

MT KOKEBY KAOLIN RETURNS OUTSTANDING YIELDS

- **Size by size particle analysis of Mt Kokeby Kaolin confirms outstanding yields of over 83% for -38 µm and over 87% for -75µm -- each at average grades above 36% Al₂O₃**
- **Seven of the nine samples have over 78wt% (weight percent) Kaolin, with maximum of 86wt%**
- **Results further strengthen potential for high quality Kaolin DSO project**

Red Mountain Mining (**RMX** or the **Company**) is pleased to announce the size by size assay and x-ray diffraction (**XRD**) results from its due diligence channel sampling at the historic Murray pit at the Mt Kokeby Kaolin Project.

A total of nine samples were taken from five locations within the old pit area (see sample location map, below). Raw in-situ results were presented in the ASX announcement of 19 November 2019; which revealed a maximum Alumina grade of 37%, with seven of the nine samples having greater than 35% Alumina.

Laboratory size by size particle analysis was undertaken whereby the Kaolin samples were passed through mesh of different sizes to determine the amount of Alumina retention for each mesh. A high Alumina retention (yield) suggests low operating costs for a Kaolin DSO operation.

XRD results for the nine samples have also been received.

Overall, the results demonstrate:

- High alumina recoveries to the **-38 µm fraction** ranging from **83.6% to 97.1%** at grades ranging from **30.9 to 38.5% Al₂O₃** and an **average grade of 37.15%**;
- High Alumina recoveries to the **-75 µm fraction** ranging from **87.8% to 99.4%** at grades ranging from **31.0 to 38.3% Al₂O₃** and an **average grade of 36.9%**;
- High kaolin content from XRD; averaging 78wt% and ranging from 57wt% to 86wt%.

Director Jeremy King commented:

“These are excellent results. The high yields and low recovery loss from a simple beneficiation process, together with the mineral characteristics of the samples, augurs well for a low cost DSO kaolin operation at Mt Kokeby. We look forward to conducting the due diligence drilling programme in the near term.”

Detailed size by size analyses cumulative graphs and XRD results are reported in **Appendix A** and **Table 1**, respectively.

Table 1: Quantitative X-Ray Diffraction Analysis Results

Sample ID	Kaolin	Quartz	Illite/Muscovite	Chlorite	Magnetite	Gibbsite	Rutile	Amorphous Content
	wt%	wt%	wt%	wt%	wt%	wt%	wt%	wt%
MPTS 1 #1	79	3	5	<1	<1	<1	<1	12
MPTS 1 #2	79	3	5	<1	1	2	<1	10
MPTS 2 #3	83	1	5	<1	1		<1	9
MPTS 2 #4	82	1	6	<1	1		<1	10
MPTS 3 #5	78	5	5	<1	<1		<1	11
MPTS 3 #6	66	19	3	<1	<1		<1	11
MPTS 3 #7	57	30	2	<1	<1		<1	10
MPTS 4 #8	83	3	4	<1	1		<1	9
MPTS 5 #9	86	1	4	<1	1		<1	8

The metallurgical test work program is currently being undertaken and managed by Independent Metallurgical Operations Pty Ltd (IMO) in Perth, with the focus to assess the characteristics of the Mt Kokeby Kaolin Ore and its amenability to beneficiation processes for generation of high grade Alumina products and potential for High Purity Alumina (HPA) as part of its due diligence process.

Samples were prepared by IMO using standard procedures. Size by size testwork was undertaken using 710um, 500um, 300um, 212um, 150um, 106um, 75um, 53um, 38um and -38um fractions. All size by size assay analysis was undertaken using full XRF. Full details are presented in Appendix B.

All nine samples have been sampled to prepare a representative, composite head sample for the initial attritioning testwork. The master composite has the following elemental composition:

Element (%)	Al ₂ O ₃	CaO	CR ₂ O ₃	Fe ₂ O ₃	K ₂ O	MgO	Na ₂ O	SiO ₂	TiO ₂	LOI ₁₀₀₀
Master	33.993	0.010	0.008	1.266	0.391	0.183	0.442	50.167	1.257	12.35

Attritioning testwork has commenced and the first stage results are expected shortly.

NEXT STEPS

With the first stage attrition testwork commenced the following work will be undertaken on the metallurgical master composite, namely:

- Size by size assay XRF analysis at various size fractions.
- Undergo a second and possible third stage of attrition tests to provide information on the ores amenability to beneficiation processes for the generation of High Purity Alumina.

In addition to this; a due diligence drill program will be undertaken once regulatory approvals are received. It is envisaged this work will be undertaken prior to 2020 subject to drill rig availability and permitting.



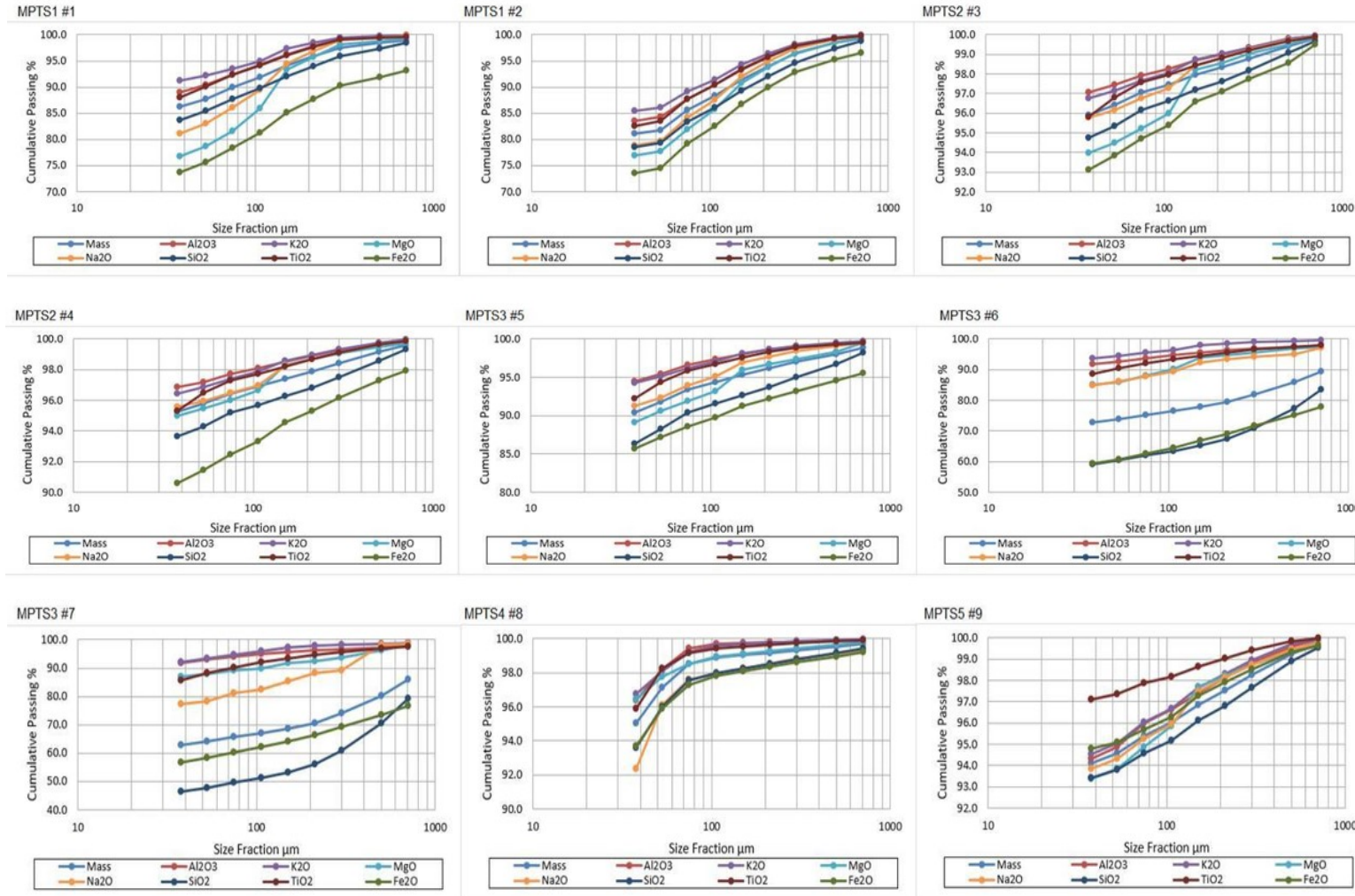
Sample Location map, Old Murray Pit, Mt Kokeby Kaolin Project.



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 A: Size by Size Assay Results



Appendix B

The following Tables are provided to ensure compliance with the JORC Code (2012 Edition) requirements for the reporting of Exploration Results at the Mt Kokeby Project.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	Commentary
<i>Sampling techniques</i>	- A total of 9 channel samples were taken at 5 site areas within the old open pit area. - Each channel was cleaned and excavated to 30cm below surface prior to sampling. - Samples MTPS1#1, MTPS1#2, were taken along a length of 2.5m channel; MTPS2#3, MTPS2#4 1.5m lengths; MTPS3#5, MTPS3#6 and MTPS3#7 were taken along 3m channel sections while MTPS4#8 and MTPS5#9 were taken within a 1m excavation. - All samples taken were over 10kg and sent to IMO/Metallurgical for sample preparation and analyses.
<i>Drilling techniques</i>	No Drilling undertaken
<i>Drill sample recovery</i>	No Drilling undertaken
<i>Logging</i>	No Drilling undertaken
<i>Sub-sampling techniques and sample preparation</i>	Samples were dried at 80 degrees Celsius and then split using standard laboratory techniques.
<i>Quality of assay data and laboratory tests</i>	- Samples were sent to the IMO's Metallurgical Laboratory for sample prep and management. - IMO had the samples assayed at Nagrom Laboratories (XRF) and Intertek-Genalysis (XRD). - A full XRF analysis on a range of elements at various size fraction ranging from -38 to 710 µm - The QAQC information of the laboratory was used to determine the QAQC of the samples because commercial standards for kaolin are not readily available. - All of the duplicates are within tolerance of the original assay and without bias. - Mr Major reviewed internal QAQC reports and analysis and confirms that all assay data used has passed standard industry quality assurance/quality control procedures.
<i>Verification of sampling and assaying</i>	- No independent verification was undertaken as the results were considered to be reflective of historical assay values. - No adjustment to assay data was undertaken.
<i>Location of data points</i>	- All sample channels have been accurately surveyed using Garmin GPSMAP 64 equipment (+/-5m accuracy) by the geologist on site. - The position of the sample was the middle point of the channel sample location for each sample.
<i>Data spacing and distribution</i>	Sample sites were selected to represent the entire pit area while focusing on areas where insitu material could be obtained freely. Careful examination of the channels after initial excavation and cleaning was undertaken to avoid sampling non-insitu material such as rubble from the pit rehabilitation works or float to avoid any bias.
<i>Orientation of data in relation to geological structure</i>	- All samples are believed to have been taken within the upper layer of the kaolin bed with the exception of sample MTPS3#6 and MTPS3#7 which were collected below the main bed. - Samples are not considered to be bias.

Criteria	Commentary
<i>Sample security</i>	Samples were collected and transported to the laboratories by Mr. Major.
<i>Audits or reviews</i>	None completed

Section 2 Reporting of Exploration Results

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

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	- The Mt Kokeby Project consists of one granted exploration license (E70\5205) and one application exploration license (E70\5284) covering an area of 84km². - The project area is located within freehold land. The traditional owners of the land are the Gnaala Karla Booja People. The Noongar Standard Heritage Agreement and private land access agreement will need to be signed prior to commencing exploration activities. Permits can be obtained to enter which will allow samples to be collected.
<i>Exploration done by other parties</i>	- Please refer to the company's press release dated October 1, 2019 for all relevant historical data. - Exploration of the Murray Deposit was first undertaken by King Mountain Mining N.L who engaged Aminco and Associates Pty Ltd to conduct field investigations.
<i>Geology</i>	- The project area comprises undulating topography with broad valleys and low rising hills which have resulted from the Precambrian granites which outcrop in places to form prominent hills. - The kaolin at the Mt Kokeby area is seen to be overlain by colluvial sands, gravel and sandy soil and is noted by Feldtman (1919) to have formed as a transported lacustrine deposit. GSWA Bulletin 19, p66 states the kaolin of the Murray Deposit to be residual on granite.
<i>Drill hole Information</i>	- No drill holes were drilled as part of this report. - All channel sample details are presented in Appendix A.
<i>Data aggregation methods</i>	No data aggregation or metal equivalents have been used.
<i>Relationship between mineralisation widths and intercept lengths</i>	- The sample intersections are reported as surface lengths within a pit wall. - The pit walls slope was measured to be between 78 to 82 degrees.
<i>Diagrams</i>	Maps and appropriate plans are included in this announcement
<i>Balanced reporting</i>	All results are tabulated in the Appendices and shown on figures in this announcement.
<i>Other substantive exploration data</i>	Please refer to the company's press release dated October 1, 2019 and November 11, 2019 for all relevant other/ historical exploration data.
<i>Further work</i>	- Further assay and mineral beneficiation testwork is being undertaken on these samples. - Additional sampling and assay work, from drilling beside numerous historical drill sites will be undertaken once regulatory approvals are obtained.