin Deposit (Figure 2). The kaolin deposit was identified to be shallow, sitting 10-20 feet below the surface and has an average thickness of 5-15 feet (WAMEX report A52402, p3).

Kaolin was first mined from the Mount Kokeby in 1941, with the clay being used for multiple applications such as insecticide dust, leather dressing as well as being exported to Malaysia for rubber plantations. The Mount Kokeby kaolin was later used in paint, whiteware and synthetic rubber applications.

Figure 3: Georeferenced historic drill collar location plan

Historic Mining and Production

Mining and production in the area was undertaken from 1941 to 1983, with the clay being used for pottery and whitewares with small amounts being exported to Malaysia in the 1950's (WAMEX report A52402). Kaolin was initially mined by J.B Linton in 1941 and later Universal Milling Co, in which kaolin was extracted during the summer season from multiple shafts and later open pit operations by Metro Brick. At the time, the Mt Kokeby area was noted as the second largest producer of kaolin in Western Australia with a total production of 8059 tons recorded by GSWA (Mineral Resources Bulletin 19, p67).

Local Geology

The project area comprises undulating topography with broad valleys and low rising hills which have resulted from the Precambrian granites which outcrop in places to form prominent hills.

The project area has been described by Wild (1976) to largely be covered by colluvial sand with minor limonitic gravel and gritty clay which is seen to blanket the area. The kaolin at the Mt Kokeby area is seen to be overlain by colluvial sands, gravel and sandy soil and is noted by Feldtman (1919) to have formed as a transported lacustrine deposit.

The Archaean basement rocks can be seen to outcrop in the north and west of the project area and are intruded by dolerite dykes. The basement rocks are granitic and comprise of a medium to coarse grained porphyritic biotite adamellite composition.

Kaolin Market

'Markets and Markets' research report forecasts the kaolin market to reach US$5.52 billion by 2022, increasing at a CAGR of 4.1% through 2022. Kaolin is a specialty mineral with a wide range of uses. Historically the market has been dominated by the paper industry which accounts for roughly 40% of demand. Kaolin is used primarily as a filler and coating material in paper manufacturing where it improves gloss, brightness, smoothness and paint absorption on paper, improving its printability.

Kaolin is used to strengthen the integrated glass fibres in fibreglass applications. In recent times the high demand in fibreglass and fibreglass composites have offset sluggish growth in the paper industry with the automotive and aeronautic industries using fibreglass in increasing amounts to reduce the weight of vehicles improving fuel efficiency and reducing pollution. Growth in kaolin from fibreglass demand is projected to increase at a CAGR of 10%, the fastest of all uses.

Other significant industrial uses of kaolin are the paint and ceramics industry. When added to paint kaolin provides stain resistance, increased opacity and tint strength and can be used as a cost-effective substitute for titanium dioxide. Kaolin's smooth and bright finish, heat resistance and high fusion point make it highly desirable in ceramics. Aerospace products also use kaolin-based ceramics as a metal substitute.

Figure 4: Kaolin Uses: Fiberglass (top), Paper Industry (bottom left), Ceramics (bottom right)

Currently Europe is the largest importer of kaolin however demand from the Asia Pacific region is growing rapidly in particularly in China. The United States is the largest producer of kaolin accounting for one-third of global production.

With High Purity Alumina experiencing significant growth, kaolin has been sought as a feedstock to produce HPA, with its high AL_2O_3 content making it an ideal feedstock

High Purity Alumina (HPA) Market

Technological advances in a range of consumer goods have led to a rapid increase in the demand for High Purity Alumina. In particular its use in lithium-ion batteries and synthetic sapphire is forecast to expand the market rapidly (Figure 5).

Lithium ion batteries are forecast to lead the growth in HPA demand with CRU Consulting forecasts that the battery metals sector alone will require 187 000 tons of HPA by 2028. High purity alumina heat resistive properties make it ideal to coat separators in lithium ion batteries increasing safety, stability and allowing higher energy density in a more compact design, increasing overall battery life.

Currently demand for HPA is dominated by the production of Synthetic Sapphire. Synthetic Sapphire is used in LED lighting, semi-conductor substrates and in scratch proof glass. Last year it was estimated that 53% of HPA consumption was accounted for by LED production. LED production was forecast to increase at a CAGR of 12% through to 2025 with energy efficiency a major consideration among consumers. LED lighting utilises 75% less energy that regular incandescent lighting.

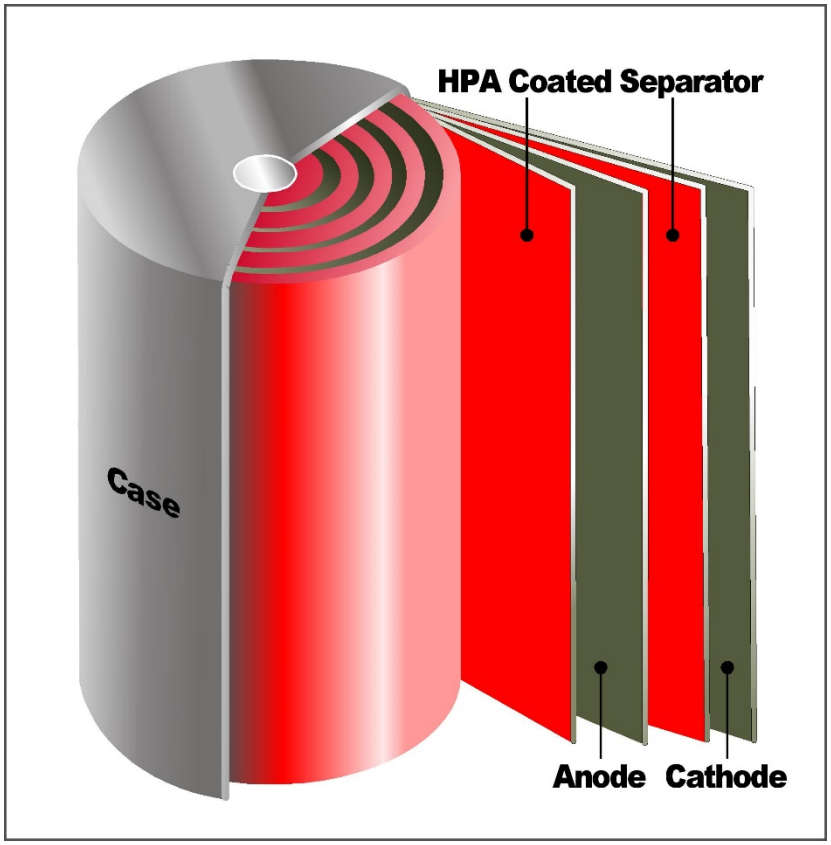

Figure 5: HPA Coated Separator in a typical Lithium Ion Battery

Transaction Terms

Following successful negotiations, it has been agreed that the earn-in transaction in respect of the Mt Mansbridge Rare Earths Project (see RMX announcement dated 12th August, 2019) shall be restructured.

To this end, the Company has entered into a revised binding term sheet with the vendors (**Vendors**) of the Mt Kokeby Kaolin Project and the Mt Mansbridge Rare Earths Project (**Binding Agreement**). The principal commercial terms of the Binding Agreement are summarised below:

- RMX has an exclusive 28-day due diligence period after which it may acquire 100% of each of the Mt Kokeby Kaolin Project and the Mt Mansbridge Rare Earths Project (**Acquisition**).

- On settlement of the Acquisition, RMX shall issue 310 million fully paid ordinary RMX shares and pay $500,000 in cash to the Vendors.

- In addition, any obligation to carry out set expenditures to projects has been removed and deferred consideration tied to specific project milestones has been agreed as follows:

- **Mt Kokeby Kaolin Project:**

Milestone	Deferred Consideration
Commencement of drilling on the Mt Kokeby Project area	$300,000 worth of Consideration Shares at a deemed issue price of 0.5 cents per share
JORC compliant resource of 10 million tonnes of raw ore grading not less than an average of 29% Al2O3 at an optimal fraction size	50 million Consideration Shares
Completion of a Scoping Study with a pre-tax IRR >25% and NPV_8/CAPEX > 0.8	50 million Consideration Shares

- **Mt Mansbridge Rare Earths Project:**

Milestone	Deferred Consideration
Completion of a feasibility study with a pre-tax IRR > 20% and NPV_8/CAPEX > 0.8	-$500,000 cash -$1,000,000 worth of Consideration Shares based on 30-day VWAP prior to date of satisfaction of milestone - 1% NSR

- Should RMX enter into a binding, multi-year offtake or tolling agreement (**Binding Offtake**) in respect of either:
  - the Mt Kokeby Kaolin Project for (i) a minimum of 250,000 tonnes of kaolin DSO per annum or (ii) 1,500 tonnes of "4N" high purity alumina per annum, or
  - the Mt Mansbridge Rare Earths Project for a minimum of 500,000kg of rare earth oxide per annum,

  it shall pay the Vendors $500,000 cash consideration and $500,000 worth of Consideration Shares based on 30-day VWAP prior to the date on which RMX announces entry into the Binding Offtake.

- All Consideration Shares issued under the transaction are subject to ASX imposed escrow for 12 months from the date of issue. Should RMX fail to spend $500,000 over 24 months on the Mt Mansbridge Rare Earths Project then the Vendors may buy back the project for nominal consideration.

- Settlement of the Acquisition is subject to a number of conditions precedent customary for a transaction of this nature including shareholder and regulatory approvals.

- On settlement, Mr Kevin Das shall join the RMX board. Currently Mr Das serves as the Managing Director of the Australasian Resources Development Group which identifies resource projects globally and seeks to add value through exploration, development and strategic partnerships. As

senior geologist at Northern Minerals from 2007 to 2015. Mr Das was pivotal in the virgin discovery of the Browns Range Heavy Rare Earths Deposit in 2010.

Capital Raising

The Company further advises that it has received firm commitments from professional and sophisticated investors to raise $500,000 at an issue price of 0.5 cents per share (**Placement**), which represents a 16% discount to the 15-day trading VWAP to 2 September 2019.

The Placement will be conducted over two tranches. Tranche 1 of the Placement will be issued pursuant to the Company's existing placement capacity, with 1,705,516 shares to be issued pursuant to Listing Rule 7.1 and 67,294,484 shares to be issued pursuant to Listing Rule 7.1A. The remaining 31,000,000 shares to be issued under tranche 2 will be placed subject to shareholder approval at the next RMX General Meeting.

Funds raised will be primarily directed towards the asset due diligence and acquisition costs of the Mt Kokeby Kaolin Project and the Mt Mansbridge Rare Earth Project.

Xcel Capital has been appointed Lead Manager to the capital raising.

Uganda Copper Slag Project

The Company advises that, following completion of due diligence, it has elected not to proceed with the acquisition of the Kilembe copper slag project in Uganda.

ENDS

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 Bill Oliver. Mr Oliver 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 Oliver consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Appendix 1

Location of historical drilling at the Mt Kokeby Project

	GDA94 Zone 50S	
Hole ID	**East (mE)**	**North (mN)**
SM1	488780	6430170
SM2	488780	6429990
SM3	488770	6429800
SM4	488770	6429610
SM5	488770	6429440
SM6	488780	6429250
SM7	488770	6429070
SM8	488960	6429440
SM9	489140	6429440
SM10	489330	6429440
SM11	489510	6429430
SM12	489700	6429430
SM13	489880	6429420
SM14	489880	6429610
SM15	489700	6429610
SM16	489520	6429620
SM17	489330	6429620
SM18	489150	6429620
SM19	488960	6429630
SM20	488960	6429810
SM21	489140	6429800
SM22	489330	6429800
SM23	489520	6429800
SM24	489690	6429790
SM25	489880	6429790
SM26	490070	6429790
SM27	490250	6429790
SM28	490250	6429600
SM29	490070	6429610
SM31	490070	6429980
SM33	489890	6429060
SM34	490060	6429060
SM35	489880	6429250
SM36	490060	6429250
SM37	488950	6430170
SM38	489140	6430170
SM39	489140	6429990
SM40	488950	6429990

SM41	488960	6429070
SM42	489140	6429070
SM43	489330	6429070
SM44	489510	6429060
SM45	489690	6429060
SM46	488960	6429250
SM47	489140	6429250
SM48	489330	6429250
SM49	489510	6429250
SM50	489700	6429250

Location of historical bore holes at the Mt Kokeby Project

	GDA94 Zone 50S	
Hole ID	**East (mE)**	**North (mN)**
Borehole No.1	487150	6427465
Borehole No.2	488590	6428440
Borehole No.3	488600	642950

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Appendix 2

Significant Assays from historical drilling at the Murray Deposit (passing 200 mesh)

Hole ID	From (ft)	Thickness (ft)	Al_2O_3 (%)	TiO_2 (%)	Fe_2O_3 (%)	SiO_2 (%)	K_2O (%)	CaO (%)	MgO (%)	Na_2O (%)	LOI (%)
SM5	19	13’ 0”	35.3	1.6	1.2	46.9	0.4	0.1	0.1	0.27	14
SM6	7	10’ 6”	36.2	1.6	0.9	45.5	0.4	0.1	0.1	0.27	14.5
SM8	22	13’ 9”	36.5	1.5	0.9	45.8	0.4	0.1	0.1	0.19	14.5
SM10	39	6’ 4”	29.6	1.4	0.9	55.5	0.2	0.1	0.1	0.13	11.8
	45	10’ 0”	35.2	1.5	1.0	47.1	0.4	0.1	0.1	0.19	13.8
SM15	6	12’ 0”	33.0	1.4	0.8	50.5	0.2	0.1	0.1	0.19	13.2
SM16	14	7’ 0”	31.8	1.4	0.9	52.7	0.2	0.1	0.1	0.07	12.1
SM18	11	14’ 6”	34.2	1.3	0.8	48.9	0.3	0.1	0.1	0.05	13.7
SM20	17	5’ 0”	33.4	1.5	1.1	49.7	0.2	0.1	0.1	0.06	13.5
SM33	7	14’ 0”	31.9	1.4	0.8	51.7	0.3	0.1	0.1	0.16	12.6
SM35	13	5’ 0”	33.0	1.3	0.8	50.7	0.3	0.1	0.2	0.3	13.1
SM37	18	10’ 6”	23.2	0.9	0.6	64.4	0.2	0.1	0.1	0.2	9.5
	28	8’ 6”	34.7	1.5	0.8	48.1	0.4	0.1	0.1	0.16	13.5
SM40	14	10’ 0”	33.4	0.8	0.8	50.4	0.3	0.1	0.1	0.26	13.2
	24	8’ 0”	34.3	1.6	0.8	49.0	0.4	0.1	0.1	0.09	13.1
SM42	6	10’ 0”	35.3	1.3	1.1	46.4	0.3	0.1	0.2	0.31	14.1
	16	7’ 6”	33.8	1.8	1.0	48.7	0.5	0.1	0.1	0.32	13.5
SM43	13	12’ 6”	35.1	1.5	0.8	47.3	0.4	0.1	0.1	0.16	13.9

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Appendix 3

The following Tables are provided to ensure compliance with the JORC Code (2012 Edition) requirements for the reporting of Exploration Results at the Mt Kokeby Project.

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.*	Publicly available data and findings from Aminco & Associates (WAMEX report A3811) states that the main exploration activities include vacuum rig and hollow auger gemco rig and sampling. Results from the following exploration activities are presented in this announcement and were carried out by Aminco & Associates report (WAMEX report A3811). A total of 54 holes were drilled. See drilling plan 1 in the Aminco & Associates report (WAMEX report A3811). In addition, one isolated kaolin sample (GSWA 140383) was collected by the Geological Society of Western Australia for analysis (Mineral Resources Bulletin 19, Kaolin in Western Australia).
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 undertaken by contractor Australian Mineral Exploration Drilling Pty Ltd. A total of 54 holes were drilled. Vacuum rig and hollow auger methods were used.
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.*	There is no reference in the Aminco & Associates (WAMEX report A3811) of the historic drilling practices that were employed to maximise recoveries. The report makes no mention of the sample recoveries being an issue and therefore the absence of this information is not deemed to be material to ongoing exploration. There is no drilling information available to confirm recoveries.

Criteria	JORC Code explanation	Commentary
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.*	The drill holes were geologically logged at the lithological boundaries for the total length of the hole using the company standard logging legend. The logs were recorded on company standard paper logging sheets. With an emphasis on the kaolin intervals, the holes were logged according to its geological boundaries for the length of the hole. Logging is appropriate for this early stage of exploration, there is insufficient data to support a Mineral Resource Estimation.
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 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.*	There are no detailed records of the RC sampling to confirm the sample preparation and techniques used. It is assumed that Aminco & Associates sampling techniques were in accordance with industry standard practices. The drill samples were noted as being dry as the scout holes were not able to penetrate the water table (WAMEX report A3811, p27). Samples have been composited across the entire kaolin interval were undertaken. The drill sample kaolin intervals are noted in Appendix 2. There are no detailed records of the QC procedures used. It is assumed that Aminco & Associates undertook QC procedures in accordance with industry standard and company practices.
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.*	Kaolin drill samples from the Murray Deposit were sent to Sheen Laboratories Pty Ltd (80 Railway Parade, Queens Park, Perth) for analysis. The kaolin in each hole was aggregated into one composited sample, with each composite sample comprising a six-foot interval. The open file report states that the samples were sent to Sheen Laboratories Pty Ltd and chemical analysis of the whole composite sample was assayed for Al2O3, SiO2, Fe2O3, TiO2, MgO, CaO, K2O, MgO, Na2O and loss on ignition (LOI) The assay methods are not stated. There are no detailed records of the QC procedures used. One isolated kaolin sample (GSWA 140383) was collected by the Geological Society of Western Australia for analysis (Mineral Resources Bulletin 19, Kaolin in Western Australia).

Criteria	JORC Code explanation	Commentary
		The sample was analysed for brightness, particles size analyses, XRD and SEM. These methods of analysis are considered appropriate for the metals being investigated.
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.*	RMX has not verified the sampling and assaying of the drilling and no specific twinned holes have been drilled. The assay data shows no indication of any adjustment being performed. No verification has been completed as only primary data used. Data was compiled directly from the WAMEX report (A3811) into datasheets compiled by the consultant geologists. Spatial checks utilising GIS software were completed. No adjustments have been made to the assay data.
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.*	WAMEX report A3811 notes that a grid of 660 feet (10 chain) intervals were laid out on MC12686 and MC12685 (WAMEX report A3811, p14). The tenement, access and topographic features in WAMEX report A3811 were digitised utilising GIS software. The drill collar locations were georeferenced from the drilling plan (WAMEX report A3811, p26) and overlain over topography. The hole location and accuracy are derived from a poor-quality map provided in the report and are likely to be +/- 100m Grid used for the samples is MGA94 Zone 50S. Topographic control is provided by publicly available data.
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.*	The pattern drill program was centered around the scot holes was spaced at 10 chain intervals and designed to test the continuity of the kaolin clays of the Murray Deposit. Data spacing used for drill samples is relatively widespread, indicating the first pass nature of this drilling.
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*	As the mineralisation was understood to be flat lying, the drillhole orientation was vertical and drilled on a 10-chain pattern over a N-S and E-W grid orientation (WAMEX report A3811, p14).

Criteria	JORC Code explanation	Commentary
	orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The orientation of the kaolin intervals was reported to be near surface and flat lying.
Sample security	*The measures taken to ensure sample security.*	All samples were submitted directly to the lab, or to a freight contractor to carry directly to the lab.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	None completed to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

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 Mt Kokeby Project consists of one granted exploration license (E70\5205) and one application exploration license (E70\5284) covering an area of 84km^2. The project area is located within freehold land. The traditional owners of the land are the Gnaala Karla Booja People. The Noongar Standard Heritage Agreement and private land access agreement will need to be signed prior to commencing exploration activities. Permits can be obtained to enter which will allow samples to be collected.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	All data presented within this announcement is of historical nature. Exploration of the Murray Deposit was first undertaken by King Mountain Mining N.L who engaged Aminco and Associates Pty Ltd to conduct field investigations.
Geology	*Deposit type, geological setting and style of mineralisation.*	The project area comprises undulating topography with broad valleys and low rising hills which have resulted from the Precambrian granites which outcrop in places to form prominent hills. The kaolin at the Mt Kokeby area is seen to be overlain by colluvial sands, gravel and sandy soil and is noted by Feldtman (1919) to have formed as a transported lacustrine deposit. GSWA Bulletin 19, p66 states the kaolin of the Murray Deposit to be residual on granite.
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*	Refer Appendix 1

Criteria	JORC Code explanation	Commentary
	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.*	
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 data aggregation or metal equivalents have been used.
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 (eg 'down hole length, true width not known').*	The geological intersections are reported as downhole lengths. As the kaolin-bearing unit is flat-lying it is anticipated this will not be materially different to true width.
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.*	Maps and appropriate plans are included in this announcement.
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.*	All results are tabulated in the Appendices and shown on figures in this announcement.
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*	In addition to the drilling and geochemical analysis and size fraction analysis. Other investigations undertaken by Aminco and Associates included:

Criteria	JORC Code explanation	Commentary
	results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	- Brightness and reflectance testing on a limited number of samples. - Electron Microscopy - Clay beneficiation trials (Amdel 1971) Further data collection and validation is still in progress.
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 exploration program is being designed. All relevant diagrams and inferences have been illustrated in this report.