



ASX ANNOUNCEMENT

29 July 2020

Quarterly Report for quarter ending 30 June 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 June 2020.

OPERATIONAL REVIEW

Koonenberry Gold Project

As Announced on 29 June, the Company made applications for 3 tenements that will comprise 100% ownership of a new project, Koonenberry, prospective for gold in north-western New South Wales (**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.

The 3 applications are now pending grant, a process which is expected to take approximately 30 to 60 days.

Mukabe-Kasari Cobalt-Copper Project, DRC

Following recent COVID-19 related lockdowns in the DRC, the Company announced that groundwork will be carried out at Mukabe-Kasari comprising of extensive soil sampling and channel sampling activities.

The aim of the soil sampling and groundwork programme is to investigate whether the copper soil anomaly which were identified during previous exploration phases is continuous and extend laterally as a single unit of mineralisation along strike of the sedimentary strata. The programme is being managed by Johannesburg based geological consultants, Minrom.

Results are expected in the near term.

Batangas Gold Project, Phillippines

The Company retains its leverage to the Philippines based Batangas Gold project by way of its 1% NSR production royalty and as at the end of the Relevant Quarter held approximately 5.5 million shares in London listed Bluebird Merchant Ventures Ltd (share price as at 30 June 2020: 3.90 pence per share).

Corporate

During the quarter, the Company raised \$540,000 via a placement and oversubscribed share purchase plan.

The Company's cash position at the end of the June quarter was \$1,443million.

The following table sets out the information as required by ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates:

Payments to Related Parties & their Associates	Amount
Director Fees and Superannuation	\$35,000
Company Secretarial, Registered Office and Financial Management Services	\$52,500

Significant Post Quarter Activity

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 27 July, 2020, the Company announced that it had satisfactorily completed its due diligence and that completion of the acquisition was subject only to standard Ministerial consent under the Mining Act.

The Company continues to identify and review additional mineral asset opportunities, primarily in gold and base metals.

Authorised on behalf of the Board,



Mauro Piccini

Company Secretary

Tenement Table: ASX Listing Rule 5.3.3

Mining tenement interests held at the end of the quarter and their location

PERMIT NAME	PERMIT NUMBER	REGISTERED HOLDER/APPLICANT	AREA IN HECTARES	DATE OF RENEWAL PERIOD EXPIRATION	PERMIT TERM EXPIRY	INTEREST CONTRACTUAL RIGHT /
RM1 – 270, Utah	00197618-197887	RMX USA Inc.	2,266	14-Feb-17	14-Feb-17	100%
Demiko 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	ELA5980	Red Mountain Mining	35,400	N/A	N/A	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.

- As announced 21 March 2017, the Company has executed a binding exclusivity and earn-in agreement (**Agreement**) with CoCu Metals Ltd, who controls 100% of the permits ZEA 556 – 563. Pursuant to the revised terms of the Agreement released on 6 September 2017, the Company has the right to earn up to 90% interest in the permits, subject to meeting exploration expenditure commitments.

The mining tenement interests relinquished during the quarter and their location

Nil.

The mining tenement interests acquired during the quarter and their location

ELA5996 and ELA5980, 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.

Appendix 5B

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

Name of entity

RED MOUNTAIN MINING LIMITED

ABN

40 119 568 106

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(47)	(244)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(39)	(239)
	(e) administration and corporate costs	(176)	(760)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	7
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)	(2)	(2)
1.9	Net cash from / (used in) operating activities	(264)	(1,238)
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)	(68)	(146)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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)	-	(100)
2.6	Net cash from / (used in) investing activities	(68)	(246)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	240	740
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	(27)	(87)
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	213	653

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,562	2,274
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(264)	(1,238)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(68)	(246)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	213	653
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,443	1,443

* Note: The Company holds 5.5m shares in London Stock Exchange listed Bluebird Merchant Ventures Ltd which is focussed on its South Korean gold project. As at 30 June 2020, Bluebird Merchant Ventures shares were valued at 3.9 pence per share.

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	1419	1,538
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)	1,443	1,562

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

(88)

Director and consulting fees paid to Directors and/or Director related entities \$35,000

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

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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)	(264)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(68)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(332)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,443
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,443
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4
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:	

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: 29 July 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.