



ASX ANNOUNCEMENT

RED MOUNTAIN MINING LTD (ASX:RMX)

31 October 2016

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

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### Corporate

As announced on 23 September 2016, the Company received firm commitments for a share placement to raise \$1.65 million from professional and sophisticated investors, through the issue of 165 million shares at an issue price of \$0.01 (post Consolidation), as approved by shareholders on 20 September 2016 (**Placement**). At the time of the Placement, the Company announced its intention to carry out a Share Purchase Plan (**SPP**) where all shareholders at the relevant record date will be eligible to participate in. Funds raised pursuant to the Placement and SPP will be applied towards optimising the Batangas Gold Project in the Philippines, costs of the raisings, ongoing identification and due diligence on additional asset and project opportunities and general working capital. The Placement was completed on 7 October 2016.

During the quarter, the Company held a general meeting of its shareholders (**General Meeting**) to seek approval, among other things, for a consolidation of the Company's issued capital into one (1) for every thirty two (32) held (**Consolidation**). The Consolidation was approved by shareholders on 20 September 2016 and concluded on 26 September 2016.

During the period, 15 million unlisted options exercisable at \$0.20 each on or before 15 September 2016 lapsed unexercised.

Post the end of the period, on 14 October 2016, the Company issued a further 42 million shares and 15 million options, to Directors and corporate advisors, as approved by shareholders on 20 September 2016.

### 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 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.

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

### Batangas Gold Project

As announced, 22 August 2016, the Company issued a formal response to the Philippines Mines and Geosciences Bureau (**MGB**) Central Office following its request that the Company show cause in respect of its Mineral Production Sharing Agreements (**MPSAs**). For further background, see the Company's announcement of 5 July 2016. At this stage, no response has been received from the MGB.

## Business Development

The new Board has assessed a number of opportunities which are consistent with its strategy of developing profitable gold, base and energy metal mining operations. To this end, on 26 October 2016, the Company announced it had entered into an exploration and earn-in agreement (**Earn-In Agreement**) in respect of the Red Valley Project, a Lithium brine project located in Utah, United States (**Red Valley Project**).

Under the Earn-In Agreement, RMX will fund initial drilling at existing, mapped targets and conduct chemical analysis of the Red Valley Project. Following analysis of the drilling results for Lithium enrichment, RMX has the right to acquire 51% of the Red Valley Project for US\$250,000.

The Board is encouraged by a recent improvement in market sentiment toward junior mining companies and its project identification and assessment process continues. The Board will provide updates as and when required in this respect.

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## About Red Mountain Mining Limited

Red Mountain Mining Ltd (ASX:RMX) is a gold, base metals and energy 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 base metals and energy projects by introducing Australian exploration and mining methods and improving efficiencies to gain significant exploration and production upside.

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/>

### 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, 01/05/13, 01/09/16

### Name of entity

RED MOUNTAIN MINING LIMITED

### ABN

40 119 568 106

### Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	38	38
1.2 Payments for		
(a) exploration & evaluation	(86)	(86)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(328)	(328)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(374)</b>	<b>(374)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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 (Monies from shares yet to be allotted at quarter end)	213	213
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	213	213

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	757	757
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(374)	(374)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	213	213
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>593</b>	<b>593</b>

5. <b>Reconciliation of cash and cash equivalents</b> 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	568	732
5.2      Call deposits	25	25
5.3      Bank overdrafts	-	-
5.4      Other (details)	-	-
<b>5.5      Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>593</b>	<b>757</b>

**6.      Payments to directors of the entity and their associates**

- 6.1      Aggregate amount of payments to these parties included in item 1.2
- 6.2      Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3      Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
88
-

1.2(e) Includes gross salaries and fees to Directors, current and prior. Fees have been accrued but to date no fees have been paid to current Directors.

**7.      Payments to related entities of the entity and their associates**

- 7.1      Aggregate amount of payments to these parties included in item 1.2
- 7.2      Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3      Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

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

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

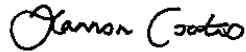
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9. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	20
9.2 Development	-
9.3 Production	-
9.4 Staff costs	128
9.5 Administration and corporate costs	93
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>241</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**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.



Sign here: .....  
(Company secretary)

Date: 31 October 2016

Print name: Shannon Coates

**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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.