

ASX : RMX

Company Directors

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RED MOUNTAIN MINING LTD

14 September 2017

- **RMX to commence exploration at the Mukabe-Kasari Cobalt-Copper Project**
- **Phase 1 exploration to focus on areas of outcropping mineralisation**
- **Objective is to delineate targets for RC and Diamond follow-up drilling**

Red Mountain Mining Limited (**the Company, Red Mountain or RMX**) is pleased to advise that, in conjunction with its technical advisor CSA Global Pty Ltd, it has designed an exploration programme at the Mukabe-Kasari Cobalt-Copper Project in the DRC. Preparations are underway, and the Company expects to commence exploration before the end of September 2017.

Director Jeremy King commented:

“The Copperbelt in the DRC remains by far the largest supplier of cobalt globally. We are excited to have reached the stage where we can commence a systematic exploration programme at Mukabe-Kasari. Our intention is to follow up on the work carried out during our due diligence review which identified excellent cobalt and copper grades at surface.”

The Mukabe-Kasari Cobalt-Copper Project area is situated approximately 250km northwest of Lubumbashi and about 70km north of the giant Tenke-Fungurume Copper-Cobalt mine. It comprises 12 artisanal licenses covering approximately 116km².

Exploration Focus

Technical due diligence conducted by CSA Global Pty Ltd concluded that the Mukabe-Kasari Cobalt-Copper Project area is sufficiently prospective to warrant systematic exploration work to assess the full prospectivity and the potential of the area to host economic copper-cobalt mineralisation. Several highly anomalous copper and cobalt sample analyses and the discovery of several new locations of outcropping mineralisation (**Figure 1**) resulted from this assessment. To date, no systematic exploration has been conducted in the project area.

The Mukabe-Kasari Cobalt-Copper Project area overlies the slopes of the Katanga Plateau where gently folded sedimentary strata of the Upper Nguba and Lower Kundelungu formations are outcropping. Secondary copper-cobalt mineralisation (malachite, azurite, chalcocite and heterogenite) as disseminated and strata-parallel mineralisation was mapped (**Figure 1**). Significant secondary cobalt mineralisation was also sampled in palaeo-channels.

The mineralisation occurs on the periphery of the Lufilian Foldbelt of the Congolese Copperbelt which historically was not considered to be mineralized. However, the mineralisation in the Mukabe-Kasari area shows all the typical properties and the geological setting of sediment-hosted copper-cobalt mineralisation.

Planned Exploration Rationale and Program

During its due diligence, CSA Global established that the mineralisation was hosted in at least one, possibly multiple, gently-dipping, interbedded and weathered shallow-marine siltstones and sandstone layers. Mineralised layers up to 1.4m in thickness were recorded at surface. Disseminated grains and stringers of chalcocite within sandy beds were common and probably represent weathering products of primary sulphide mineralisation (**Figure 1**).

Anomalous supergene cobalt mineralisation was sampled in several artisanal pits dug into old riverbeds and sampled at a depth of 7 to 9 m below surface. The mineralisation is open at depth. There was no copper mineralisation observed with this type of mineralisation.

Work programs have been designed to test the copper-cobalt and cobalt only mineralisation targets. The overall objective of these programs is to define targets for RC (reverse circulation) or diamond drilling.

The copper-cobalt mineralisation area will be targeted with a systematic geochemical surface sampling and pitting program to establish the lateral extent of mineralisation, the number of mineralised beds and thickness of individual beds. About 1,000 samples on a 200 by 100 m grid over three areas will be surveyed (**Figure 2**).

An AC (air core) geochemical drilling program is planned for the cobalt mineralisation area. The objective is to determine the distribution, grade and host rock properties of this target area. The holes are planned to be drill on a 500 by 200 m grid and to a depth of 20 to 30 m. A total of approximately 1,000 m of drilling is budgeted (**Figure 2**).

The Company is in the process of setting up its exploration base at Mukabe-Kasari and sourcing a suitable drill service provider.



Figure 1: Secondary copper mineralisation within interbedded shale and siltstones.

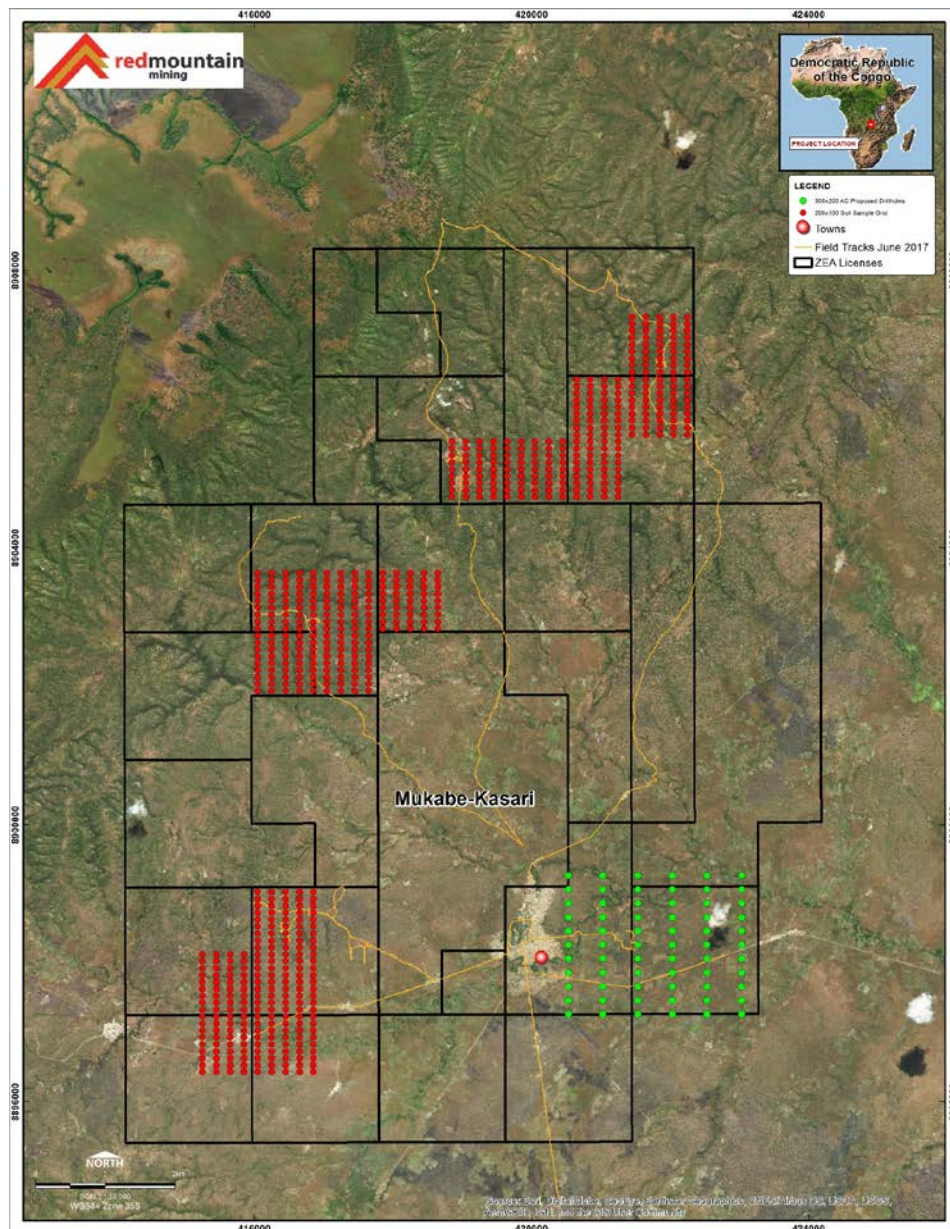


Figure 2: Layout of planned Phase 1 geochemical exploration work.

Competent Person Statement

Technical information in this release that relates to Exploration and Geology has been compiled by Mr Simon Dorling, who is a member of the Australian Institute of Geoscientists and the Australian Institute of Mining and Metallurgy. Mr Dorling is a consultant to Red Mountain Ltd, 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.

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For and on behalf of the Board.

Shannon Coates, Company Secretary