

COMPANY UPDATE

- **RMX to proceed with earn-in to acquire up to 90% of Mokabe-Kasari Cobalt Copper project located in world famous DRC Copper belt**
- **Due diligence finalised, including site visit by CSA Global – grades up to 0.5% Cobalt**
- **Phase 1 exploration to commence immediately and to target high-grade Cobalt zones**
- **Improved Earn-in terms completed**
- **Placement to fund work programme together with assessment of additional opportunities completed**

Red Mountain Mining Limited (**the Company, Red Mountain or RMX**) is pleased to advise that it will proceed with phase 1 of exploration to earn into the Mokabe-Kasari Cobalt-Copper project in the DRC.

Director Jeremy King commented:

“The final stages of due diligence on Mokabe-Kasari have taken longer than we would have liked. Nevertheless, this delay has provided the opportunity to re-negotiate the economics of our staged deal and we view this as a good outcome for shareholders. We will now move to immediately implement a work programme with the focus on the encouraging Cobalt grades that have been identified within the tenure package.”

Update on Mokabe-Kasari Project

The Mokabe-Kasari Cobalt Copper Project is located in the Congolese part of the prolific Central African Copper belt. It comprises artisanal licenses covering approximately 116km². For further detail on the region and nearby Cobalt and copper mines and previous sample work, see the Company’s ASX announcements dated 21 March 2017 and 22 May 2017.

Recently, RMX’s technical advisor, CSA Global Pty Ltd, conducted a short reconnaissance site visit to the Project and carried out validation ground-work across the tenure package to ensure there existed the opportunity for sufficient scale, to assess geologic prospectivity as well as to scope future exploration work. Additional samples were also taken which included Cobalt grades of up to 0.5%. See Figure 1 for the full table of such sampling results. The Board has been encouraged by the final due diligence results, and is looking forward to commencing phase 1 exploration.

Improved Commercial Terms

Following ongoing negotiations with the introducing party, CoCu Pty Ltd, commercial terms have been revised and RMX may earn up to 90% of the Mokabe Kasari Cobalt-Copper Project via:

1. The issue of 14 million shares in RMX (7.5 million of which will be subject to 12 months escrow) These shares will be issued pursuant to the Company's existing placement capacity pursuant to Listing Rule 7.1;
2. Payment of A\$70,000 on commencement of phase 1 exploration;
3. Payment of A\$75,000 90 days after phase 1 exploration commencement *provided that* RMX notifies CoCu that it wishes to continue with the Project; and
4. Payment of US\$100,000 on issue of Mining Licence (or equivalent) over Project area or portion thereof.

Capital Management

RMX further advises that it has received firm commitments from professional and sophisticated investors to raise \$735,000 (before costs) via the issue of 66,818,182 new fully paid ordinary shares at an issue price of \$0.011 (1.1 cent) per share (**Placement**), which represents a 25% discount to the 15 day trading VWAP to 1 September 2017. The Placement will be issued pursuant to the Company's existing placement capacity, with 23,898,101 shares to be issued pursuant to Listing Rule 7.1 and 42,920,081 shares to be issued pursuant to Listing Rule 7.1A.

Xcel Capital will act as Lead Manager to the Placement.

The Company shall utilise funds raised towards earn-in exploration activities at the Mokabe-Kasari Cobalt-Copper Project, ongoing identification and due diligence on additional asset and project opportunities, general working capital and cost of the offer.

New Asset Opportunities

Following successful completion of the capital raising RMX is well funded to complete phase 1 of exploration on Mokabe-Kasari as well as potentially acquiring complementary assets. The Board continues to regularly review new opportunities in the new energy metals, base metals and gold sector.

For and on behalf of the Board.

Shannon Coates, Company Secretary

-Ends-

Competent Person Statement

Information in this report that relates to Exploration results has been compiled from historic data by Mr. Simon Dorling, who is a member of the Australian Institute of Geoscientists. Mr. Dorling is a consultant to RMX, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Dorling consents to the inclusion of the data in the form and context in which it appears.

Figure 1: Sample Results from CSA Global site visit:

Sample_No	East	North	RL	Cu%	Co%	Sample Type
S099011	416386	8898468	1222	0.6	<0.01	vertical channel sample, 0.8m
S099012	416385	8898461	1215	0.0	<0.01	vertical channel sample, 1.3m
S099013	421402	8898199	1141	0.0	0.5	gravel; sample from 7-9m
S099014	421549	8898296	1137	0.0	0.3	black coated transported material, 1-2m
S099015	421446	8898296	1137	<0.01	<0.01	gravel; rock pebbles with black staining
S099016	421830	8906524	1307	0.0	<0.01	rock chip,
S099017	421811	8906663	1325	0.9	<0.01	vertical channel sample 0.4m
S099018	421933	8906617	1323	1.0	<0.01	vertical channel sample 0.4m
S099019	419981	8908218	1503	<0.01	<0.01	rock chip,
S099020	418976	8905286	1353	0.6	<0.01	rock chip,
S099021	416935	8902925	1325	2.0	<0.01	rock chip, lifted Co-plant up and found stratiform mineralisation
S099022	421977	8897850	1132	<0.01	0.0	
S099023	421446	8898296	1137	0.0	0.3	duplicate-homogenised and split sample of S099014
S099024	416386	8898468	1222	0.7	<0.01	duplicate-homogenised and split sample of S099011
S099025	416086	8896999	1175	0.7	<0.01	vertical Channel sample
S099026	416091	8896932	1174	0.1	<0.01	vertical Channel sample

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Near surface mineralisation is extracted from the property by artisanal miners. A small number of selected rock chip samples were taken by the current owners from piles of extracted artisanal material and outcrop. The rock chip samples were all submitted a to SGS Minerals RDC SARL, 760 Avenue De 30 Juin in Lubumbashi where they were analysed by MULTI-ACID 3/4 DIGESTION) AAS42S - Four acid digest (DIG42S), 0.4g-100ml, Ore grade; AAS22S - Three acid digest, 0.4g-100ml, Ore grade. Photographic evidence, geological descriptions and geological context suggest that the samples reflect the nature and style of mineralisation exploited by artisanal miners.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	Not applicable to this announcement as no drilling has occurred.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 	Not applicable to this announcement as no drilling has occurred.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	Not applicable to this announcement as no drilling has occurred.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	Not applicable to this announcement as no drilling has occurred.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and 	<ul style="list-style-type: none"> SGS Laboratories (Lubumbashi) was used for all analysis work carried out on the rock chip samples. The laboratory techniques below are for all samples submitted to SGS and are considered appropriate for the style of mineralisation defined at the prospect: Samples were analysed using MULTI-ACID 3/4 DIGESTION) AAS42S - Four acid digest (DIG42S), 0.4g-100ml, Ore grade; AAS22S - Three acid digest, 0.4g-100ml, Ore grade.

Criteria	JORC Code explanation	Commentary
	precision have been established.	
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Two twin samples were prepared by splitting two samples from two different location. The results for both copper and cobalt came back within reasonable variance.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Sample locations have UTM (WGS84) coordinates. Grid system used is UTM (WGS84) Zone 35S.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> The sample data provided in this report were randomly selected samples to test the mineralisation observed in outcrop in relation to the geological stratigraphic setting. The data is insufficient to be conclusive about grade continuity of mineralisation over large distances but its style strongly suggests lateral continuity.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	Not applicable to this announcement as no drilling has occurred.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> CSA delivered the samples directly at SGS.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> The company has engaged consulting group CSA Global (AUS) to conduct a site visit and evaluate and comment on the validity, prospectively and geological context of the licence area and to undertake check sampling. CSA collected multiple samples which are reported in this release and are in the process of compiling their findings and recommendations

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, Historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<ul style="list-style-type: none"> The proposed project area is currently covered under artisanal exploitation licences ZEA: 556, 557, 558, 559, 560 , 561, 562 and 563, ZEA 727 to 733 and 735-738. The exploitation licenses are in the name of Comiko Sarl.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Not applicable to this announcement as no recorded exploration has been carried out by other parties.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The mineralisation in the project area is considered a typical example of a deeply weathered, sediment-hosted copper deposit typical for the Congolese part of the Central African Copper Belt. Primary sulphide mineralisation is oxidised and re-distributed during weathering in ex-dolomitic siltstones and sandstones. The host rocks are weakly deformed and occur as tabular strata near the margin of the Lufilian Fold Belt. Mineralisation appears to be preferentially hosted in sandy facies of interbedded shallow-marine sedimentary rocks of the Kundelungu Group of rocks. Mineralisation is exclusively secondary, and is mostly stratabound. The principle copper oxide mineral is malachite, with minor amounts of azurite and chrysocolla and chalcocite. Cobalt occurs as heterogenite.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole 	<ul style="list-style-type: none"> Not applicable to this announcement as no drilling has occurred.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ○ down hole length and interception depth ○ hole length. ● If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	
Data aggregation methods	<ul style="list-style-type: none"> ● In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. ● Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ● The assumptions used for any reporting of metal equivalent values should be clearly stated. 	Not applicable to this announcement as no drilling has occurred.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ● These relationships are particularly important in the reporting of Exploration Results. ● If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ● If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> ● The samples represent grab samples or represent an equivalent of channel samples with a specified sample length as specified in the sample Table 1. The samples have been collected with the intent to be representative of the location sampled.
Diagrams	<ul style="list-style-type: none"> ● Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> ● A map of the sample location has been provided in this release.
Balanced reporting	<ul style="list-style-type: none"> ● Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> ● See Table 1.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> The project area is located on the fringe of the Lufilian Arc in an area of less intense deformed Katanga Basin sediments, near the basin margin. The area has not seen the same level of historic exploration as other parts of Katanga. However colonial geological maps show several copper occurrences in the region.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> The Company and its technical advisors believe the area warrants further reconnaissance work and systematic exploration targeting. The Company plans to undertake a reconnaissance site visit and subsequent work plans.