ASX ANNOUNCEMENT

RED MOUNTAIN MINING LTD 21 February 2022

Red Mountain Acquires Prospective Lithium Tenure, WA

Highlights

- **Red Mountain acquires company holding granted exploration license south west of Greenbushes lithium province, WA**
- **Tenure prospective for lithium, nickel, gold and base metals**
- **Project located in southwest terrane with potential to support a Julimar-style geological system**
- **Recent site visit confirms presence of Yilgarn Craton granites, with the same unit located adjacent to pegmatites at Greenbushes**
- **Project acquisition to complement HREE exploration at Mt Mansbridge**
- **Commerically favourable terms providing large potential upside in project value growth**
- **Further exploration work to commence upon execution of land access agreements**
- **An aggressive follow up exploration program is being planned for the Mt Mansbridge HREE project which RMX is fully funded for following the recent capital raising**

Red Mountain Mining Limited (**RMX, the Company**) (ASX:**RMX**) is pleased to advise it has acquired 100% of the Nannup Project, a prospective granted exploration tenement south west of the Greenbushes lithium province in Western Australia.

The Nannup Project (**Nannup, E70/5662**) comprises of 48km^2 in tenure and is prospective for lithium, nickel, gold and base metals (see Figure 1).

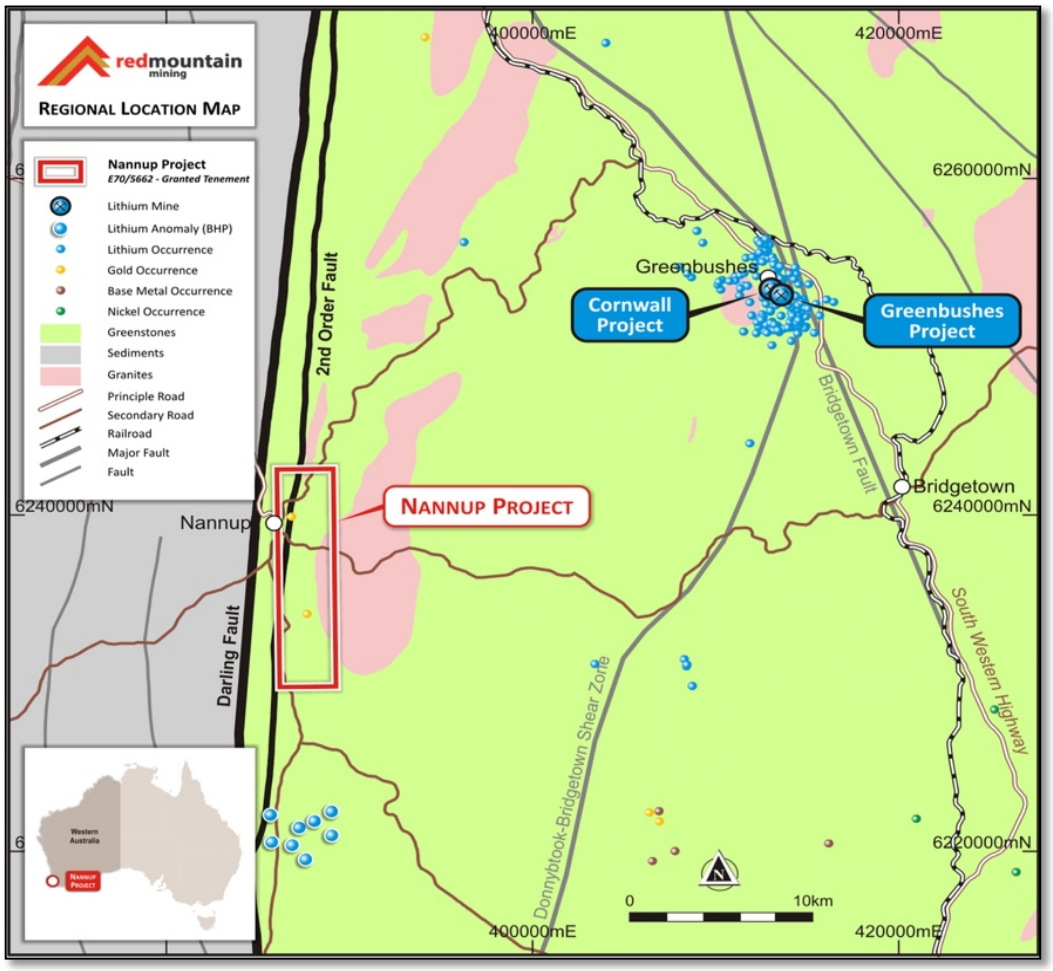

Figure 1: Nannup project location, south west of Greenbushes

Geology

The Nannup project tenement is located within the southwest terrane, proximal to the Darling Fault, a major north-south structure with interbedded Banded Iron Formation (BIF) and mafic-ultramafic rocks mapped at surface. Recently discovered features in similar proximity to the Darling Fault include Chalice's Julimar and S2's Three Springs Project.

The Nannup project contains a 15km long north-south magnetic anomaly adjacent to the Darling Fault (see Figure 2). This anomaly is potentially related to a second order fault parallel to the Darling Fault. The area is underlain by archaean granite gneiss, with most of the tenure classified as greenstone and some amphibolite already identified.

Historical exploration by BHP approximately 9km south of the Nannup tenement reported multiple lithium anomalies and the Company is keen to explore the lithium potential of the Nannup project based on those historic nearby workings.

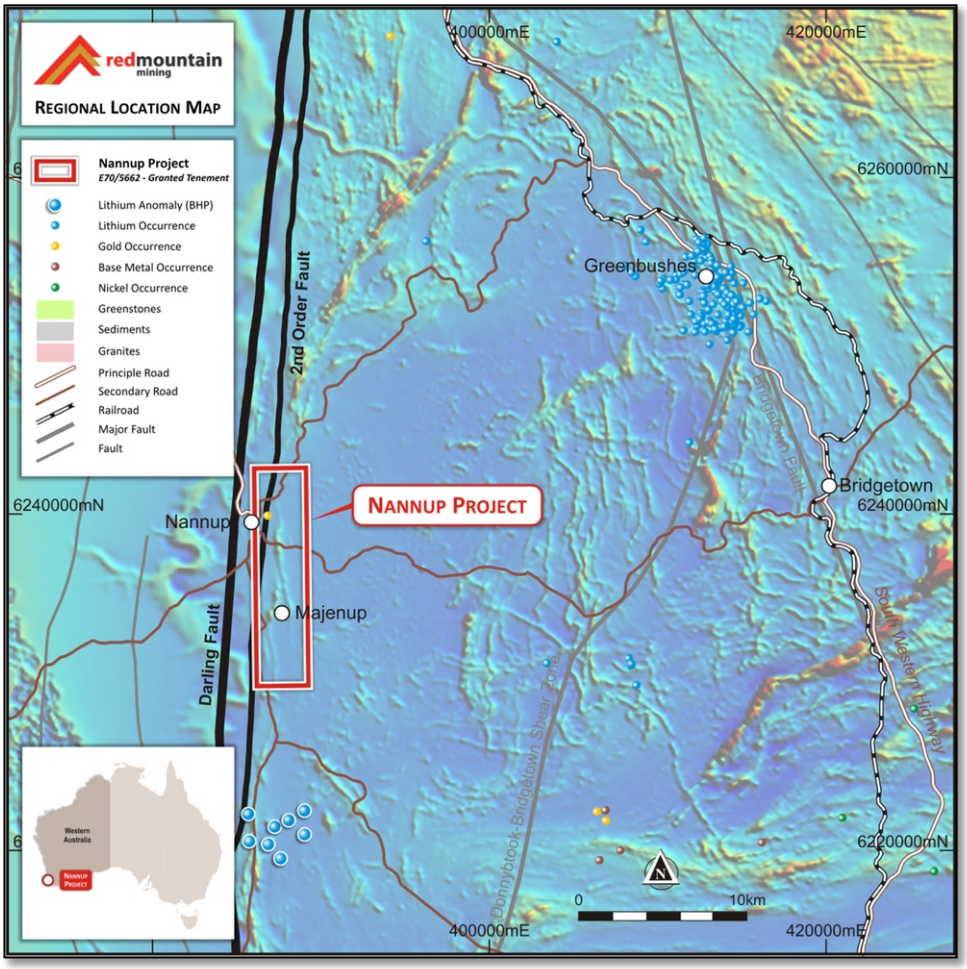

Figure 2: North to south magnetic anomaly adjacent to Darling Fault

Recent field visit

A recent initial reconnaissance visit confirmed the evidence of historic gold workings at Majenup within a highly metamorphized and sheared environment. Due to the extensive secondary cover only a relative small number of coarse grained biotite gneisses lithologies were observed. Additionally, evidence for greenstone belts in form of chlorite schists and bedded cherts was observed. Leucocratic granite / granitoids observed confirmed the presence of Yilgarn Craton granites, the same unit located adjacent to the Greenbushes pegmatite.

While there was no ultramafic lithologies observed during the initial visit, the proximal fault system, including the Darling Fault as well as a second order fault within the western extent of the tenure may have provided the magmatism and will be investigated in subsequent field visits once access agreements are in place.

Forward Program

An initial exploration program is being planned to further identify the lithium, nickel, gold and base metals potential which is expected to commence once land access agreements are granted.

Transaction Terms

Red Mountain has entered into a binding heads of agreement to acquire 100% of the shares in Airdrie Exploration Pty Ltd (**Airdrie**) for a consideration of $50,000 in cash (**Acquisition**). Airdrie holds 100% of the granted exploration tenement in the Nannup project. The consideration will be paid in full on settlement of the Acquisition.

The acquisition is expected to be completed in the coming weeks.

Authorised on and behalf of the Board.

Mauro Piccini
Company Secretary

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 Ralf Kriege. Mr Kriege is a Member of the Australasian Institute of Mining and Metallurgy. 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 Kriege consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.*	• Random Chips samples (not analyzed to date)
Drilling techniques	• *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).*	• No drilling conducted.
Drill sample recovery	• *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.* • *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.*	• No drilling conducted.
Logging	• *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.*	• No drilling conducted. Surface chips samples geologically logged, no quantitative logging.

Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *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.*	• No sample preparation to date.
Quality of assay data and laboratory tests	• *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 precision have been established.*	• No assaying conducted.
Verification of sampling and assaying	• *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.*	• Not applicable to date.
Location of data points	• *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.*	• Handheld GPS on datum GDA2020

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	
Data spacing and distribution	• *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.*	• No resource calculation conducted to date, data points as per co-ordinate recording.
Orientation of data in relation to geological structure	• *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.*	• Unbiased sampling.
Sample security	• *The measures taken to ensure sample security.*	• Samples have been collected and securely stored.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits conducted to date.

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	• *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 licence to operate in the area.*	• The tenement is held by Airdrie Exploration Pty Ltd. Red Mountain Mining has entered into an binding term sheet agreement to acquire the tenement.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historic minor mining has been conducted, with no resource established.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• target model for Gold is structurally and stratigraphically controlled shoots within low grade envelopes of epithermal alteration, brecciation and veining related to main structure.

Drill hole Information	• *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:*
	  ○ *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*
	  ○ *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.*
		• No drilling conducted

Data aggregation methods	• *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.*	• No techniques applied

Criteria	JORC Code explanation	Commentary
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *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 (eg 'down hole length, true width not known').*	• Not applicable.
Diagrams	• *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.*	• Not applicable.
Balanced reporting	• *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.*	• Not applicable.
Other substantive exploration data	• *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.*	• Not applicable.
Further work	• *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.*	• Further planned work is the additional rock chip sampling and mapping to provide more detailed information in respect to rock type distribution and economic potential. • Soil sampling to assess potential for buried economic mineralization.