



RMC

Resource Mining Corporation Limited



DECEMBER 2020 QUARTERLY REPORT

For the period ended
31 December 2020

**Resource Mining
Corporation Limited**
("RMC" or "Company")

ABN: 97 008 045 083

Email: rmc@resmin.com.au

ASX Code: RMI

Contact:

Warwick Davies – *Managing Director*

Project:

Papua New Guinea
Wowo Gap: Nickel-Cobalt

Resource Mining Corporation Limited ("RMC") is a Perth-based specialist mineral exploration company aiming to create wealth from mineral commodities using innovative technical, marketing and financial skills as it explores for economic metal deposits in Papua New Guinea ("PNG").

QUARTERLY REPORT

SUMMARY

Corporate Update

The Company continued to focus activities on cost control and the main asset of the Wowo Gap Nickel/Cobalt Project ("The Project") in Papua New Guinea. The key objective continues to be the preservation and maintenance of its interest in the wholly owned Wowo Gap Nickel/Cobalt Project.

Whilst the impact of COVID-19 has declined in Australia, the virus continues to impact PNG in a negative way. Community transmission, whilst low compared to European countries, continues to affect the population in Port Moresby and regional areas. The country continues to experience a relatively low number of COVID-19 infections, approximately 835 with less than 10 deaths.

Whilst there have not been any infections recorded in the area surrounding the Wowo Gap Project area, the Company continues to maintain PNG operations in a COVID-19 safe manner. As appropriate, the COVID-19 operations and works plan includes social distancing, a hygiene focus and regular updates to the virus awareness program on site.

As previously reported the exploration licence for EL 1165 expired on 28th February 2020 with an application to renew the licence for a further two-year period being submitted to and accepted by the Mineral Resources Authority (MRA), prior to the expiry date. (Whilst the renewal process is being conducted, EL 1165 remains under the Company's control with the Company responsible for maintaining operational activities and expenditure commitments).

Advice was received on 12th October 2020 that domestic travel restrictions within PNG had been lifted and overseas restrictions reduced. The Company was advised that we should anticipate a schedule for the Warden's Court Hearing for EL 1165, the first formal stage in the tenement renewal process. No advice has yet been received.

Financial

Funding for the Company's ongoing operations continues to be provided from Sinom (Hong Kong) Limited (**Sinom**), RMI's largest shareholder and an entity controlled by RMI's Non-Executive Director, Andy Zhang. Funds are being provided interest free and are not repayable before 30 September 2021.

On 16 November 2020, the Company advised that it had formalised existing loans totalling \$1,051,087 with Sinom. This loan (Loan C) remains unsecured, interest free and repayable at any time on or following 30 September 2021 forthwith on demand.

The Company also advised that, in accordance with clause 8.3(g) of Schedule 2 of the Facility and Note Deed dated 14 October 2014, and the letters of amendment dated 9 December 2016, 15 October 2018 and 1 October 2019 between the Company and Sinom, the Company elected to redeem these two convertible notes for a total of \$2,000,000.

Sinom agreed to loan the Company \$2,000,000 in accordance with a new loan agreement (Loan D). The purpose of Loan D was for the redemption of the two convertible loan notes held by Sinom totalling \$2,000,000. Loan D is unsecured, interest free and repayable at any time on or following 14 January 2022 forthwith on demand.

The Company subsequently consented to the assignment of Loan C and Loan D by Sinom to Corcel plc, however RMI was not a party to the debt acquisitions by Corcel plc.

Operational Activities – COVID-19 Impacts

Whilst domestic travel restrictions were eased during the quarter, logistics issues based on COVID-19 had negative impacts on resupply operations for the Company's PNG activities. COVID-19 restrictions together with issues of lack of local air strip maintenance, sustained very heavy rainfall and the funeral of a significant identity in a local village all contributed to resupply disruptions.

Company employed labour was engaged to clear and prepare the local airstrip to accept fixed wing aircraft, a challenging task given the prevailing weather conditions. The grass airstrip serves a wide regional area but continues to suffer from a lack of Government support for any form of maintenance.

Traditional Christmas and New Year celebrations and a traditional general slow-down in activities worked in a positive way ensuring the Company was able to maintain basic activity on site. With the resupply now completed, normal operations have resumed as allowed by the continued unseasonal very heavy rain. This rain has caused damage to walking tracks and grid lines which are progressively maintained as allowed by the weather conditions.

Adverse weather conditions have had a negative impact on communications with the exploration site with satellite access frequently interrupted by heavy cloud cover. The Company's communication service provider worked to ensure a basic service has been maintained and both parties continue to cooperate in very difficult circumstances to ensure this vital link remains operational.

Very limited routine water sampling, monitoring and assays were able to be conducted during the quarter due to adverse weather conditions. Access tracks were maintained, walking trails cleared and monitoring of the effects of heavy rains completed in areas prone to exposure of the laterite profile. Camp maintenance was a focus as the weather caused damage to roofs of several buildings in the main exploration camp area.

Social distancing and personal hygiene continue as a key focus for site operations. Personnel movement with strict controls of numbers of people on site and walking together have generally been accepted but require continual reinforcement, especially when goods are delivered by porters from some of the more remote hamlets and villages.

Restrictions to the numbers of personnel on site that were introduced in the March quarter to ensure social distancing were temporarily relaxed over the Christmas period as people transmitted the main camp area which is adjacent to the junction of significant walking tracks. Christmas is a time particularly when local church groups travel between villages as part of the local traditional celebration activities.

The normally strict social distancing and hygiene conditions have become the accepted site operating procedures. Local supervisors are finding that new casual employees are requiring less COVID-19 induction and training as social distancing etc appears to have gained more local acceptance. The awareness campaigns by supervisors and the Village Liaison Officers continue to be a focussed activity.

Additional ASX Information

- Exploration and evaluation expenditure during the Quarter was \$19,000, including staff costs. Full details of exploration activity during the Quarter are included in this Quarterly Activities Report.
- There were no mining production and development activities during the Quarter.
- Payments to related parties of the Company and their associates during the Quarter were nil. The costs for non-executive director fees and executive directors' consulting remain unpaid.



W J Davies
Managing Director
Dated: 28th January 2021

SCHEDULE OF TENEMENTS AS AT 31 DECEMBER 2020

Tenement	Tenement No.	RMC Interest
Wowo Gap	EL1165	100%

Authorised for lodgement by Warwick Davies, Managing Director.