
Quarterly Report for the quarter ending 31 December 2022

Red Mountain Mining Limited (the **Company**, **Red Mountain** or **RMX**) is pleased to provide the following report on its activities during the quarter ending 31 December 2022.

OPERATIONAL REVIEW

Acquisition of Lithium Projects in Nevada, USA

On 7 December 2022, the Company entered into a purchase agreement (the “**Purchase Agreement**”) with Lithic Lithium LLC (“**LLL**”), a US subsidiary of Chariot Corporation Limited (“**Chariot**”), to acquire the Lithic Lithium Project (“**Lithic**”) and the Mustang Lithium Project (“**Mustang**”) (collectively, “the **Projects**”), consisting of 153 claims covering 1,178 ha prospective for claystone hosted lithium in Nevada, the dominant claystone hosted lithium region in the United States of America (“**USA**”).

The Projects are in the prolific Big Smoky and Monte Cristo Basins of Esmeralda County, Central Nevada. This region currently hosts the only operating lithium mine in the USA (Silver Peak Lithium Mine NYSE: ALB) and is the nexus of claystone hosted lithium exploration and development in the USA. RMX’s peers in central Nevada have defined significant Lithium Carbonate Equivalent (LCE) mineral resources to NI 43-101 standards.

The Projects are in close proximity infrastructure, power, mining services and future offtake partners. Nevada is a top ranked jurisdiction for mining according to the Fraser Institute 2021 annual survey.

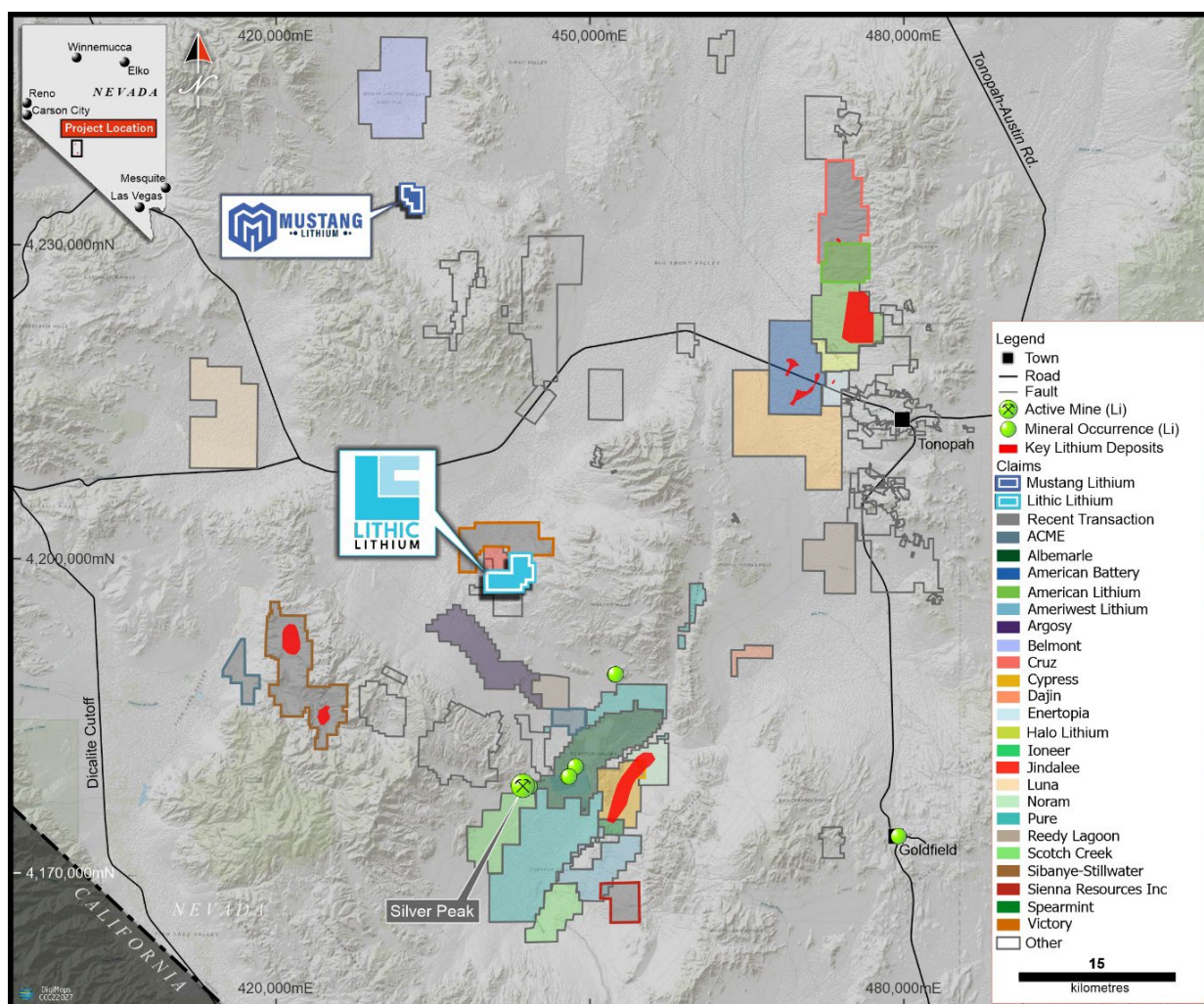


Figure 1: Location map showing RMX's two projects relative to its neighbours in Nevada

Regional Geology

In the mid-Tertiary period, the region underwent crustal extension and elevated thermal activity, developing the basin and range physiography and hydrologic closed basins throughout the district. This physiography combined with the abundance of volcanic activity depositing lithium-rich source rocks allowed for the containment and concentration of the lithium within the closed basins. The lithium-rich strata may represent several million years of lithium input and concentration within the basins that host the Lithic and Mustang properties.

Lithic Lithium Project

Lithic is located 29 km north of Silver Peak, the only operational lithium producing mine in the United States. The property consists of 115 claims (961 ha) and adjoins Jindalee's (**ASX: JRL**) Clayton North Project and Victory Resource's Smokey Lithium Project.

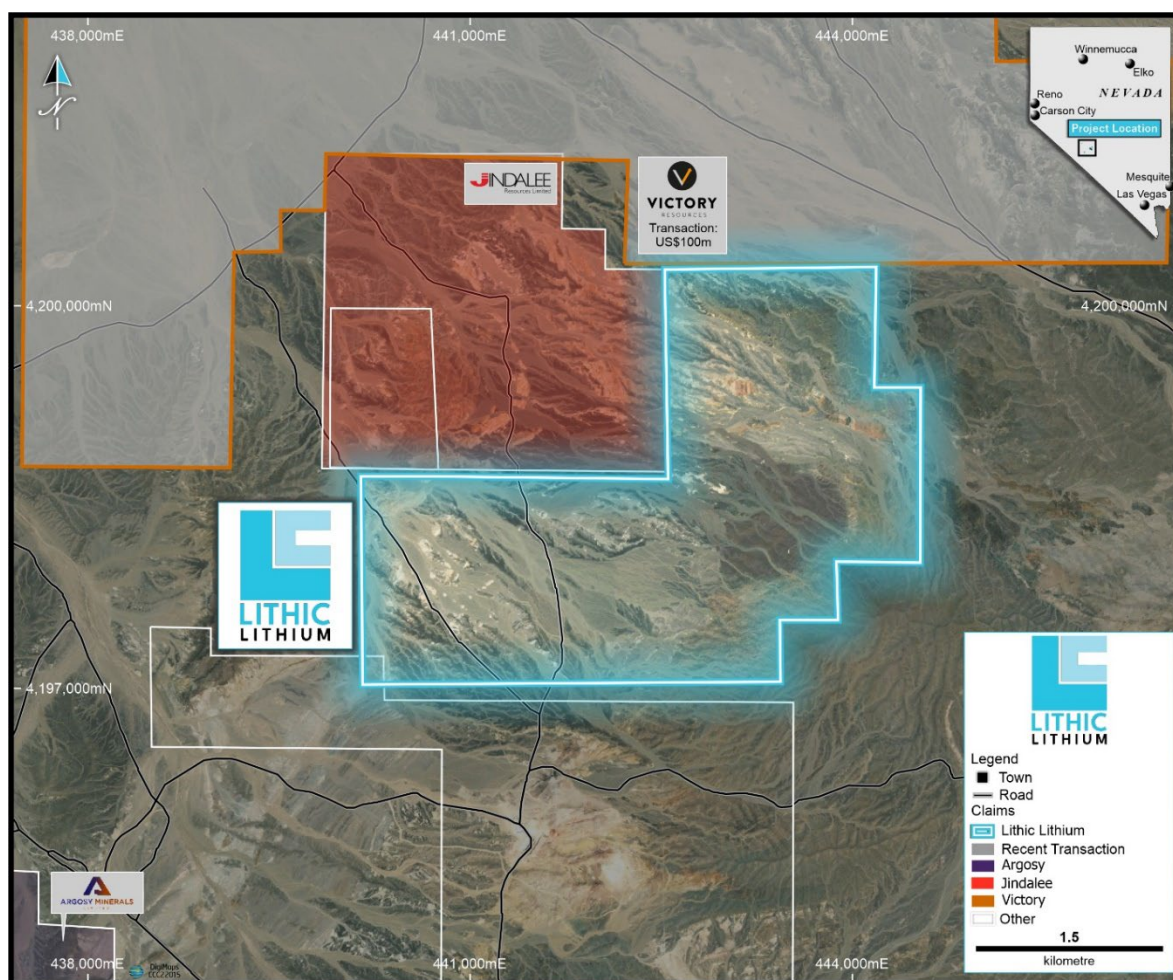


Figure 2: Location map showing RMX's Lithic project relative to its neighbours

The Lithic claim block has not been the subject of extensive exploration activities to date. However, Jindalee's maiden exploration drilling program (announced to ASX 18 November 2021) determined a northeast trending fault crosses the northern part of their claim block, resulting in a Quaternary gravel cover over the principal lithium target. The Lithic claim block is underlain by this same host lithology but is not covered by extensive Quaternary gravel.

Exploration Plans for Lithic

RMX intends to undertake additional sampling, geological mapping and reconnaissance of the Lithic property and surrounding areas of interest.

RMX also intends to conduct a line of shallow trenches, over a 2,000 m, northeast trending line through the centre of the claim block. Representative samples within the trench line will then be collected from the underlying volcanoclastic sediments and claystone and assayed to identify suitable exploration targets for RC drilling.

Mustang Lithium Project

Mustang is located on the south-eastern flank of the hydrologically closed Monte Cristo Valley, 9 km south of Belmont Resources Kibby Lake project and 40 km east of American Lithium's TLC deposit.

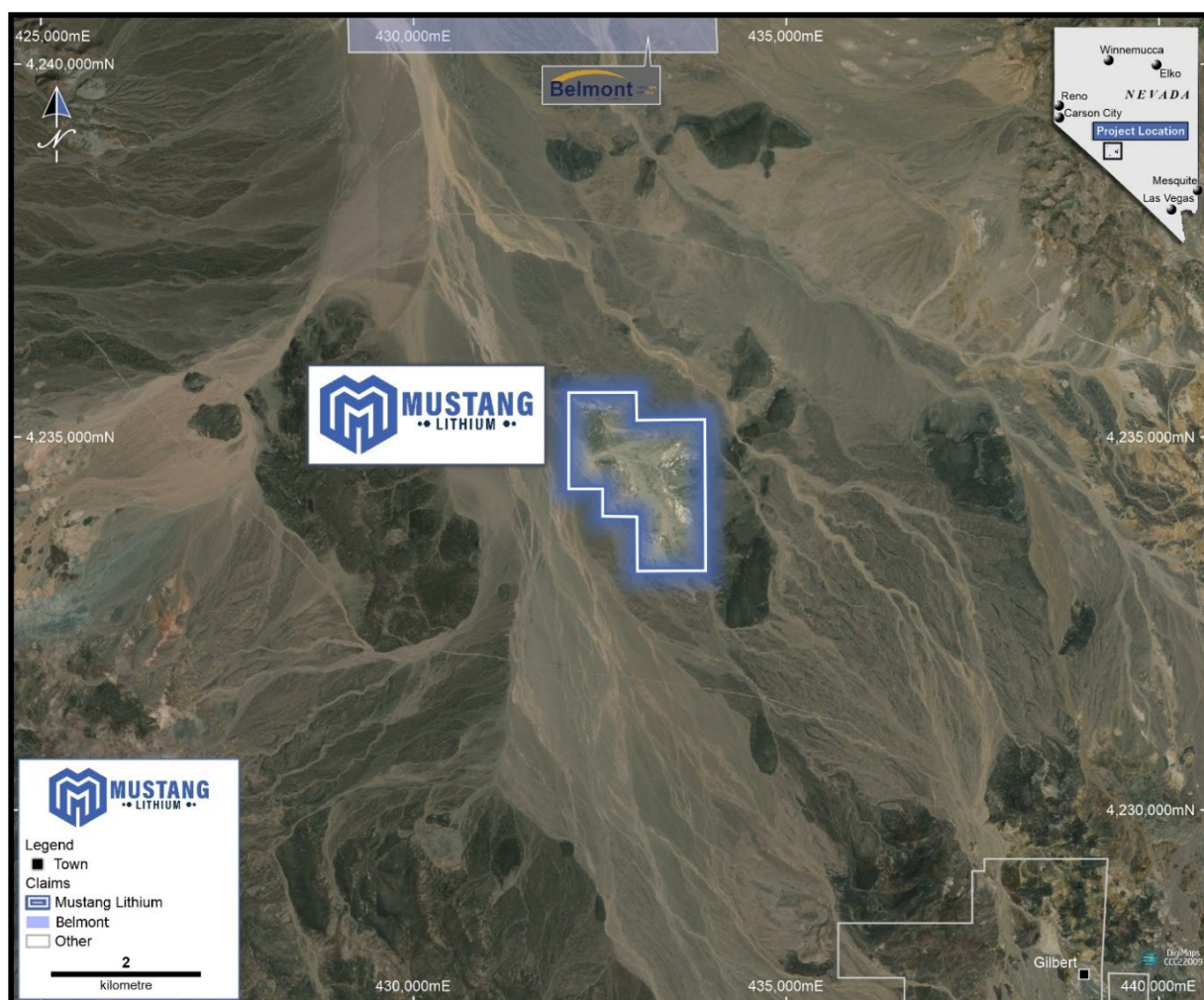


Figure 3: Location map showing RMX's Mustang project relative to the Kibby Lake Project

The Mustang project consists of 38 claims (217 ha) of a generally flat alluvial outwash plane with well exposed fines-dominant sediments and lithic tuffs. The outcrops are finely laminated mudstone beds and volcanic tuff and ash layers. This mixed unit of lacustrine sedimentary beds with minor volcanics is similar to host rocks found at American Lithium's TLC deposit and Cypress' Clayton Valley deposit. This claim area is within a mapped caldera with the Monte Cristo Valley containing a significant area of volcanic rock capable of supplying lithium to the closed basin. Andesite and basalt flows are exposed in all directions within 2 – 6 km of the project in erosional windows through the alluvium.

Exploration Plans for Mustang

The Company intends to conduct additional geological mapping and surface sampling within the Mustang property. These results will inform the RC drilling program which is expected to comprise wide-spaced drilling of approximately ten drill holes seventy metres deep. It is expected that the results from this drilling will provide information on the lithium mineralization to vector further drilling.

Terms of the Acquisition

Red Mountain previously paid Lithic Lithium LLC (“LLL”) an option fee of US\$35,000 for an exclusive 45-day option period and subsequently elected to purchase the Projects for the following consideration:

- (a) US\$150,000 cash. This cash consideration was paid in December 2022;
- (b) 179,487,179 fully paid ordinary shares, subject to shareholder approval at an upcoming General Meeting;
- (c) 102,564,103 performance rights that will vest and convert into one (1) share upon the Company’s determination that the Property contains lithium mineralization of an average lithium grade of 900 parts per million (ppm) determined from not more than 200 metres of drilling on the Property over not less than ten (10) drill holes during the period commencing on the effective date and ending on the 12-month anniversary of the effective date (Expiry Date);
- (d) 102,564,103 performance rights that will vest and convert into one (1) share upon the Company’s determination that the Property contains lithium mineralization of an average lithium grade of 900 parts per million (ppm) determined from not more than 400 metres of drilling on the Property over not less than twenty (20) drill holes during the period commencing on the effective date and ending on the 24-month anniversary of the effective date (Expiry Date); and
- (e) a Net Smelter Royalty (“NSR”) in favour of LLL of 2%.

LLL has agreed to a voluntary 6-month escrow period upon issuance of consideration shares.

Mt Mansbridge Heavy Rare Earths and Ni-Co-PGE Project – 100%

On 25 October 2022, the Company announced assay results from drilling undertaken at the Mt Mansbridge Project were received from the laboratory with additional Heavy Rare Earth Element enrichment confirmed in follow up drilling at the Solo Prospect.

The average ratio of HREO to TREO for the drilling at the Solo Prospect is 60.7%. Drilling has confirmed the presence of rare earths and in particular the large distribution of Yttrium and the dominance of heavy rare earth elements dysprosium (6.98%) and terbium (1.0%) in drill hole MMRC007. No significant results were present in drill holes MMRC008 or MMRC009.

Petrological studies confirmed that key rare earth element minerals Xenotime and Florencite were present.

This follows drilling in 2021² which intersected (5m 51-56m) from drillhole MMRC002 including:

- 0.316% Total Rare Earth Oxide (TREO)
- 0.246% Heavy Rare Earth Oxide (HREO)
- 0.070% Light Rare Earth Oxide (LREO)
- 0.170% Yttrium Oxide (Y₂O₃)
- 0.019% Dysprosium Oxide (Dy₂O₃)

The Solo Prospect consist of a structurally controlled 200m long zone of outcropping REE mineralisation within the Proterozoic aged prospective Killi-Killi Formation. Three holes were drilled by RMX into mineralized zone with hole MMRC002 returning the previously announced assay results (*RMX ASX Release 6 January 2022*).

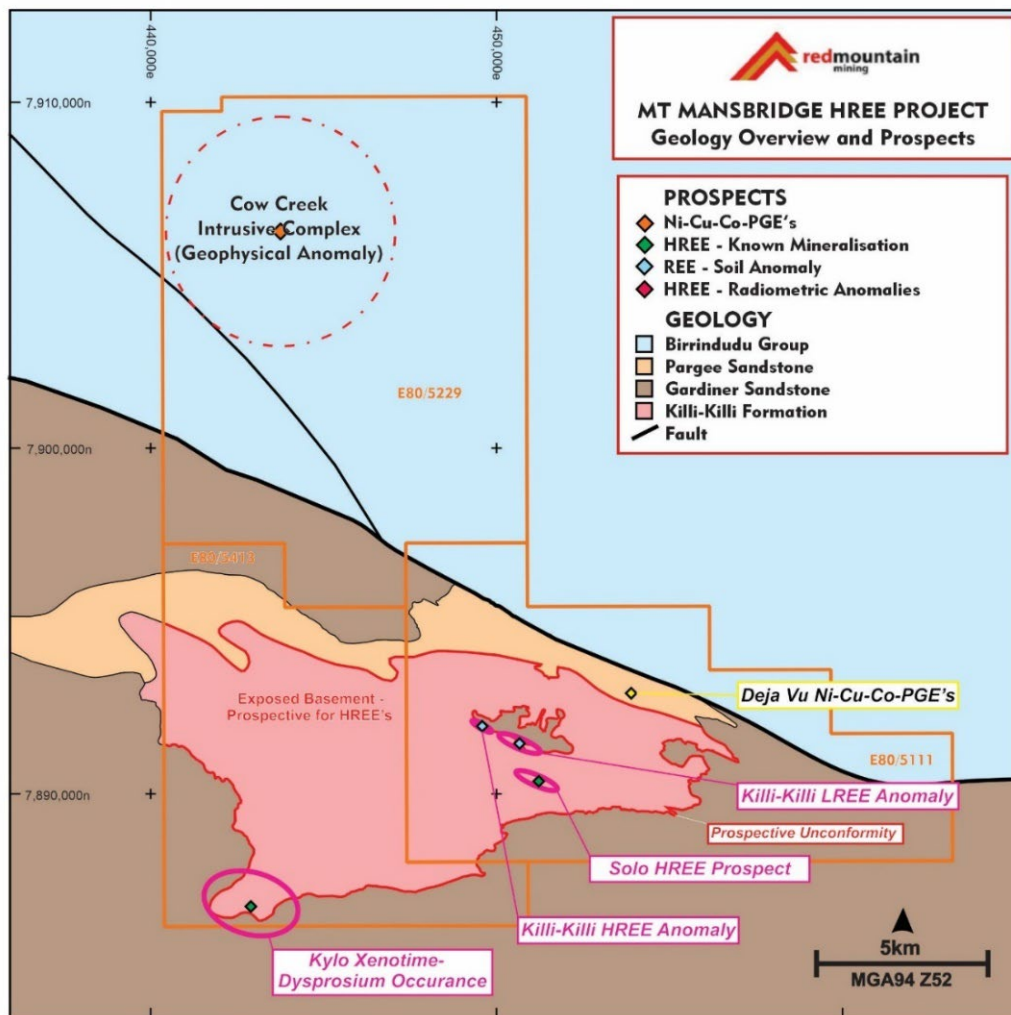


Figure 4: Mt. Mansbridge Project. Rare Earth Element and Nickel-Copper-Cobalt-PGE Prospects



Figure 5: Solo REE prospect drill hole locations

Déjà vu Prospect (Ni-Cu-Co-PGE's)

Three drill holes followed up previous investigations in the Déjà vu Prospect area. Results indicated nickel grades consistent with the presence of a thick ultramafic rock package including;

- MMRC010: 28m (57-85m) @ 0.14% Ni, 3071ppm Cr, 115ppm Co, and 20m (100-120m) @ 0.12% Ni, 2304ppm Cr, 103ppm Co;
- MMRC011: 25m (109-134m) @ 0.13% Ni, 2854ppm Cr, 111ppm Co, 34m (135-169m) @ 0.13% Ni, 2613ppm Cr, 108ppm Co, 8m (190-198m) @ 0.16% Ni, 2895ppm Cr, 118ppm Co, and 9m (199-208m) @ 0.17% Ni, 2693ppm Cr, 118ppm Co

Highest copper was 371ppm (MMRC011: 132-133m) associated with ultramafic rocks. Further investigation into the nature of Ni-Cu-Co-PGE prospectivity in the area is required.

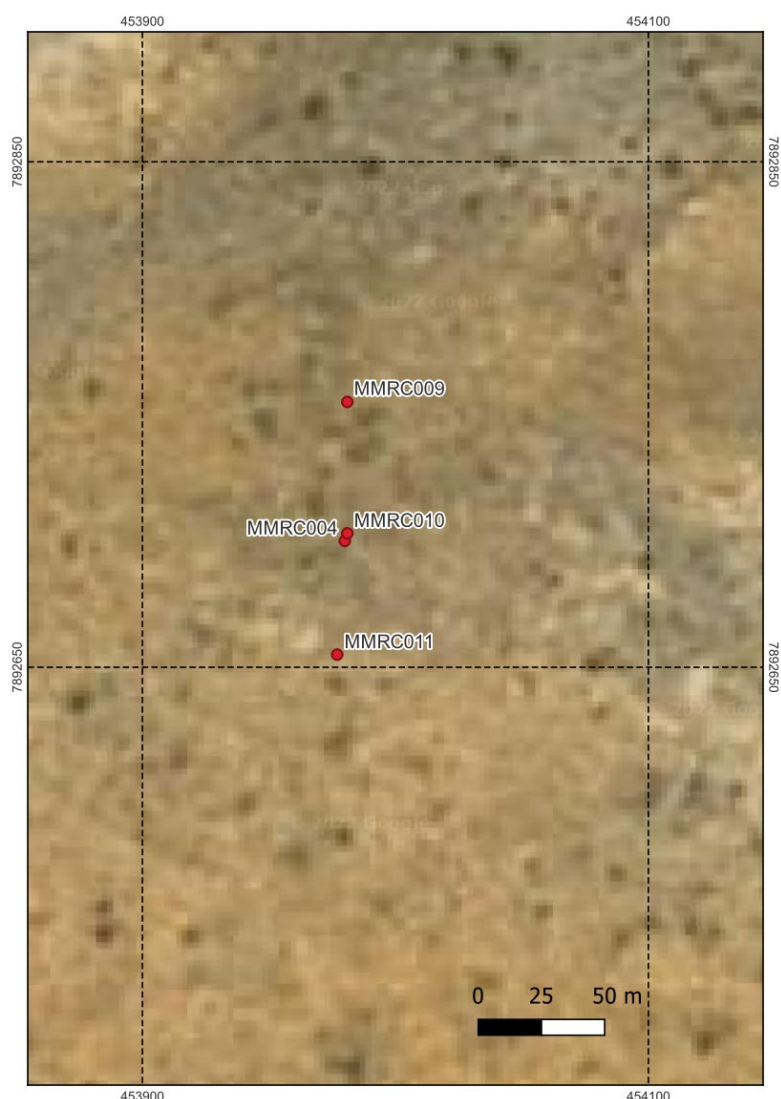


Figure 6: Déjà vu drill hole location

The Déjà vu Prospect was identified and drilled by CRAE between 1991 and 1993. The prospect was originally targeted for diamond bearing kimberlites, however it encountered serpentinitised peridotite. Sporadic sampling and assaying through the ultramafic intrusive unit returned several encouraging cobalt assay results between 70-100m **including 0.34%, 0.32% and 0.22% Co** (ASX Release 24 February 2021).

Cow Creek Prospect

Reconnaissance drill holes MMRC005 and MMRC006 were completed into the Cow Creek Prospect, targeting Ni-Co-PGE in a region interpreted as a mafic-ultramafic intrusive complex, similar to geology of the Sally Malay/Savannah Deposit.

No outcrop is present in the area. Drill hole geology and geochemistry confirmed the presence of arenitic sandstones in MMRC005. Undifferentiated mafic rocks were intersected from approximately 130m depth in MMRC006, with trace pyrite and chalcopyrite present from 155m to end of hole. Geochemical averages in mafic rocks are 75m (130-204m) @ 417ppm Cu, 13.9%Fe, with low Ni (47ppm) and Cr (3.7ppm) supporting the presence of mafic rocks.

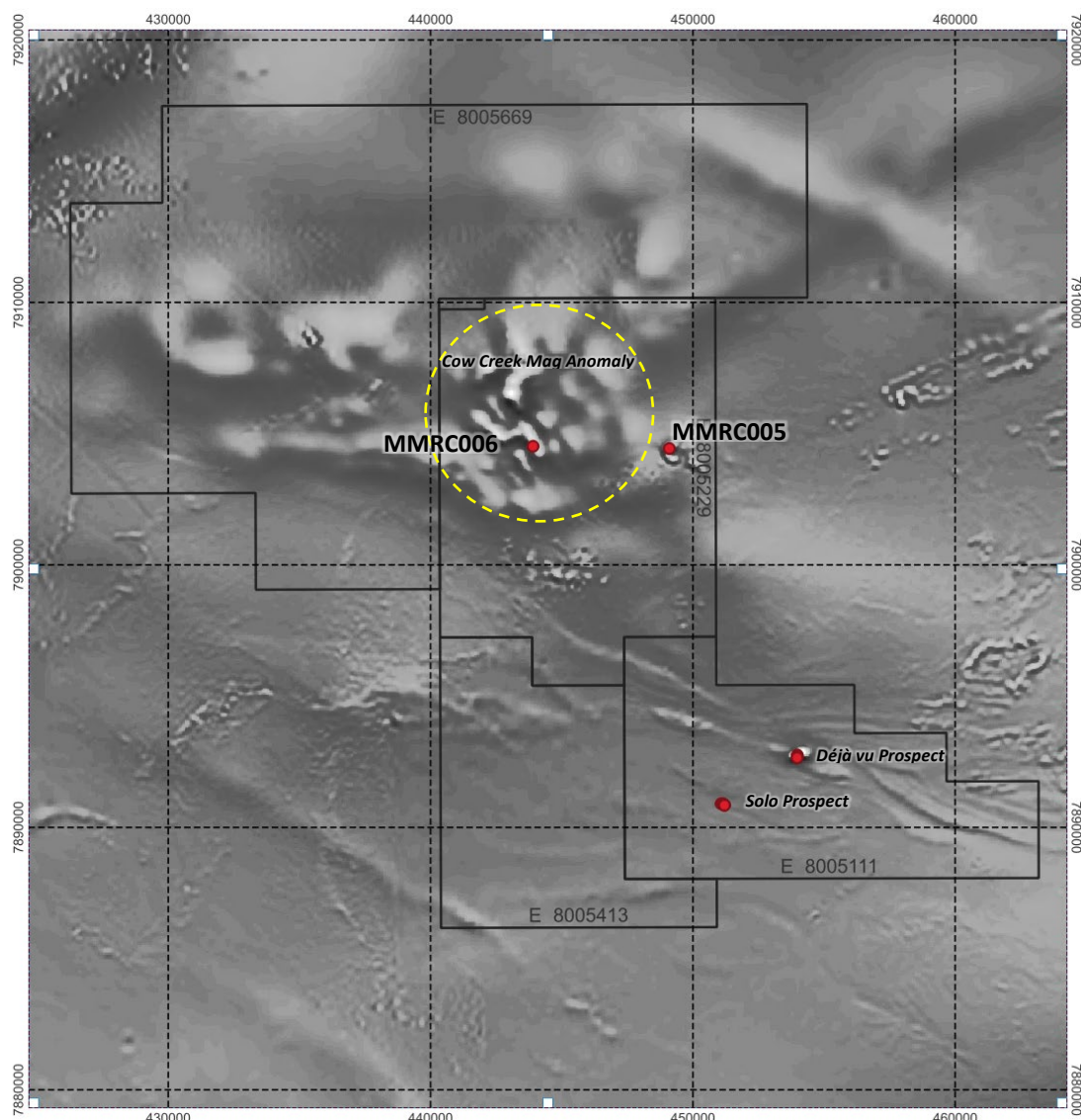


Figure 7: Red Mountain Project tenements showing location of the Cow Creek Magnetic anomaly, reconnaissance drill holes MMRC005 and 006, and the Solo REE and Déjà vu Ni-Cu-Co-PGE projects. Background is the W.A. state 40m magnetics 1VD.

Red Mountain shall undertake further analyses of recent drilling data and consult with the geological team to determine strategies going forward for the Mt Mansbridge exploration plan.

Nannup Lithium, Nickel, Gold & Base Metals Project – 100%

The Nannup project is a granted exploration tenement south-west of Greenbushes lithium, Western Australia. The Project is prospective for lithium and located in the southwest terrane with potential to support a Julimar-style geological system.

An initial exploration program is being planned to further identify the lithium, nickel, gold and base metals potential which is expected to commence once land access agreements are granted.

Koonenberry Gold Project – 100%

The Koonenberry Gold Project covers approximately 657 km² and is located in a geologic setting considered analogous to the prolific Victorian Goldfields located in south-eastern Australia. The Koonenberry Gold Project adjoins Manhattan Corporation's (ASX:MHC) Tibooburra Gold Project where Manhattan has previously announced a new high grade gold discovery.

The Company has completed an internal review of the project's historic data and has commenced budgeting for an exploration programme at targeted locations. The Company notes recent positive developments in RC drilling in our neighbouring tenement by Manhattan Corporation (ASX: MHC), delivering further high grade gold assay results. The Company is considering the implications of these exploration result outcomes so close to the Company's tenement package.

Mt Maitland Gold and Base Metals Project – 100%

The Company is currently undertaking an internal assessment of the project with experienced consultant geologists before committing any expenditure on further exploration.

Batangas Gold Project, Philippines – Shares and NSR

The Company holds approximately 1.7m shares in London listed Blue Bird Merchant Ventures Limited (LON: BMV). Blue Bird is focused on its near-term production gold project in South Korea. BMV share price as at 31 December 2022 was 1.80 pence.

The Company retains its net smelter royalty over the Philippines located Batangas gold project.

Corporate

On 23 September 2022, the Company announced that it intended to conduct an offer to all registered holders of RMXOJ Options on 2 October 2022 (**Record Date**) [with a registered address in Australia and New Zealand] (**Registered Holders**) whereby Registered Holders can apply for one (1) unlisted option (**New Unlisted Option**) for every two (2) RMXOJ Options held on the Record Date at an issue price of \$0.0001 with an exercise price of \$0.011 per option, expiring on 2 December 2025 (**Options Offer**). The Company will not apply for quotation of the New Unlisted Options.

The Company's cash position at the end of the September quarter was \$976k.

New Projects

The Company continues to review and assess opportunities, particularly in the battery minerals space, that will add value to its portfolio.

Authorised on behalf of the Board,



Mauro Piccini

Company Secretary

ASX ADDITIONAL INFORMATION

ASX Listing Rule 5.3.1

Exploration and Evaluation during the quarter was \$664,000. The majority of this was spent on the Company's Mt Mansbridge Project and acquisition of the Lithium Projects in Nevada, USA.

ASX Listing Rule 5.3.2

There was no substantive mining production and development activities during the quarter.

ASX Listing Rule 5.3.5

Payments to related parties of the entity and their associates:

Payments to Related Parties & their Associates	Amount
Director Fees and Superannuation	\$79,166

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 /
Koonenberry	EL8997	Red Mountain Mining	35,400	3-Sept-23	3-Sept-23	100%
Koonenberry	EL9009	Red Mountain Mining	30,300	23-Oct-23	23-Oct-23	100%
Mt Mansbridge	E80/5111	Red Mountain Mining		10-Oct-2023	10-Oct-2023	100%
Mt Mansbridge	E80/5229	Red Mountain Mining		6-Jun-2024	6-Jun-2024	100%
Mt Mansbridge	E80/5413	Red Mountain Mining		28-Jul-2025	28-Jul-2025	100%
Mt Maitland	E51/1900	Red Mountain Mining	5320	23-Dec-24	23-Dec-24	100%
Mt Maitland	E51/1982	Red Mountain Mining	1400	11-Jul-26	11-Jul-26	100%
Nannup	E70/5662	Airdrie Exploration P/L		20-Oct-26	20-Oct-26	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

Not applicable.

The mining tenement interests acquired during the quarter and their location

Not applicable.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

Not applicable.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.

Competent Persons Statement

The information in this announcement that relates to Exploration Results and other technical information complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of Mr Oliver Judd. Mr Judd is a Member of the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Judd consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Disclaimer

In relying on the above mentioned ASX announcement and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above-mentioned announcement.

Appendix 5B

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

Name of entity

Red Mountain Mining Limited

ABN

40 119 568 106

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	21	21
1.2	Payments for		
	(a) exploration & evaluation	(27)	(51)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(54)	(97)
	(e) administration and corporate costs	(295)	(462)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(353)	(565)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(390)	(861)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(390)	(861)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,384	1,384
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	6	6
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(128)	(128)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,262	1,262

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	979	1,659
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(353)	(564)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(390)	(861)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,262	1,262

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	1
4.6	Cash and cash equivalents at end of period	1,497	1,497

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,473	955
5.2 Call deposits	24	24
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,497	979

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	79
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	
6.1 Director and consulting fees paid to Directors and/or Director related entities	\$79,166

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(353)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(390)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(743)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,497
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,497
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.01
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 19 January 2023.....

Authorised by: The Board of Red Mountain Mining Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.