



# Red Mountain Mining Limited (ACN 119 568 106) Prospectus

For an offer of:

- (a) up to 30,000,000 Placement Options to the Placement Participants on the basis of one (1) free-attaching Placement Option for every two (2) Placement Shares subscribed for and issued under the Placement (**Placement Options Offer**);
  - (b) up to 37,500,000 SPP Options to the SPP Participants on the basis of one (1) free attaching SPP Option for every two (2) SPP Shares subscribed for and issued under the SPP (**SPP Options Offer**); and
  - (c) 7,000,000 Lead Manager Options to the Lead Manager (or its nominee) (**Lead Manager Options Offer**),
- (together, the **Offers**).

The Offers are not underwritten  
The Offers close at 5.00pm WST on 8 July 2020

## Important Notice

This is an important document and should be read in its entirety.  
This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay. The New Listed Options offered by this Prospectus should be considered speculative.

# Corporate Directory

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## Directors

Jeremy King (Non-Executive Director)  
Lincoln Ho (Non-Executive Director)  
Robert Parton (Non-Executive Director)

## Company Secretary

Mauro Piccini

## Registered Office and Principal Place of Business

Suite 2, Level 1 Altona Street  
West Perth WA 6005

Telephone: 08 6381 0054  
Facsimile: 08 9481 4950  
Website: [www.redmountainmining.com.au](http://www.redmountainmining.com.au)

## ASX Code

RMX

## Share Registry\*

Computershare Limited  
172 St Georges Terrace  
Perth WA 6000

Telephone: 08 6188 0800

## Solicitors

Nova Legal  
Level 2, 50 Kings Park Road  
West Perth WA 6005

## Auditors\*

RSM Australia Partners  
Level 32, 2 The Esplanade  
Perth WA 6000

## Lead Manager

Xcel Capital Pty Ltd  
Level 1, 1 Altona Street  
West Perth WA 6005

\* These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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# IMPORTANT INFORMATION

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## GENERAL

This Prospectus is dated 7 July 2020 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

This Prospectus expires 13 months from the date it was lodged with ASIC. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. An application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the New Listed Options the subject of this Prospectus.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

This document is important and it should be read in its entirety. The New Listed Options to be issued pursuant to this Prospectus should be viewed as a speculative investment and investors should refer to the Section 2 for details of certain risk factors which are considered to be relevant for the purposes of the Offers. Investors should consult their stockbroker, solicitor, accountant or other professional adviser if necessary.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

A copy of this Prospectus can be downloaded from the Company's website at [www.redmountainmining.com.au](http://www.redmountainmining.com.au). The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. A hard copy of this Prospectus may be obtained by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings set out in Section 7.

## OVERSEAS SHAREHOLDERS

New Listed Options will not be issued pursuant to this Prospectus to Shareholders with a registered address which is outside Australia or New Zealand. The distribution of this Prospectus in jurisdictions outside of Australia or New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the applicable securities law.

This Prospectus does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Prospectus has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country.

## RISK FACTORS

Refer to Section 2 for details of the risks associated with an investment in the Company. As with any securities investment, there are risks associated with investing in the Company. Investors should be aware that an investment in the Company involves risks that may be greater than risks associated

with an investment in some other companies. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The New Listed Options on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

Risks of investing in the Company's existing assets and general risks are set out in Section 2 of this Prospectus.

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for New Listed Options offered under this Prospectus. Investors should consider the risk factors described in Section 2, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for New Listed Options.

## TIMETABLE AND IMPORTANT DATES

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EVENT	DATE
Lodgement of Prospectus with ASIC and ASX	7 July 2020
Opening Date of Offers	7 July 2020
Closing Date of Offers (5pm WST)	8 July 2020
Dispatch of holding statements in respect of the Offers	13 July 2020
Expected date for Quotation of the New Listed Options	14 July 2020

\* These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates, including by extending the Closing Date. As such the date the New Listed Options are expected to commence trading on ASX may vary.

# 1. DETAILS OF THE OFFERS

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## 1.1 Background to the Offers

On 29 May 2020, the Company announced a capital raising comprised of:

- (a) a placement to raise \$240,000 (**Placement**) through the issue of 60,000,000 Shares (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**) at an issue price of \$0.004 per Placement Share, together with one (1) free attaching Option (exercisable at \$0.008 and expiring 12 months from the date of issue) (**Placement Options**) for ever two (2) Placement Shares issued; and
- (b) a share purchase plan to raise up to \$300,000 (**SPP**) through the issue of Shares (**SPP Shares**) to Shareholders registered as holders of Shares on the SPP Record Date and whose registered address was in Australia or New Zealand (**Eligible Shareholders**) at an issue price of \$0.004 per SPP Share.

On 4 June 2020, the Company lodged the SPP offer document for the implementation of the SPP and issue of the SPP Shares, in accordance with *ASIC Corporations (Shares and Interest Purchase Plans) Instrument 2019/54*.

Eligible Shareholders who subscribe for SPP Shares under the SPP (**SPP Participants**) are entitled to receive one free-attaching Option (exercisable at \$0.008 and expiring 12 months from the date of issue) (**SPP Options**) for every two (2) SPP Shares issued under the SPP.

The Company engaged the services of Xcel Capital Pty Ltd (ACN 617 047 319) (**Xcel Capital** or **Lead Manager**) to manage the Placement and the SPP. Pursuant to the lead manager mandate between the Company and the Lead Manager (**Lead Manager Mandate**), the Company has agreed to issue the Lead Manager (or its nominee) 7,000,000 listed Options (exercisable at \$0.008 and expiring 12 months from the date of issue) (**Lead Manager Options**) in consideration for its services in relation to the Placement and SPP. Refer to Section 5.5 for further details regarding the material terms of the Lead Manager Mandate.

The Company issued the Placement Shares on 2 June 2020 pursuant to its placement capacity under ASX Listing Rule 7.1 and the SPP Shares were issued on 6 July 2020 pursuant to ASX Listing Rule 7.2 Exception 5 and ASX Listing Rule 10.12 Exception 4.

The Company is precluded from issuing a 'cleansing' notice in respect of the Placement Options, SPP Options and Lead Manager Options (together, **New Listed Options**). The Company is also unable to rely on disclosure relief provided by *ASIC Corporations (Shares and Interest Purchase Plans) instruments 2019/547* as it does not extend to the offer of options under a share purchase plan. Consequently, the New Listed Options are being offered pursuant to this Prospectus and will be issued utilising the Company's placement capacity under ASX Listing Rule 7.1 (other than SPP Options to be issued to Directors subject to Shareholder approval, as outlined below).

Jeremy King intends to participate in the SPP by subscribing for 3,000,000 SPP Shares and 1,500,000 SPP Options. Shareholder approval is not required for the issue of SPP Shares under the SPP to Mr King as ASX Listing Rule 10.12 Exception 4 applies. The Company intends to seek Shareholder approval for the issue of 1,500,000 SPP Options to Mr King (or his nominee) at its next general meeting.

The New Listed Options will be issued on the terms and conditions set out in Section 4.3.

For further details regarding the Placement and SPP, refer to the Company's announcement dated 29 May 2020 and the SPP offer document dated 4 June 2020.

## 1.2 The Offers

This Prospectus contains the following separate offers:

### (a) Placement Options Offer

This Prospectus invites the Placement Participants to apply for a total of up to 30,000,000 Placement Options, on the basis of one (1) Placement Options for every two (2) Placement Shares subscribed for and issued under the Placement (**Placement Options Offer**).

All Placement Participants will be sent a copy of this Prospectus, together with an Application Form. Only the Placement Participants can accept the Placement Options Offer. Refer to Section 1.6 for details on how to apply for Placement Options under the Placement Options Offer.

No funds will be raised from the issue of the Placement Options as the Placement Options are free attaching to the Placement Shares on a 1:2 basis.

### (b) SPP Options Offer

This Prospectus invites the SPP Participants to apply for a total of up to 37,500,000 SPP Options, on the basis of one (1) SPP Option for every two (2) SPP Shares subscribed for under the SPP (**SPP Options Offer**).

The SPP Options will be issued in accordance with actual allocations of SPP Shares made. Accordingly, SPP Participants may receive less SPP Options than applied for if their application for SPP Shares pursuant to the SPP is subject to a scale back. Refer to the SPP Offer Document dated 4 June 2020.

All SPP Participants will be sent a copy of this Prospectus, together with an Application Form. Only the SPP Participants can accept the SPP Options Offer. Refer to Section 1.6 for details on how to apply for SPP Options under the SPP Options Offer.

No funds will be raised from the issue of the SPP Options as the SPP Options are free attaching to the SPP Shares on a 1:2 basis.

### (c) Lead Manager Options Offer

This Prospectus includes an offer of 7,000,000 Lead Manager Options to Xcel Capital (or its nominee) (**Lead Manager Options Offer**).

Only Xcel Capital (or its nominee) may accept the Lead Manager Options Offer, by using the relevant Application Form in relation to the Broker Options Offer.

No funds will be raised from the Lead Manager Options Offer as the Lead Manager Options are being issued as consideration for services provided by Xcel Capital in respect of the Placement and SPP.

The Offers are only available to those who are personally invited to accept the Offers. Accordingly, Application Forms will only be provided by the Company to these parties.

All New Listed Options offered under this Prospectus will be issued on the same terms and conditions, as set out in Section 4.3. Subject to the quotation requirements of the ASX Listing Rules, the New Listed Options issued under this Prospectus will form a new class of listed security of the Company.



All Shares issued on exercise of the New Listed Options will rank equally with the Shares on issue at the date of this Prospectus. Refer to Section 4.2 for further details regarding the rights and liabilities attaching to Shares.

### **1.3 Underwriting**

The Offer is not underwritten.

### **1.4 Minimum Subscription**

There is no minimum subscription under the Offers.

### **1.5 Opening and Closing Dates**

The Offers will open for receipt of acceptances on **7 July 2020**.

The Offer will close at **5:00pm WST on 8 July 2020**, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine.

### **1.6 How to accept the Offers**

Only the Placement Participants, the SPP Participants and Xcel Capital (**Eligible Participants**) will be provided a copy of this Prospectus and an Application Form in respect of the Offers. Applications for New Listed Options must be made by the Eligible Participants at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Placement Participants may only make an application on the basis of one (1) Placement Option for every two (2) Placement Shares issued to them under the Placement.

SPP Participants may only make an application on the basis of one (1) SPP Options for every two (2) SPP Options issued to them under the SPP in accordance with the SPP Offer Document.

All New Listed Options will be issued for nil consideration and therefore the Applicants are not required to pay any funds with the Application Form.

Completed Application Forms must be posted to the Company's Share Registry as follows:

Computershare Investor Services Pty Limited  
GPO Box 505 Melbourne  
Victoria 3001 Australia

Completed Application Forms must reach the address set out above by no later than the Closing Date.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company, for the number of New Listed Options on the Application Form.

The Application Form does not need to be signed to be a binding acceptance of the New Listed Options under the Offers. If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final.

If you are in doubt as to the course of action, you should consult your professional advisor(s).

## **1.7 Lead Manager**

The Company engaged the services of Xcel Capital to manage the Placement and the SPP. Refer to Section 5.5 for a summary of the material terms of the Lead Manager Mandate.

## **1.8 ASX quotation**

Application for Official Quotation of the New Listed Options offered pursuant to this Prospectus will be made to ASX within seven (7) days after the date of this Prospectus. The New Listed Options will only be admitted to Official Quotation if the quotation requirements under the ASX Listing Rules are satisfied. If the quotation requirements are not satisfied or ASX otherwise does not grant Official Quotation of the New Listed Options, the New Listed Options will be issued on an unquoted.

The fact that ASX may grant official quotation to the New Listed Options is not to be taken in any way as an indication of the merits of the Company or the New Listed Options now offered under this Prospectus.

## **1.9 Issue of New Listed Options**

The New Listed Options to be issued pursuant to the Offers will be issued in accordance with the timetable set out at the commencement of this Prospectus and otherwise in accordance with the ASX Listing Rules.

Holding statements for New Listed Options issued under the Offers will be mailed in accordance with the timetable set out at the commencement of this Prospectus and otherwise in accordance with the ASX Listing Rules.

## **1.10 CHESS and Issuer Sponsorship**

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers make up the Company's register of securities. The Company will not issue certificates to investors. Rather, holding statements (similar to bank statements) will be dispatched to investors as soon as practicable after issue.

Holding statements will be sent either by CHESS (for new investors who elect to hold their securities on the CHESS sub-register) or by the Company's Share Registry (for new investors who elect to hold their securities on the Issuer sponsored sub-register). The statements will set out the number of New Listed Options issued under the Prospectus and provide details of a Holder Identification Number (for new investors who elect to hold their securities on the Chess sub-register) or Security holder Reference Number (for new investors who elect to hold their securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each new investor following the month in which the balance of their holding of Securities changes, and also as required by the Listing Rules or the Corporations Act.

## **1.11 Risks**

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The New Listed Options on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

## **1.12 Overseas Applicants**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

### ***New Zealand***

The Offers are not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Offers are being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## **1.13 Taxation**

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Securities of the Company.

## **1.14 Privacy Disclosure**

Persons who apply for New Listed Options pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for securities to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for New Listed Options will not be processed. In accordance with privacy laws, information collected in relation to specific Applicants can be obtained by that Applicant through contacting the Company or the Share Registry.

## **1.15 Enquiries**

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding the Offers, please contact the Company Secretary on (08) 6559-1792, from 8.30am to 5.00pm WST, Monday to Friday.

## **2. RISK FACTORS**

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### **2.1 Introduction**

The Securities offered under this Prospectus should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their Entitlement, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the New Listed Options (or the underlying Shares) will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the Securities.

### **2.2 Company specific**

#### **2.2.1 Exploration risk**

Mineral exploration by its nature is a high risk activity and there can be no guarantee of exploration success on the Company's projects. There can be no assurance that exploration of the tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Further, exploration involves certain operating hazards, such as failure and or breakdown of equipment, adverse geological, seismic and geotechnical conditions, industrial accidents, labour disputes, adverse weather conditions, pollution and other environmental hazards and risks.

#### **2.2.2 Budget risk**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

#### **2.2.3 Additional requirements for capital**

The future capital requirements of the Company will depend on many factors including the results of future exploration and business development activities. The Company believes its available cash and resources should be adequate to fund its obligations in respect of its exploration work program, business development activities and other objectives for the next 12 months. Should the Company's exploration program be successful or the Company identify additional projects it may wish to pursue, additional funds will be required to advance the Company's projects.

Additional funding may be raised by the Company via the issues of equity, debt or a combination of debt and equity or asset sales. Any additional equity financing will dilute Shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its programs or enter into joint venture arrangements to reduce expenditure and this could have a material adverse effect on the Company's activities. Unfavourable market conditions may adversely affect the Company's ability to raise additional funding regardless of the Company's operating performance.

#### **2.2.4 New projects and acquisitions and joint ventures**

The Company will continue to actively pursue and assess, other new business opportunities particularly those in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.

If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available).

Furthermore, any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involves a new commodity and/or changes the Company's capital/funding requirements.

Should the Company propose or complete the acquisition of a new project or business activity, investors should re-assess their investment in the Company in light of the new project/business activity.

#### **2.2.5 Resources estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally made may alter significantly when new information or techniques become available.

In addition, by their very nature, resource estimates are imprecise and depend on interpretations which may prove to be inaccurate, and whilst the Company will employ industry-standard techniques including compliance with the JORC Code to reduce the resource estimation risk, there is no assurance that this approach will alter the risk. As further information becomes available through additional fieldwork and analysis, resource estimates may change. This may result in alterations to mining and development plans which may in turn adversely affect the Company.

#### **2.2.6 Risk of not obtaining required permits**

The future operations of the Company, including in respect of the Red Valley Lithium Project, may require permits from various governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There is no assurance that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of lithium extraction facilities on its lithium properties or any other properties the Company may acquire in the future. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from commencing or continuing with mining operations, or proceeding with any future exploration or development of its lithium properties or other properties the Company may acquire in the future.

### **2.2.7 Joint venture risk**

The Company is currently, and may in the future become a party to joint venture agreements governing the exploration and development of its projects. There is a risk that one of the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture. This may have an adverse effect on the interests and prospects of the Company.

There can be no certainty that the parties will be able to settle the formal documentation in respect thereof. Failure to settle the terms of the formal documentation may result in termination of the joint venture and/or a potential dispute resolution process.

### **2.2.8 Commodity price volatility**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company including the international supply and demand for commodities, the quality of the minerals produced, actions taken by governments, forward selling activities and other macro-economic factors.

### **2.2.9 Environmental risk**

The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

## **2.3 General risks**

### **2.3.1 Coronavirus (COVID-19) risk**

The outbreak of the coronavirus disease ("COVID-19") is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and adverse impact on the Company. If any of these impacts appear material prior to close of the Offers, the Company will notify investors under a supplementary prospectus.

### **2.3.2 Market conditions and other economic risks**

General economic conditions, movements in interest and inflation rates, commodity prices and currency exchange rates may have an adverse effect on the Company's operations and any future development activities, as well as on its ability to fund those activities.

The price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### **2.3.3 Changes in government policies and legislation**

Any material adverse changes in government policies or legislation of Australia or the United States of America or any other country that the Company may acquire economic interests in may affect the viability and profitability of the Company.

### **2.3.4 Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

### **2.3.5 Insurance**

The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

## **2.4 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Listed Options offered under this Prospectus.

Therefore, the underlying Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Listed Options pursuant to this Prospectus.

### **3. PURPOSE AND EFFECT OF THE OFFERS**

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#### **3.1 Purpose of the Offers**

The primary purposes of this Prospectus is to:

- (a) issue the New Listed Options under the Offers;
- (b) facilitate secondary trading of the New Listed Options issued under the Offers; and
- (c) facilitate secondary trading of any Shares issued upon exercise of the New Listed Options issued under the Offers.

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). However, the Company is precluded from issuing a 'cleansing' notice in respect of the New Listed Options as they are not in a class of securities that were quoted securities at all times in the last 3 months. The Company is also unable to rely on disclosure relief provided by *ASIC Corporations (Shares and Interest Purchase Plans) instruments 2019/547* as it does not extend to the offer of options under a share purchase plan.

Consequently, the Company has issued this Prospectus in respect of the Offers to the Placement Participants, SPP Participants and the Lead Manager. Issuing the New Listed Options under this Prospectus will enable persons who are issued the New Listed Options to on-sell their New Listed Options, and any Shares issued on exercise of the New Listed Options pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

#### **3.2 Proposed use of funds**

No funds will be raised from the issue of the New Listed Options pursuant to this Prospectus as the:

- (a) Placement Options are offered as free attaching to the Placement Shares on a 1:2 basis;
- (b) SPP Options are offered as free attaching to the SPP Shares on a 1:2 basis; and
- (c) Lead Manager Options are being issued as consideration for services provided to the Company in connection with the Placement and SPP.

The Company intends to apply the funds raised under the Placement and the SPP (approximately \$540,000) towards assessment of new assets, further ongoing assessment of the Mokabi-Kasiri Projects results for copper potential, general working capital and costs of the Placement, the SPP and the Offers.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

Refer to Section 5.10 for details of the estimated expenses of the Offers.



### 3.3 Effect of the Offers

The principal effect of the Offers (assuming all New Listed Options offered under this Prospectus are issued) will be that 74,500,000 New Listed Options will be issued (being 30,000,000 Placement Options, 37,500,000 SPP Options and 7,000,000 Lead Manager Options).

The effect of the Offers on the capital structure of the Company is set out in Section 3.6.

### 3.4 Effect on control of the Company

The Offers will not have a material impact on the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

The maximum number of New Listed Options proposed to be issued under the Offers is 74,500,000 New Listed Options. If all these New Listed Options are exercised, the Shares issued on exercise will represent approximately 7% of the Shares on issue following completion of the Offers.

### 3.5 Pro Forma Statement of Financial Position

Set out in Annexure A is an unaudited pro-forma statement of financial position of the Company prepared using the reviewed statement of financial position of the Company as at 31 December 2019 and on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position as a result of the Offers, the Placement and the SPP.

The statements of financial position have been prepared to provide information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

### 3.6 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offers (assuming all New Listed Options are issued, no other Securities are issued, and no other existing Securities are exercised or converted into Shares are exercised) is set out below.

Security	Number
<b>Shares</b>	
Shares on issue as at the date of this Prospectus <sup>1</sup>	<b>1,013,036,775</b>
<b>Total Shares on issue on completion of the Offers</b>	<b>1,013,036,775</b>
<b>Options</b>	
Options on issue as at the date of this Prospectus <sup>2</sup>	35,000,000
Placement Options to be issued to the Placement Participants pursuant to the Placement Options Offer <sup>3</sup>	30,000,000

SPP Options to be issued to the SPP Participants pursuant to the SPP Options Offer <sup>4</sup>	37,500,000
Lead Manager Options to be issued to the Lead Manager pursuant to the Lead Manager Options Offer <sup>5</sup>	7,000,000
<b>Subtotal – New Listed Options to be issued under the Offers<sup>6</sup></b>	<b>74,500,000</b>
<b>Total Options on issue on completion of the Offer</b>	<b>109,500,000</b>
<b>Performance Rights</b>	
Performance Rights on issue as at the date of this Prospectus <sup>7</sup>	<b>19,500,000</b>
<b>Total Performance Rights on issue on completion of the Offers</b>	<b>19,500,000</b>

**Notes:**

- 1 Shares currently on issue includes 60,000,000 Placement Shares issued under the Placement and 75,000,000 SPP Shares issued under the SPP.
- 2 Options currently on issue are comprised of 35,000,000 unquoted Options exercisable at \$0.02 and expiring 28 June 2023.
- 3 Placement Options to be issued to the Placement Participants on the basis of one (1) Placement Option for every two (2) Placement Shares subscribed for and issued under the Placement.
- 4 SPP Options to be issued to the SPP Participants on the basis of one (1) SPP Option for every two (2) SPP Shares subscribed for and issued under the SPP. Includes a total of 1,500,000 SPP Options to be issued to Jeremy King (or his nominee) subject to Shareholder approval, which the Company intends to seek at its next general meeting.
- 5 Lead Manager Options to be issued to the Lead Manager in consideration for services provided in respect of the Placement and SPP. Refer to Section 5.5 for further details regarding the material terms of the Lead Manager Mandate.
- 6 New Listed Options are exercisable at \$0.008 and expire 12 months from the date of issue. The full terms and condition of the New Listed Options are set out in Section 4.3.
- 7 Comprising 19,500,000 Tranche 3 Performance Rights which vest upon the volume weighted average price (**VWAP**) for 10 consecutive trading days of Shares on ASX equalling or exceeding \$0.05 within 36 months of the date of issue. 5,500,000 Tranche 1 Performance Rights and 9,500,000 Tranche 2 Performance Rights have lapsed as the vesting conditions are incapable of satisfaction. The Performance Rights were issued to the Directors on 1 June 2018 following Shareholder approval at the Company's general meeting held on 15 May 2018.

### 3.7 Details of substantial holders

Based on public information as at the date of this Prospectus, the persons who (together with their associates) have a relevant interest in 5% or more of the Company's securities are set out below:

Shareholder	Shares	%
McNeil Nominees Pty Limited	92,544,401	9.87%

## **4. RIGHTS ATTACHING TO SECURITIES**

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### **4.1 Terms and Conditions of New Shares**

All New Shares issued will rank pari passu in all respects with the Company's existing ordinary fully paid shares. The Company will apply for Official ASX Quotation of all Shares issued upon exercise of New Listed Options issued under the Offer.

### **4.2 Rights and Liabilities Attaching to Shares**

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, the Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings and notices**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of the Company every holder of fully paid Shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per Share on a poll.

A person who holds a Share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share.

#### **(c) Issue of further Shares**

The Directors may, on behalf of the Company, issue or grant Options over Shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the Shares in any special class of those Shares.

#### **(d) Variation of rights**

At present, the Company has on issue one class of Shares only, namely ordinary Shares. Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the Shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued Shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued Shares of the affected class.

#### **(e) Transfer of Shares**

Subject to the Constitution, the Corporations Act and the Listing Rules, ordinary Shares are freely transferable.

(f) **Dividends**

Subject to the Corporations Act, the Listing Rules and the rights attaching to Shares issued on special conditions (at present there are none), the Directors may from time to time declare that a dividend is payable to the holders of ordinary Shares in proportion to the number of Shares held by them respectively and are paid proportionately to the amounts paid or credited as paid on Shares.

(g) **Winding up**

Subject to the Constitution, the Corporations Act and the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set the value the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between members or different classes of members.

(h) **Dividend reinvestment and share plans**

The Directors may grant to Shareholders or any class of Shareholders the right to elect that dividends payable by the Company be reinvested, including by way of subscription for fully paid Shares in the Company or by foregoing any dividends that may be payable on all or some of the Shares held by that member and to receive instead some other entitlement, including the issue of Shares.

(i) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have power to manage the business of the Company and may exercise all powers of the Company as are not required by the Corporations Act, Listing Rules or Constitution, required to be exercised by the Company at general meeting.

(j) **Unmarketable parcels**

The Constitution permits the Company to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the Listing Rules.

If a Shareholder does not want its Shares sold, that Shareholder may notify the Company accordingly.

(k) **Capitalisation of profits**

The Company may capitalise profits, reserves or other amounts available for distribution to members. Subject to the Constitution and the terms of issue of Shares, members are entitled to participate in a capital distribution in proportion to the number of Shares held by them.

(l) **Preference Shares**

The Company may issue preference Shares including preference Shares that are liable to be redeemed.

### **4.3 Rights and Liabilities Attaching to New Listed Options**

The rights and liabilities attaching to the New Listed Options are as follows:

(a) **Entitlement**

Subject to paragraph (n), each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraphs (k) and (m), the amount payable upon exercise of each Option will be \$0.008 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (WST) on the date that is 12 months from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **(Notice of Exercise)**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

(i) the Exercise Date; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

(iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Quotation of Options**

The Company will seek quotation of the Options in accordance with the Listing Rules and Corporations Act, subject to satisfaction of the quotation conditions of the ASX Listing Rules. In the event that quotation of the Options cannot be obtained, the Options will remain unquoted.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Option optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) **Adjustment for rights issue**

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(n) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option optionholder would have received if the optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

## **5. ADDITIONAL INFORMATION**

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### **5.1 Company Update**

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website at [www.redmountainmining.com.au](http://www.redmountainmining.com.au).

### **5.2 Nature of this Prospectus**

The New Listed Options to be issued pursuant to this Prospectus are options over continuously quoted securities. This Prospectus is issued under the special prospectus content rules for continuously quoted securities in Section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information reasonably necessary to make an informed assessment of:

- (a) the effect of the Offers on the Company; and
- (b) the rights and liabilities attaching to the New Listed Options offered pursuant to this Prospectus and the underlying securities.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company.

### **5.3 Continuous Reporting and Disclosure Obligations**

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Offer. To do so, please refer to the Company's ASX announcements platform via [www.asx.com.au](http://www.asx.com.au).

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction-specific" prospectus in respect of the Offer.

In general terms, a "transaction-specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all

of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report of the Company for the financial year ended 30 June 2019;
  - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
  - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offers. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 30 June 2019 on 27 September 2019.

Date	Title
06/07/2020	Change of Director's Interest Notice x 3
06/07/2020	Cleansing Notice
06/07/2020	Appendix 2A
06/07/2020	RMX to acquire highly prospective WA Gold Project
02/07/2020	Trading Halt
29/06/2020	RMX Secures Footprint in Emerging Gold Region
29/06/2020	RMX Closes Oversubscribed SPP – Amended



Date	Title
29/06/2020	RMX Closes Oversubscribed SPP
18/06/2020	Mukabe Kasari Exploration
04/06/2020	Despatch of Share Purchase Plan Documentation
02/06/2020	Cleansing Statement
02/06/2020	Appendix 2A
29/05/2020	Proposed issue of Securities - RMX
29/05/2020	RMX Fully Funded & Company Update
25/05/2020	Trading Halt
15/05/2020	Change of Director's Interest Notice
30/04/2020	Quarterly Activities Report & Appendix 5B
20/03/2020	Results of Meeting
17/03/2020	RMX Completes Geological Data Compilation at Mt Mansbridge
13/03/2020	Half Yearly Report and Accounts
06/03/2020	Change of Director's Interest Notice
20/02/2020	Notice of General Meeting/Proxy Form
11/02/2020	RMX to Acquire and Drill Mt Mansbridge
31/01/2020	Quarterly Activities Report & Appendix 5B
18/12/2019	Further Excellent Testwork Results at MT Kokeby
17/12/2019	Constitution
10/12/2019	Presentation December 2019
06/12/2019	Cleansing Notice
06/12/2019	Appendix 3B
03/12/2019	Mt Kokeby Kaolin Returns Outstanding Yields
28/11/2019	Results of Annual General Meeting
19/11/2019	High Grade Kaolin Results Confirm DSO Potential
30/10/2019	Quarterly Activities Report
30/10/2019	Quarterly Cashflow Report
30/10/2019	Expiry of Quoted Options
29/10/2019	Notice of Annual General Meeting/Proxy Form
29/10/2019	RMX Expands Footprint at Mt Mansbridge HREE Project
24/10/2019	Company Strategy Update on Upcoming Acquisitions
23/10/2019	Mt Kokeby Ground Work Commences
02/10/2019	Additional Disclosure Under LR7.1A.4(B) & LR3.10.5A
02/10/2019	Cleansing Notice
02/10/2019	Appendix 3B
01/10/2019	Reinstatement to Official Quotation
01/10/2019	RMX to Acquire High Grade Kaolin Project - MT Kokeby

Date	Title
30/09/2019	Extension of Voluntary Suspension
27/09/2019	Corporate Governance Statement
27/09/2019	Appendix 4G

## 5.4 Market Price of Shares

The highest and lowest closing prices of Shares on the ASX during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

	Price (\$)	Date
Highest	\$0.006	1 July and 6 July 2020
Lowest	\$0.003	7 April, 9 April, 14 April, 15 April, 20 April, 24 April, 27 April, 30 April, 1 May to 8 May, 13 May, 18 May and 12 June 2020
Last	\$0.006	6 July 2020

## 5.5 Lead Manager Mandate

The Company engaged the services of Xcel Capital to manage the Placement and the SPP. Pursuant to the Lead Manager Mandate, the Company has agreed to:

- (a) pay Xcel Capital a capital raising fee of 6% (exclusive of GST) on the gross proceeds of all funds raised by Xcel Capital under the Placement and the Plan;
- (b) pay Xcel Capital a management fee of \$10,000 (exclusive of GST) for managing the Placement and the SPP; and
- (c) issue Xcel Capital (or its nominee) 7,000,000 Lead Manager Options in consideration for its services in relation to the Placement and SPP.

The Lead Manager Mandate otherwise contains terms and conditions considered standard for an agreement of this nature.

## 5.6 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

## 5.7 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- (a) to induce him to become, or to qualify him as, a Director; or
- (b) for services rendered by him in connection with the formation or promotion of the Company or the Offer.

### **Remuneration**

The remuneration (including superannuation) paid to the Directors for the two financial years prior to the date of this Prospectus, and proposed to be paid to the Directors for the current financial year (on an annualised basis), is set out below.

Director	FY 2018	FY 2019	FY 2020
Jeremy King <sup>1</sup>	\$120,000	\$120,000 <sup>4</sup>	\$120,000
Lincoln Ho <sup>2</sup>	\$36,000	\$36,000 <sup>5</sup>	\$36,000
Robert Parton <sup>3</sup>	\$24,000	\$24,000 <sup>6</sup>	\$24,000

#### **Notes:**

- 1 Jeremy King was appointed as Non-Executive Director on 19 July 2016.
- 2 Lincoln Ho was appointed as Non-Executive Director on 1 July 2016.
- 3 Robert Parton was appointed as Non-Executive Director on 1 December 2016.
- 4 Mr King also received (following Shareholder approval) 3,000,000 Tranche 1 Performance Rights, 6,000,000 Tranche 2 Performance Rights and 13,000,000 Tranche 3 Performance Rights as part of his remuneration as a Non-Executive Director of the Company. The Tranche 1 Performance Rights and Tranche 2 Performance Rights have lapsed as the vesting conditions are incapable of satisfaction. Refer to the Company's notice of meeting for its general meeting held on 15 May 2018 for the full terms and conditions of the Performance Rights.
- 5 Mr Ho also received (following Shareholder approval) 2,000,000 Tranche 1 Performance Rights, 3,000,000 Tranche 2 Performance Rights and 6,000,000 Tranche 3 Performance Rights as part of his remuneration as a Non-Executive Director of the Company. The Tranche 1 Performance Rights and Tranche 2 Performance Rights have lapsed as the vesting conditions are incapable of satisfaction. Refer to the Company's notice of meeting for its general meeting held on 15 May 2018 for the full terms and conditions of the Performance Rights.
- 6 Mr Parton also received (following Shareholder approval) 500,000 Tranche 1 Performance Rights, 500,000 Tranche 2 Performance Rights and 500,000 Tranche 3 Performance Rights as part of his remuneration as a Non-Executive Director of the Company. The Tranche 1 Performance Rights and Tranche 2 Performance Rights have lapsed as the vesting conditions are incapable of satisfaction. Refer to the Company's notice of meeting for its general meeting held on 15 May 2018 for the full terms and conditions of the Performance Rights.

### **Securities**

The securities in which the Directors and their associates have or are proposed to have relevant interests in at the date of this Prospectus are set out below.

Director	Shares	Options	Performance Rights <sup>1</sup>
Jeremy King <sup>2</sup>	13,000,000	Nil <sup>3</sup>	13,000,000

Lincoln Ho <sup>4</sup>	4,000,000	Nil	6,000,000
Robert Parton <sup>5</sup>	Nil	Nil	500,000

**Notes:**

- 1 Comprising 19,500,000 Tranche 3 Performance Rights which vest upon the VWAP for 10 consecutive trading days of Shares on ASX equalling or exceeding \$0.05 within 36 months of the date of issue. The Tranche 1 Performance Rights and Tranche 2 Performance Rights have lapsed as the vesting conditions are incapable of satisfaction. The Performance Rights were issued to the Directors on 1 June 2018 following Shareholder approval at the Company's general meeting held on 15 May 2018. Refer to the Company's notice of meeting for its general meeting held on 15 May 2018 for the full terms and conditions of the Performance Rights.
- 2 Held indirectly by Bushwood Nominees Pty Ltd, a company of which Mr King is a director.
- 3 The Company intends to seek Shareholder approval at its next general meeting to issue 1,500,000 SPP Options to Mr King (or his nominee).
- 4 3,000,000 Shares held indirectly by Saltus Corporate Pty Ltd as trustee for the LLPMH Investment Trust. Mr Ho is a director of the trustee and beneficiary of the trust.
- 5 Held indirectly by TPG Australasia Pty Ltd, a company of which Mr Parton is a director.

## 5.8 Related Party Transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus.

## 5.9 Interests and Consents of Advisers

Other than as set out below or elsewhere in this Prospectus, no underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or has held within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Pursuant to Section 716 of the Corporations Act, Nova Legal has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Nova Legal has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name. Nova Legal has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Nova Legal approximately \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Nova Legal has received fees of \$49,507 (including GST and disbursements) in respect of general legal services provided to the Company.

Pursuant to Section 716 of the Corporations Act, Xcel Capital has given, and has not withdrawn its consent to being named as Lead Manager to the Placement and SPP in this Prospectus. Xcel Capital has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name. Refer to Section 5.5 for details of the fees payable to Xcel Capital as consideration for services provided in respect of the Placement and the SPP. During the 24 months preceding lodgement of this Prospectus with the ASIC, Xcel Capital has received fees of \$549,340 (including GST) in respect of services provided to the Company.

Computershare Investor Services Pty Limited (**Share Registry**) has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Application Forms received pursuant to this Prospectus, and are paid for these services on standard industry terms and conditions. References to the Share Registry appear for information purposes only. The Share Registry has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registry in the form and context in which it is named. The Share Registry has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. The Share Registry has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

RSM Australia Partners (**Auditor**) has given and, as at the date hereof, has not withdrawn, its written consent to use of the reviewed statement of financial position as at 31 December 2019 set out in Annexure A of this Prospectus. The Auditor has had no involvement in the preparation of any part of the Prospectus other than being named as Auditor to the Company. The Auditor has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

## 5.10 Estimated Expenses of the Offers

In the event the Offers are fully subscribed, the estimated expenses of the Offers (excluding GST) are as follows:

Item	Amount (\$)
ASIC fees	\$3,206
ASX fees	\$4,421
Legal and other professional fees	\$10,000
Printing, registry and other expenses	\$2,000
<b>Total</b>	<b>\$19,627</b>

**Note:** The Company engaged the services of Xcel Capital to manage the Placement and the SPP. Refer to Section 5.5 for details of the fees payable to Xcel Capital pursuant to the Lead Manager Mandate.

## 5.11 Electronic Prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

## 6. DIRECTOR'S CONSENT

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This Prospectus is dated 7 July 2020 and is issued by Red Mountain Mining Limited.

The Directors have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Red Mountain Mining Limited has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of Red Mountain Mining Limited:

A handwritten signature in black ink, appearing to read 'Jeremy King', with a stylized flourish at the end.

**Jeremy King**  
**Non-Executive Director**

## 7. DEFINITIONS

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**Applicant** means a person who applies for New Listed Options pursuant to the Offers.

**Application Form** means an application form attached to or accompanying this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) operating as the Australian Securities Exchange.

**Business Day** means any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules.

**CHESS** means Clearing House Electronic Sub-register System of ASX Settlement Pty Ltd (ACN 008 504 532).

**Closing Date** means the closing date of the Offers being 5.00pm WST on 8 July 2020 (unless extended).

**Company** means Red Mountain Mining Limited (ACN 119 568 106).

**Constitution** means the Company's Constitution as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Cth** means the Commonwealth of Australia.

**Directors** means directors of the Company.

**Dollars** or **\$** means dollars in Australian currency.

**Eligible Participants** means the Placement Participants, the SPP Participants and the Lead Manager.

**Eligible Shareholder** means a person registered as the holder of Shares as at 5.00pm WST on the SPP Record Date whose registered address is in Australia or New Zealand.

**GST** means goods and service tax levied in Australia pursuant to A New Tax System (Goods and Services Tax) Act 1999 (Cth).

**Lead Manager** or **Xcel Capital** means Xcel Capital Pty Ltd (ACN 617 047 319).

**Lead Manager Options** means the listed Options offered pursuant to the Lead Manager Options Offer, on the terms and conditions set out in Section 4.3.

**Lead Manager Options Offer** has the meaning given in Section 1.2(c).

**Listing Rules** means the Listing Rules of the ASX.

**New Listed Options** means the Placement Options, SPP Options and Lead Manager Options offered pursuant to the Offers, on the terms and conditions set out in Section 4.3.

**Offers** means the Placement Options Offer, SPP Options Offer and Lead Manager Options Offer.

**Official List** means the official list of ASX.



**Opening Date** means 7 July 2020.

**Option** means an option to acquire a Share.

**Placement** has the meaning given to it in Section 1.1.

**Placement Options** means the listed Options offered pursuant to the Placement Options Offer, on the terms and conditions set out in Section 4.3.

**Placement Options Offer** has the meaning given in Section 1.2(a).

**Placement Participants** has the meaning given in Section 1.1.

**Placement Shares** means the Shares issued pursuant to the Placement.

**Prospectus** means this prospectus dated 7 July 2020.

**Quotation** and **Official Quotation** means official quotation on ASX.

**Securities** means Shares and/or Options.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share as recorded in the register of the Company.

**Share Registry** means Computershare Investor Services Pty Limited.

**SPP** has the meaning given in Section 1.1.

**SPP Options** means the listed Options offered pursuant to the SPP Options Offer, on the terms and conditions set out in Section 4.3.

**SPP Options Offer** has the meaning given in Section 1.2(b)

**SPP Participants** has the meaning given in Section 1.1.

**SPP Record Date** means 5.00pm (WST) on Thursday, 28 May 2020.

**WST** means Western Standard Time, Perth, Western Australia.

## Annexure A – Pro-Forma Statement of Financial Position

### Pro-Forma Statement of Financial Position as at 31 December 2019

	Reviewed 31-Dec-19	Pro Forma Adjustments (a), (b), (c),	Pro Forma After Issue
	\$	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & cash equivalents	1,945,621	473,899	2,419,520
Trade and other receivables	252,673		252,673
Financial assets at fair value through profit or loss	241,840		241,840
<b>Total Current Assets</b>	<b>2,440,134</b>	<b>473,899</b>	<b>2,914,033</b>
<b>Non-Current Assets</b>			
Exploration and evaluation expenditure	671,339		671,339
Right of use asset	104,892		104,892
<b>Total Non-Current Assets</b>	<b>776,231</b>	<b>-</b>	<b>776,231</b>
<b>TOTAL ASSETS</b>	<b>3,216,365</b>	<b>473,899</b>	<b>3,690,264</b>
<b>Current Liabilities</b>			
Trade and other payables	153,011		153,011
Lease liability	108,532		108,532
<b>Total Current Liabilities</b>	<b>261,543</b>	<b>-</b>	<b>261,543</b>
<b>TOTAL LIABILITIES</b>	<b>261,543</b>	<b>-</b>	<b>261,543</b>
<b>NET ASSETS</b>	<b>2,954,822</b>	<b>473,899</b>	<b>3,428,721</b>
<b>Equity</b>			
Contributed equity	42,088,963	497,560	42,586,523
Reserves	10,695,531	10,897	10,706,428
Accumulated losses	(49,829,672)	(34,559)	(49,864,231)
<b>TOTAL EQUITY</b>	<b>2,954,822</b>	<b>473,899</b>	<b>3,428,721</b>

The unaudited pro forma statement of financial position has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 31 December 2019 and the completion of the Offers other than:

- 1 the issue of 60,000,000 Placement Shares at an issue price of \$0.004 per Placement Share under the Placement to raise \$240,000 (before costs)
- 2 the issue of 75,000,000 SPP Shares at an issue price of \$0.004 per SPP Share under the SPP to raise \$300,000 (before costs);
- 3 the issue of 30,000,000 Placement Options under the Placement Options Offer;

- 4 the issue of 37,500,000 SPP Options under the SPP Options Offer;
- 5 the issue of 7,000,000 Lead Manager Options under the Lead Manger Options Offer; and
- 6 total estimated costs of the Placement, the SPP and the Offers of \$76,998 (including ASX fees, ASIC fees, professional fees and Lead Manager Options valued at \$10,897).