



ASX ANNOUNCEMENT

RED MOUNTAIN MINING LTD (ASX:RMX)

29 July 2016

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## Quarterly Activities and Cashflow Report for quarter ending 30 June 2016

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### Corporate:

During the quarter, the Company raised \$390,000 (before costs) through the issue of 390 million shares at an issue price of \$0.001 per Share to professional and sophisticated investors (**Placement**). In addition, for every 2 Shares subscribed for under the Placement, the Company issued 1 option, exercisable at \$0.0015 each on or before 31 March 2018 (**RMXOF**).

A further 214,608,666 Shares were issued to various consultants and contractors to the Company during the quarter for the provision of services, at a deemed issue price of \$0.001 per Share, and 99,653 Shares were issued following the exercise of 99,653 RMXOF options.

Each of these equity issues were carried out under the stewardship of the previous Board during a s249D notice period (for further on this process, see below).

On 30 June 2016, 128,501,960 listed options exercisable at \$0.03 each (RMXOA) and 287,882,728 listed options exercisable at \$0.006 each (RMXOD) expired unexercised.

Immediately post the end of the quarter, an amount of approximately \$248,000, as authorised by the previous Board, was paid in respect of accrued liabilities (consisting primarily of legal fees, director fees and mining and corporate consultancy fees).

### Board Changes:

On 5 May 2016, the Company received a notice under section 249D of the Corporations Act (**Section 249D Notice**) from certain requisitioning shareholders.

The Section 249D Notice requisitioned a general meeting of the Company seeking removal of the then directors of the Company (**General Meeting**). The General Meeting was held post the end of the quarter on 1 July 2016. Mr Jon Dugdale resigned immediately prior to the General Meeting, with the remaining directors being removed as directors by shareholders at the General Meeting. The new Board of Messrs Lincoln Ho, Jason Bontempo and Robert Parton were then appointed as directors.

Post the end of the quarter, as announced 19 July 2016, Mr Jeremy King was appointed as a director of the Company and Mr Robert Parton resigned, effective immediately.

### Outlook:

As announced on 5 July 2016, the new Board is conducting a full review of the Company's undertaking with a focus on reducing cost, assessment of existing projects and identification of new opportunities. As part of its assessment of the Company's flagship Philippines based Batangas Gold Project, and in particular given recent elections in the Philippines, the Board is focussing on in-country permitting, regulatory and tenure issues.

The Board expects to provide an update on its review process in the near future.

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## About Red Mountain Mining Limited and the Batangas Gold Project

Red Mountain Mining Ltd (ASX:RMX) is a gold exploration and development company which listed on the ASX in September 2011. The Company's strategy is to unlock the potential of 'under-developed' gold and polymetallic projects in the greater Asian region by introducing Australian exploration and mining methods and improving efficiencies to gain significant exploration and production upside.

The Company holds a direct and indirect contractual right interest in tenements in the Philippines that contain significant gold resources totalling Indicated and Inferred 6.19 million tonnes at 2.2 g/t Au for 444,000oz Au (JORC 2012, see ASX announcement 30 June 2014).

The Company continues its search for additional mining development and exploration opportunities that will deliver shareholder value.

For more details about Red Mountain Mining Ltd see <http://www.redmm.com.au/>

### Cautionary Statement

*The production targets referred to in this announcement were first released to ASX on 20 November 2014 and updated on 23 January 2015. They are preliminary and there is no certainty that the production targets or the forecast financial information derived from the production targets, will be realised. All material assumptions underpinning production targets or forecast financial information derived from production targets continue to apply and have not materially changed.*

### Competent Person Statement

*The historic information in this report relating to Mineral Resources is based on information compiled by Mr Jon Dugdale who is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient exploration experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dugdale is a former full time employee and former Managing Director of Red Mountain Mining Ltd. The Company confirms that the form and context in which the information is presented has not been materially modified and it is not aware of any new information or data that materially affects the information included in the relevant market announcements, as detailed in the body of this announcement. All material assumptions and technical parameters underpinning the Mineral Resource estimates continue to apply and have not materially changed.*

### Forward Looking Statements

*This announcement contains certain forward-looking statements. These forward-looking statements are not historical facts but rather are based on Red Mountain Mining's current expectations, estimates and projections about the industry in which Red Mountain Mining operates, and beliefs and assumptions regarding Red Mountain Mining's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Red Mountain Mining, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Red Mountain Mining cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Red Mountain Mining only as of the date of this presentation. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Red Mountain Mining will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.*

### 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
Lobo	MPSA-176-2002-IV	Egerton Gold Philippines Inc.	1,164	26-Sep-14	20-Nov-27	100%
Archangel	MPSA-177-2002-IV	Egerton Gold Philippines Inc.	1,012	29-Mar-14	20-Nov-27	100%
Calo	EP-IVA-006	Egerton Gold Philippines Inc.	2,493	5-Sep-14	*5-Sep-14	100%
Pica	EP-IVA-007	Egerton Gold Philippines Inc.	4,488	5-Sep-14	*5-Sep-14	100%
Biga	EP-IVA-008	Egerton Gold Philippines Inc.	977	23-Oct-14	*23-Oct-14	100%
El Paso	EP-IVA-009	MRL Nickel Phils. Inc.	5,000	12-Apr-14	*12-Apr-14	100%
Philex	EP-IVA-010	Egerton Gold Philippines Inc.	1,579	23-Oct-14	*23-Oct-14	100%
Talahib	EP-IVA-011	Egerton Gold Philippines Inc.	873	5-Oct-13	*5-Oct-13	100%
Rosario	EP-IVA-014	MRL Nickel Phils. Inc.	2,991	20-Feb-15	*20-Feb-15	100%
East Lobo	EP-IVA-015	Egerton Gold Philippines Inc.	2,461	20-Feb-15	*20-Feb-15	100%
SW Lobo	EPA-IVA-093	MRL Nickel Phils. Inc.	166	Application	Application	100%
Calo Extension	EPA-IVA-102	MRL Nickel Phils. Inc.	850	Application	Application	100%
Batangas Extension	EPA-IVA-103	MRL Nickel Phils. Inc.	3,033	Application	Application	100%

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

#### The mining tenement interests relinquished during the quarter and their location

No mining tenements were relinquished during the quarter.

#### The mining tenement interests acquired during the quarter and their location

No mining tenements were acquired during the quarter.

#### 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

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

RED MOUNTAIN MINING LIMITED

ABN

40 119 568 106

Quarter ended ("current quarter")

30 June 2016

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	4	50
1.2	Payments for (a) exploration & evaluation	(176)	(1,398)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(849)	(1,717)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	78	82
1.5	Interest and other costs of finance paid	-	(50)
1.6	Income taxes paid	-	-
1.7	Other (R & D Refund)	-	336
	<b>Net Operating Cash Flows</b>	<b>(943)</b>	<b>(2,697)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Bluebird JV related)	917	917
		917	917
	<b>Net investing cash flows</b>		
1.13	Total operating and investing cash flows (carried forward)	<b>(26)</b>	<b>(1,780)</b>

+ See chapter 19 for defined terms.

**Appendix 5B****Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(26)	(1,780)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	224	1,942
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	300
1.17	Repayment of borrowings	-	(300)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	224	1,942
	<b>Net increase (decrease) in cash held</b>	198	162
1.20	Cash at beginning of quarter/year to date	570	594
1.21	Exchange rate adjustments to item 1.20	(11)	1
1.22	<b>Cash at end of quarter*</b>	757	757

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	167
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions Director fees, executive salaries, STI payments and superannuation.	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	40	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	183
4.2 Development	-
4.3 Production	-
4.4 Administration	120
<b>Total</b>	<b>303</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	732	545
5.2 Deposits at call	25	25
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>757</b>	<b>570</b>

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+ See chapter 19 for defined terms.

## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference + securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	3,233,331,117	3,233,331,117	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	604,608,666 99,653	604,608,866 99,653	\$0.001 \$0.0015	\$0.001 \$0.0015

+ See chapter 19 for defined terms.

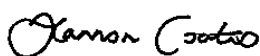
**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.5	<b>*Convertible debt securities</b> (description)	79,850,500 Performance Rights	-		
		Nil Convertible Securities	-		
7.6	Changes during quarter (a) Increases through issues  (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	15,000,000 240,000,000 1,432,376,103 35,000,000	- 240,000,000 1,432,376,103	Exercise price \$0.20 \$0.0037 \$0.0015 \$0.003	Expiry date 15 Sept 2016 15 Sept 2017 31 March 2018 24 Dec 2018
7.8	Issued during quarter	195,000,000	195,000,000	\$0.0015	31 Mar 2018
7.9	Exercised during quarter	(99,653)	(99,653)	\$0.0015	31 Mar 2018
7.10	Expired during quarter	(128,501,960) (287,882,728)	(128,501,960) (287,882,728)	\$0.03 \$0.006	30 June 2016 30 June 2016
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~\* (delete one) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 29 July 2016  
(Director/Company secretary)

SHANNON COATES

Print name: .....

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+ See chapter 19 for defined terms.

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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