Announcement Summary

Entity name

RED MOUNTAIN MINING LIMITED

Announcement Type

New announcement

Date of this announcement

Friday September 25, 2020

The Proposed issue is:

☑ A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Unquoted Options (exercisable at $0.011, expiring 2 years from the date of issue)	60,000,000
RMXOI	OPTION EXPIRING 14-JUL-2021	57,142,857
RMX	ORDINARY FULLY PAID	114,285,714

Proposed +issue date

Friday October 2, 2020

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

RED MOUNTAIN MINING LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

40119658106

1.3 ASX issuer code

RMX

1.4 The announcement is

☑ New announcement

1.5 Date of this announcement

Friday September 25, 2020

1.6 The Proposed issue is:

☑ A placement or other type of issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

☑ Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	Friday November 6, 2020	☑ Estimated	

Comments

up to 30m director and advisor options (exercisable at 1.1cents expiring 2 years from the date of issue)

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
☑ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
☑ Yes

Details of +securities proposed to be issued

ASX +security code and description

RMX : ORDINARY FULLY PAID

Number of +securities proposed to be issued

114,285,714

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
☑ Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.00700

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?

Existing class

Attaching +Security - Existing class (additional +securities in a class that is already quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ASX +security code and description

RMXOI : OPTION EXPIRING 14-JUL-2021

Number of +securities proposed to be issued

57,142,857

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

Free attaching option

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
☑ New class

Will the proposed issue of this +security include an offer of attaching +securities?
☑ No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?
☑ No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?
☑ No

ASX +security code	+Security description
New class-code to be confirmed	Unquoted Options (exercisable at $0.011, expiring 2 years from the date of issue)

+Security type

Options

Number of +securities proposed to be issued

60,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
☑ No

Please describe the consideration being provided for the +securities

30m for lead manager services.
30m director options, subject to shareholder approval.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

0.002000

Will all the +securities issued in this class rank equally in all respects from their issue date?
☑ Yes

Options details

+Security currency	Exercise price	Expiry date
AUD - Australian Dollar	AUD 0.0110	Sunday October 2, 2022

Details of the type of +security that will be issued if the option is exercised

RMX : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

1 fully paid ordinary share for 1 option exercised.

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

T&C to be included in Notice of AGM to be held in November 2020.

Part 7C - Timetable

7C.1 Proposed +issue date

Friday October 2, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

☑ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

☑ Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

14,000,000 fully paid ordinary shares
57,142,857 RMXOI - quoted options (exercisable at 0.8c per share, expiring 14 July 2021)
30,00,000 broker options (unquoted) (exercisable at $0.011, expiring 2 years from the date of issue)

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

☑ Yes

7D.1c (i) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?

100,285,714 fully paid ordinary shares

7D.1c (ii) Please explain why the entity has chosen to do a placement rather than a +pro rata issue or an offer under a +security purchase plan in which existing ordinary +security holders would have been eligible to participate

market conditions

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?
☑ No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?
☑ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?
☑ No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?
☑ Yes

7E.1a Who is the lead manager/broker?

Xcel Capital Pty Ltd

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

6% across all funds raised and 30m unquoted options (exercisable at $0.011, expiring 2 years from the date of issue).

7E.2 Is the proposed issue to be underwritten?
☑ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Funds directed towards initial drilling programme at Mt Maitland, Koonenberry gold project, the Mukabi Kasiri project in the DRC, assessment and due diligence in respect of new mineral assets, general working capital and costs of the offer.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?
☑ No

7F.2 Any other information the entity wishes to provide about the proposed issue