



**RED MOUNTAIN MINING LIMITED
ACN 119 568 106**

NOTICE OF GENERAL MEETING

**The General Meeting of the Company will be held at the
Quest Hotel, 54 Kings Park Road, West Perth, Western
Australia on
Tuesday, 15th May 2018 at 9.00am (WST).**

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact Computershare Investor Services Pty Limited by telephone on 1300 850 505.

RED MOUNTAIN MINING LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Red Mountain Mining Limited (**Company**) will be held at the Quest Hotel, 54 Kings Park Road, West Perth, Western Australia on Tuesday, 15th May 2018 at 9.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Sunday, 13th May 2018 at 5:00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Resolution 1 - Ratification of prior issues of Shares

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the following issues of securities on the terms and conditions in the Explanatory Memorandum:

- (a) 76,702,848 Placement Shares issued under Listing Rule 7.1 and;
- (b) 34,426,040 Placement Shares issued under Listing Rule 7.1A."

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and any associate or nominee of such a person) who participated in the issue of the Placement Shares.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 - Approval to issue Broker Options

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 35,000,000 unlisted Options to Xcel Capital Pty Ltd (or its nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Xcel Capital Pty Ltd (and its nominees) and any person who might obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities), and any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 - Approval to issue Performance Rights

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of Performance Rights to related parties (or their nominees) on the terms and conditions in the Explanatory Memorandum as follows:

- (a) *up to a maximum of 22,000,000 Performance Rights to Mr Jeremy King (subject to the milestones referred to in the Explanatory Memorandum);*
- (b) *up to a maximum of 11,000,000 Performance Rights to Mr Lincoln Ho (subject to the milestones referred to in the Explanatory Memorandum); and*
- (c) *up to a maximum of 1,500,000 Performance Rights to Mr Robert Parton (subject to the milestones referred to in the Explanatory Memorandum)."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Messrs Jeremy King, Lincoln Ho and Robert Parton (and their respective nominees), and any of their respective associates.

The Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD

Mauro Piccini
Company Secretary
Red Mountain Mining Limited
Dated: 13 April 2018

RED MOUNTAIN MINING LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Quest Hotel, 54 Kings Park Road, West Perth, Western Australia on Tuesday, 15th May 2018 at 9.00am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Resolution 1 – Ratification of prior issues of Shares
Section 4	Resolution 2 – Approval to issue Broker Options
Section 5	Resolution 3 – Approval to issue Performance Rights
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Broker Options
Schedule 3	Terms and Conditions of Performance Rights

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are

unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with section 250BD of the Corporations Act, a vote on any of the resolutions which form part of Resolution 3 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on any of the resolutions which form part of Resolution 3 if the vote is not cast on behalf of a person who is excluded from voting on Resolution 3 and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chair intends to exercise all available proxies in favour of each of the resolutions which form part of Resolution 3.

3. Resolution 1 - Ratification of prior issues of Shares

3.1 Background

On 22 February 2018, the Company announced that it intended to raise up to \$1 million (before costs) through a placement to institutional and sophisticated investors (**Placement**). The funds will be directed towards assessment of new assets, further ongoing assessment of the Mokabi-Kasiri Project results for copper potential, general working capital and any costs of the offer.

On 28 February 2018, the Company issued 111,128,888 Shares (**Placement Shares**) at an issue price of \$0.009 each to new and existing domestic and international institutional and sophisticated Shareholders (**Placement Participants**) under the Placement.

Resolutions 1(a) and (b) seek the ratification of Shareholders pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

The Board recommends that Shareholders vote in favour of each of the resolutions which form part of Resolution 1.

Each of the resolutions which form part of Resolution 1 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of each of the resolutions which form part of Resolution 1.

3.2 Listing Rules 7.1 and 7.1A

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that

amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 14 November 2017.

3.3 Listing Rule 7.4

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A, as applicable.

The effect of Resolution 1 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and the additional 10% annual placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

3.4 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) a total of 111,128,888 Placement Shares were issued on 28 February 2018 as follows:
 - (i) 76,702,848 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
 - (ii) 34,426,040 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval;
- (b) the Placement Shares were issued at \$0.09 per Share;
- (c) the Placement Shares were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued to the Placement Participants, none of whom is a related party of the Company;
- (e) the proceeds from the issue of the Placement Shares will be directed towards assessment of new assets, further ongoing assessment of the Mokabi-Kasiri Project results for copper potential, general working capital and any costs of the offer; and
- (f) a voting exclusion statement is included in the Notice.

4. Resolution 2 - Approval to issue Broker Options

4.1 General

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 35 million unlisted Options to Xcel Capital Pty Ltd (**Xcel Capital**) or its nominees pursuant to a mandate dated 20 March 2018 as consideration for marketing, market awareness, SPP promotion, ongoing asset identification and assessment, and corporate advisory services provided (**Broker Options**).

The Board recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 2.

4.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 3.2 above.

The effect of Resolution 2 will be to allow the Company to issue the Broker Options during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the ratification of the issue of Broker Options:

- (a) a maximum of 35,000,000 Broker Options may be issued to Xcel Capital (or its nominees);
- (b) the Broker Options will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Broker Options will be issued for nil cash consideration in satisfaction of marketing, market awareness and corporate advisory services provided;
- (d) the Broker Options will be issued to Xcel Capital (or its nominees), none of whom is a related party of the Company;
- (e) the Broker Options will be exercisable at \$0.02 each, will expire 5 years from the date of issue, and will otherwise be issued on the terms and conditions set out in Schedule 2;
- (f) no funds will be raised from the issue of the Broker Options as the Broker Options will be issued as consideration for services provided to the Company; and
- (g) it is intended that the Broker Options will be issued on the same date; and
- (h) a voting exclusion statement is included in the Notice.

5. Resolution 3 - Approval to issue Performance Rights

5.1 General

The Board has agreed, subject to obtaining Shareholder approval, to issue a total of 34.5 million Performance Rights to the Directors (or their respective nominees) in the following proportions as part of their remuneration as Non-Executive Directors of the Company (**Performance Rights**):

Director	Performance Rights			Total
	Tranche 1	Tranche 2	Tranche 3	
Jeremy King	3,000,000	6,000,000	13,000,000	22,000,000
Lincoln Ho	2,000,000	3,000,000	6,000,000	11,000,000
Robert Parton	500,000	500,000	500,000	1,500,000

The Performance Rights will be issued for nil consideration and will vest upon the satisfaction of certain milestones tied to the Company's Share price as follows:

- (a) Tranche 1 Performance Rights will vest upon the VWAP for 10 consecutive Trading Days of Shares equalling or exceeding \$0.02 within 12 months of the date of issue;
- (b) Tranche 2 Performance Rights will vest upon the VWAP for 10 consecutive Trading Days of Shares equalling or exceeding \$0.03 within 24 months of the date of issue; and
- (c) Tranche 3 Performance Rights will vest upon the VWAP for 10 consecutive Trading Days of Shares equalling or exceeding \$0.05 within 36 months of the date of issue.

Full terms and conditions of the Performance Rights are set out in Schedule 3.

The Performance Rights provide an incentive component to the Directors' respective remuneration packages, and align their interests with those of Shareholders. The Board considers that the number of Performance Rights to be granted to each of the Directors is commensurate with their value to the Company and is an appropriate method to provide cost effective remuneration.

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Performance Rights.

Each of the resolutions which forms part of Resolution 3 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of each of the resolutions which form part of Resolution 3.

5.2 Listing Rule 10.11

Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues or agrees to issue securities to a related party or a person whose relationship with the entity or a related party is in ASX's opinion such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

Messrs King, Ho and Parton are related parties of the Company by virtue of their position as Directors.

As the issue of Performance Rights to the Directors (or their respective nominees) involves the issue of Performance Rights to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors (other than Mr King in relation to Resolution 3(a), Mr Ho in relation to Resolution 3(b) and Mr Parton in relation to Resolution 3(c)) that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Performance Rights will not be included in the issue of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

5.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Performance Rights constitutes giving a financial benefit and Messrs King, Ho and Parton are related parties of the Company by virtue of being Directors.

The Board (other than Mr King in relation to Resolution 3(a), Mr Ho in relation to Resolution 3(b) and Mr Parton in relation to Resolution 3(c) due to their material personal interests in those Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights as the issue is considered reasonable remuneration taking into account the circumstances of the Company and the fact that the Performance Rights are non-transferable and subject to Share price based milestones set significantly above the current Share price enjoyed by the Company.

5.4 Specific information required Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Performance Rights:

- (a) the maximum number of Performance Rights to be issued to the Directors (or their respective nominees) is 34,500,000 as follows:
 - (i) up to 22,000,000 to Mr Jeremy King;
 - (ii) up to 11,000,000 to Mr Lincoln Ho; and
 - (iii) up to 1,500,000 to Mr Robert Parton;
- (b) the Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

- (c) the Performance Rights will be issued on the terms and conditions set out in Schedule 3 for nil cash consideration as part of the Directors' respective remuneration packages;
- (d) as the Performance Rights will be issued for nil cash consideration, no funds will be raised as a result of the issue; and
- (e) a voting exclusion statement is included in the Notice.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors of the Company.

Broker Options has the meaning given in Section 4.1.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Red Mountain Mining Limited ACN 119 568 106.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Security has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of general meeting.

Option means an option to acquire a Share.

Performance Rights means Tranche 1, Tranche 2 and Tranche 3 Performance Rights the subject of Resolution 3 to be issued on the terms and conditions set out in Schedule 3.

Placement has the meaning given in Section 3.1.

Placement Participants has the meaning given in Section 3.1.

Placement Shares has the meaning given in Section 3.1.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities means all Equity Securities of the Company, including Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Trading Day has the same meaning as in the Listing Rules.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

Xcel Capital means Xcel Capital Pty Ltd (ACN 617 047 319).

Schedule 2 - Terms and Conditions of Broker Options

The following terms and conditions apply to the Options:

1. **(Definitions):** Words with capitalised letters in this Schedule 2 have the meaning given below, or otherwise as set out in this Notice.
2. **(Entitlement):** Each Option entitles the holder to subscribe for one Share of the Company upon exercise of the Option.
3. **(Exercise Price and Expiry Date):** The Options have an exercise price of \$0.02 per Option (**Exercise Price**) and expire 5 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
4. **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
5. **(Quotation of the Options):** The Company will not apply for quotation of the Options on ASX.
6. **(Transferability of the Options):** The Options are not transferable, except with the prior written approval of the Company.
7. **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's registry.

8. **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then Shares of the Company.
9. **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
10. **(Timing of issue of Shares):** Within 15 Business Days after the later of the following:
 - (a) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
 - (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (c) issue the Shares pursuant to the exercise of the Options;
- (d) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or, if the Company is unable to issue such a notice, lodge with ASIC a

prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (e) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
11. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
 12. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
 13. **(Change in exercise price):** An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

Schedule 3 - Terms and Conditions of Performance Rights

1. **(Definitions)** Words with capitalised letters in this Schedule 3 have the meaning given below, or otherwise as set out in this Notice.
2. **(Entitlement):** Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder to the issue of one Share of the Company on conversion.
3. **(Milestones):** The Performance Rights will have the following milestones attached to them:
 - (a) **Tranche 1 Performance Rights:** upon the VWAP for 10 consecutive Trading Days of Shares equalling or exceeding \$0.02 within 12 months of the date of issue (**Performance Rights Milestone 1**);
 - (b) **Tranche 2 Performance Rights:** upon the VWAP for 10 consecutive Trading Days of Shares equalling or exceeding \$0.03 within 24 months of the date of issue (**Performance Rights Milestone 2**); and
 - (c) **Tranche 3 Performance Rights:** upon the VWAP for 10 consecutive Trading Days of Shares equalling or exceeding \$0.05 within 36 months of the date of issue (**Performance Rights Milestone 3**),(each referred to as a **Milestone**).
4. **(Notification to holder):** The Company shall notify the holder in writing when the relevant Milestones have been satisfied.
5. **(Vesting):** The Performance Rights will vest on the date the Milestone relating to that Performance Right has been satisfied (**Vesting Date**).
6. **(Consideration):** The Performance Rights will be issued for no consideration and no consideration will be payable upon the issue of Shares after vesting.
7. **(Conversion):** Upon vesting, each Performance Right will, at the election of the holder, convert into one fully paid ordinary share in the Company (**Share**).
8. **(Expiry):** A Performance Right will lapse upon the earlier to occur of:
 - (a) the relevant Director ceasing to be a director, employee or consultant of the Company, in the case of an unvested Performance Right only;
 - (b) the Board deeming that a Performance Right lapses due to fraud, dishonesty or other improper behaviour; and
 - (c) the 4 year anniversary of the date of issue of the Performance Right.
9. **(Share ranking):** All Shares issued upon the vesting of Performance Rights will upon issue rank *pari passu* in all respects with other Shares.
10. **(Quotation on ASX):** The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.

11. **(Timing of Issue of Shares):** Within 15 Business Days after receipt of a written notice of conversion in respect of Performance Rights, the Company will:
- (a) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights specified in the notice of conversation;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph 24(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

12. **(Transfer of Performance Rights):** The Performance Rights are not transferable.
13. **(Participation in entitlements and bonus issues):** Subject always to the rights under items 27 and 28, holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
14. **(Adjustment for bonus issue):** If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the Listing Rules at the time of the bonus issue.
15. **(Reorganisation of capital):** In the event that the issued capital of the Company is reconstructed, all rights of a holder will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the holder are not diminished or terminated.
16. **(Dividend and voting rights):** The Performance Rights do not confer on the holder an entitlement to vote or receive dividends.
17. **(Change in control):** Upon:
- (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (i) having received acceptances for not less than 50.1% of the Company's shares on issue; and
 - (ii) having been declared unconditional by the bidder; or

- (b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of a Milestone, such Performance Rights will automatically and immediately convert to Shares on a one Performance Right for one Share basis.



Red Mountain Mining Limited
ABN 40 119 568 106

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

RMX

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 9:00am (WST) Sunday, 13 May 2018

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Red Mountain Mining Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Red Mountain Mining Limited to be held at the Quest Hotel, 54 Kings Park Road, West Perth, Western Australia on Tuesday, 15 May 2018 at 9:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3a, 3b and 3c (except where I/we have indicated a different voting intention below) even though Resolutions 3a, 3b and 3c are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 3a, 3b and 3c by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1a	Ratification of prior issue of Shares issued under Listing Rule 7.1	☐	☐	☐
Resolution 1b	Ratification of prior issue of Shares issued under Listing Rule 7.1A	☐	☐	☐
Resolution 2	Approval to issue Broker Options	☐	☐	☐
Resolution 3a	Approval to issue Performance Rights to Mr Jeremy King	☐	☐	☐
Resolution 3b	Approval to issue Performance Rights to Mr Lincoln Ho	☐	☐	☐
Resolution 3c	Approval to issue Performance Rights to Mr Robert Parton	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /