

ASX ANNOUNCEMENT**31 January 2020****Quarterly Report for quarter ending 31 December 2019**

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 2019.

OPERATIONAL REVIEW**Mt Mansbridge Rare Earths Project, Western Australia**

As announced on 12 August 2019, the Company has entered into an agreement to acquire 100% of the Mt Mansbridge Rare Earths project. As announced on 23 October 2019, technical, legal and financial due diligence on the Mt Mansbridge Rare Earths project was completed and, subject to the other conditions precedent including shareholder approval, the Company expects to proceed with acquisition of the project.

The Mt Mansbridge Project is prospective for heavy rare earth elements (HREE) and hosts over 33 km of unconformity-related REE target geology. HREE is considered to be a strategic metal suite due to constrained and concentrated supply and importance to globally emerging industries.

The Company will seek shareholder approval to acquire the Mt Mansbridge Rare Earth Project at an upcoming General Meeting (details to be confirmed). For further information on this project, view our ASX announcement dated 12 August 2019.

Mt Kokeby Kaolin/High Purity Alumina Project, Western Australia

As announced on 1 October 2019, the Company entered into an agreement with the vendors of HPA Resources Pty Ltd (HPA Resources) to acquire 100% of the Mt Kokeby Kaolin/HPA Project. The Project area comprises 84km² in a region with historic production of high-grade kaolin in Western Australia. Groundwork commenced in late October.

The Company conducted due diligence groundwork activities during the relevant quarter and is continuing to do so. For further information on the results of due diligence activities to date please view announcements dated 19 November 2019, 3 December 2019 and 18 December 2019.

Mukabe-Kasari Cobalt-Copper Project, DRC

The Company continued to conduct soil and rock chip sampling groundwork at this project during the quarter. The project is considered prospective for copper-cobalt and is located in the prolific copper-cobalt producing region of Kolwesi, DRC.



Batangas Gold Project, Philippines

The Company retains its leverage to the Philippines based Batangas Gold project by way of its 1% NSR production royalty and as at the end of the Relevant Quarter held approximately 5.5 million shares in London listed Bluebird Merchant Ventures Ltd (share price as at 31 December 2019: 2.40 pence per share).

JV with Crane Copper Mining (Uganda)

As announced on 1 October 2019, the Company has elected not to proceed with the acquisition of the Kilembe copper slag project in Uganda.

Corporate

The Company's cash position at the end of the December quarter was \$1.945 million.

As announced on 1 October 2019, the Company conducted a private placement raising \$500,000 pre costs.

The Company's annual general meeting was held on 28 November 2019 and all resolution were carried unanimously on a show of hands.

Authorised on behalf of the Board,


Mauro Piccini

Company Secretary

Tenement Table: ASX Listing Rule 5.3.3

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

PERMIT NAME	PERMIT NUMBER	REGISTERED HOLDER/APPLICANT	AREA IN HECTARES	DATE OF RENEWAL PERIOD EXPIRATION	PERMIT TERM EXPIRY	INTEREST CONTRACTUAL RIGHT /
RM1 – 270, Utah	00197618-197887	RMX USA Inc.	2,266	14-Feb-17	14-Feb-17	100%
Demiko ¹	ZEA 556	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
Comaki ¹	ZEA 557	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
Comialu ¹	ZEA 558	Tshiyaz Muneng Costa	425	N/A	N/A	Right to earn up to 90%
Comidel ¹	ZEA 559	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
KGCM ¹	ZEA 560	Tshiyaz Muneng Costa	425	N/A	N/A	Right to earn up to 90%
Psodema ¹	ZEA 561	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
CMAL ¹	ZEA 562	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%
Comiko ¹	ZEA 563	Tshiyaz Muneng Costa	340	N/A	N/A	Right to earn up to 90%

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

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

The mining tenement interests relinquished during the quarter and their location

Nil.

The mining tenement interests acquired during the quarter and their location

Nil.

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

Not applicable.

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

Not applicable.

Competent Persons Statement

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

Appendix 5B

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

Name of entity

RED MOUNTAIN MINING LIMITED

ABN

40 119 568 106

Quarter ended ("current quarter")

31 December 2019

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	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(112)	(174)
	(e) administration and corporate costs	(212)	(421)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid	(1)	(1)
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	(321)	(590)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)	(44)	(78)
	(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)	-	(100)
2.6	Net cash from / (used in) investing activities	(44)	(178)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	500	500
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(60)	(60)
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	440	440

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,871	2,274
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(321)	(590)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(44)	(178)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	440	440

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	-	-
4.6	Cash and cash equivalents at end of period	1,945	1,945

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	1,921	1,847
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)	1,945	1,871

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

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
(94)

Director and consulting fees paid to Directors and/or Director related entities \$45,000

Company Secretary and Financial management Fees paid to Director related entity \$48,875

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

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

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(321)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(44)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(365)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,945
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,945
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	5
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	

Compliance statement

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

Date: 31 January 2020

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.