



RMIC

Resource Mining Corporation Limited

ANNUAL REPORT 2021

**RESOURCE MINING
CORPORATION LIMITED**

ABN 97 008 045 083

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COMPANY INFORMATION



ABN	97 008 045 083
Directors	William (Bill) Mackenzie (Non-Executive Chairman) Warwick Davies (Managing Director) Zhang Chi (Andy) (Non-Executive Director)
Company Secretaries	Amanda Sparks
Registered Office	Suite 14, Level 2 210 Bagot Road SUBIACO, WESTERN AUSTRALIA 6008
Principal Place of Business	Suite 14, Level 2 210 Bagot Road SUBIACO, WESTERN AUSTRALIA 6008 Telephone: +61 8 6494 0025 Website: www.resmin.com.au
Share Registry	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace PERTH, WESTERN AUSTRALIA 6000 Telephone Within Australia: 1300 850 505 Outside Australia: +61 3 9415 4000 www.investorcentre.com/contact
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street SUBIACO, WESTERN AUSTRALIA 6008 Telephone: +61 8 6382 4600 Facsimile: +61 8 6382 6401
Bankers	Westpac Bank 116 James Street NORTHBRIDGE, WESTERN AUSTRALIA 6000
Securities Exchange Listing	Resource Mining Corporation Limited shares are listed on the Australian Securities Exchange (Home Exchange – Perth) ASX Code: Shares RMI

CHAIRMAN'S LETTER



Dear Shareholder

On behalf of the Board of Directors, it is with pleasure that I present Resource Mining Corporation Limited's (**RMC or Company**) Annual Report for the year ended 30 June 2021.

Despite the past year dominated by COVID-19 and its impacts worldwide and particularly in PNG, your Company continues to maintain its 100% interest in the Wowo Gap project pending a sustained improvement in market conditions. The Exploration Licence for EL1165 expired on 28 February 2020 with a renewal application being submitted and accepted on 24th February 2020 by the Minerals Resources Authority (MRA). The first stage of the licence renewal process, the conduct of a Warden's Court Hearing, has been the subject of COVID-19 related cancellations and deferral. A date for the hearing is yet to be confirmed, however under PNG law, EL1165 remains in force until the renewal process is concluded.

Onsite at Wowo Gap, project activity was in keeping with the commitments for the EL 1165 license. Site-based activities included maintaining the project area and exploration equipment in a 'ready state' for future exploration and potential development. Routine environmental activity including water sampling and environmental monitoring was undertaken during the year. The well-established training and upskilling of casual labourers continued as the policies of local villages of providing employment opportunities for as many local residents as possible, means frequent staff turnover, with regular training programs was undertaken with benefits of improved performance providing flexibility for key tasks on site being experienced.

COVID-19 had and continues to have significant negative impacts on the conduct of routine operations on site. Charter flights are subjected to increased oversight by the relevant authorities as tight regulations regarding potential passenger's vaccination and temperature conditions severely impacted on the ability of people to travel to and from site.

The Company continued to provide support for local schools, community groups as well as clan groups on a cooperative basis. Logistical and financial reasons, together with social engagement, drives the local purchase of labour and fresh food for the satisfaction and mutual benefit of the Company and communities.

On 12 August 2021, the Company's subsidiary, Resource Exploration Pty Ltd (REX), signed a binding but conditional Share Purchase Agreement (SPA) with Regency Mines Australasia Pty Ltd (Purchaser) to sell 100% of the issued share capital in REX's subsidiary, Niugini Nickel Pty Ltd (NN). NN owns 100% of the Wowo Gap Nickel Laterite Project in Papua New Guinea. Regency Mines Australasia Pty Ltd is a wholly owned subsidiary of Corcel plc. As consideration for the sale, Corcel is releasing all liabilities and obligations in connection with its AUD \$4,761,087 of loans owing by the Company. The Company will seek to obtain the approval of its Shareholders at a Shareholder meeting to be held on 8 October 2021. Further details of the proposed transaction, together with an Independent Expert's Report and recommendation were included in the Notice of Meeting sent to all shareholders on 8 September 2021.

During the year, the Company acquired a majority interest in the Kabulanywele Nickel Project in Tanzania. The Company acquired 75% of the issued capital of Eastern Nickel Pty Ltd (**ENPL**) which in turn holds holds 99% of the issued capital of Eastern Nickel Tanzania Limited (**ENT**). ENT holds a 100% interest in the Kabulanywele Nickel Project (**KNP**) located approximately 45 km south-west of Mpanda, the administrative centre for the Katavi Region in Western Tanzania. The KNP comprises 2 x granted Prospecting Licences, PL/11534/2021 and PL/11535/2021, covering approximately 20.5 square kilometres in total.

The Project is located approximately 35km from the western shore of Lake Tanganyika. The area is part of the western limb of East African Rift systems. The acquisition of the KNP was undertaken to provide the Company with a dual focus on nickel and cobalt. Initial exploration activity was conducted on the prospecting licences during the year with company geologists undertaking a mapping and soils sampling exercise. As a result of the encouraging results from the mapping and sampling work, the Company has applied for an additional prospecting licence covering approximately 0.27 square kilometres adjacent to the granted licence areas.

Off-site activity was spent understanding the battery minerals business and the roles nickel and cobalt play in the various lithium ion battery types. An understanding of end-user's product requirements continues as a management focus.

On behalf of the Board, I thank the RMC team for their commitment during the year and my fellow directors for their support. Most importantly, I thank you, the Shareholders, for your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'W. Mackenzie', written in a cursive style.

William Mackenzie
Chairman

Resource Mining Corporation Limited (ASX: RMI) (**Resource Mining, RMC** or the **Company**) is an innovative, Perth-based, mineral exploration company with interests in Tanzania and Papua New Guinea (**PNG**).

The development of the Wowo Gap Nickel/Cobalt Project in south east PNG together with the exploration of the recently acquired majority interest in the Kabulaywele Nickel Project in Tanzania provides the Company with a dual project/geographic focus in the nickel and cobalt industries. Recent developments in the world’s nickel industry have focussed attention on the nickel laterite projects in Africa and the South Pacific.

TANZANIA KABULANYWELE NICKEL PROJECT

As announced to the market on 9th February 2021, the Company acquired a controlling interest in a Nickel Project in Tanzania. The key points of the acquisition are:

- The Company has acquired 75% of the issued capital of Eastern Nickel Pty Ltd (**ENPL**);
- ENPL holds 99% of the issued capital of Eastern Nickel Tanzania Limited (**ENT**);
- ENT holds a 100% interest in the Kabulwanyele Nickel Project (**KNP**) located approximately 45 km south west of Mpanda, the administrative centre for the Katavi Region in Western Tanzania
- The KNP comprises 2 x granted Prospecting Licences, PL/11534/2021 and PL/11535/2021, covering approximately 20.5 square kilometres in total.

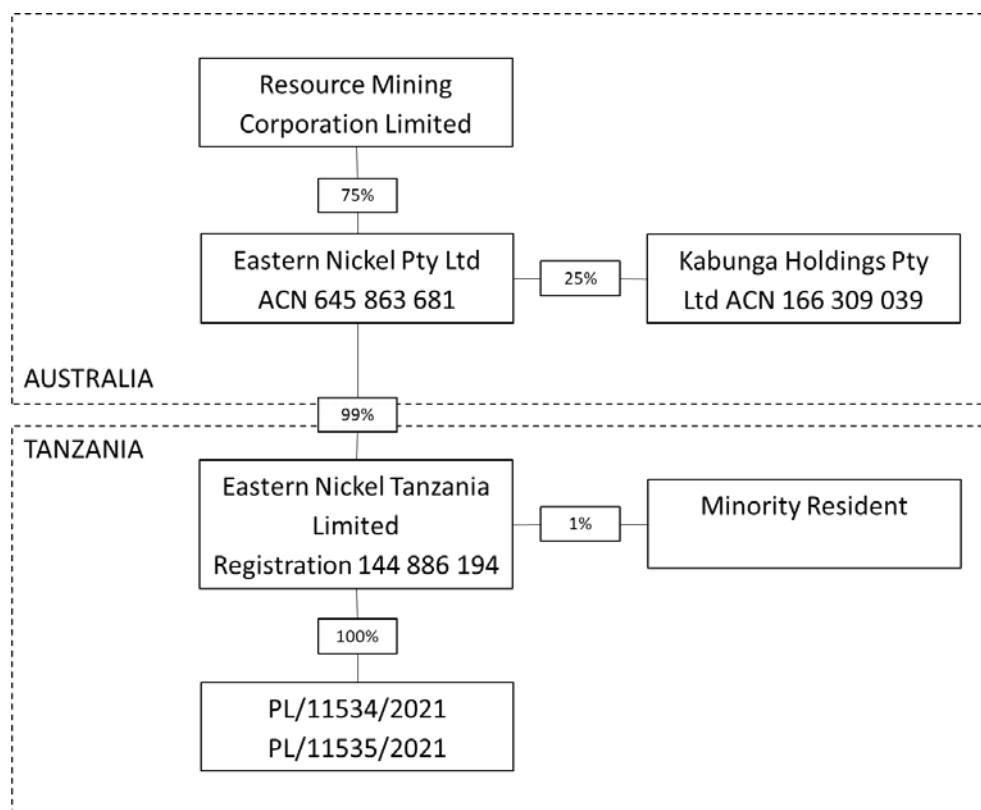


Figure 1: Transaction Structure

Consideration for the acquisition was entirely share based being the issue of 29,626,735 RMI shares to Kabunga Holdings Pty Ltd or its nominees (Consideration Shares) to acquire a 75% interest in ENPL (based on the closing price on 5/2/2021 of \$0.016/share, the implied value is \$474,028). A 1.5% NSR royalty is payable to Kabunga Holdings Pty Ltd on future production from the KNP.

The controlling interest in the Kabulwanyele Nickel Project provides the Company with an additional interest in the Nickel/Cobalt exploration and development arena and spreads the Company’s risk profile from reliance on Papua New Guinea.

Kabulwanyele Nickel Project:

The Kabulwanyele Nickel Project, (**KNP**), is located near the Western border of Tanzania in an area of known nickel mineralisation. Figure 2 shows the Project location.



Figure 2 - Project location

An initial exploration program commenced in April 2021 and involved comprehensive geological mapping of the tenement area in conjunction with systematic soils and rock sampling.

Mapping

The geological mapping program concentrated in the area where historical exploration had identified the presence of Nickel laterite mineralization. Continuous ferruginous siliceous laterites have been mapped in a hilly area which form three hill grouping. (See Figure 3 and 4 below). Geological interpretation suggests the laterites resulted from the strongly weathered mafic-ultramafic layered intrusion. The three hills extend for a length of 2.0km NW-SW direction with an average width of 0.8km. Maximum thickness of laterization was observed on the upper areas of the hills with laterite horizons thickness ranging between 20 –35m.



Figure 3: Ferruginous Siliceous Laterite



Figure 4: Serpentine Saprolitic Laterite

The mapping program identified additional laterite mineralization outside of the granted exploration tenements. RMI has subsequently filed a new application to cover the newly identified mineralized area. Figure 5 shows the mapped geology, newly applied license area along with the completed soil sampling locations.

Soil sampling

A total of 264 samples were collected systematically from the project area. The samples have been dispatched SGS Mwanza for sample preparation and thereafter will be shipped to SGS South Africa for chemical analysis.

New Prospecting License Application

An application for a new and additional prospecting license has been made to cover the area where laterite mineralization has been identified. (See Figure 5 below for the recent application area). The license application covers an area of 0.27km² and essentially includes the majority of identified laterites outside the granted tenements.

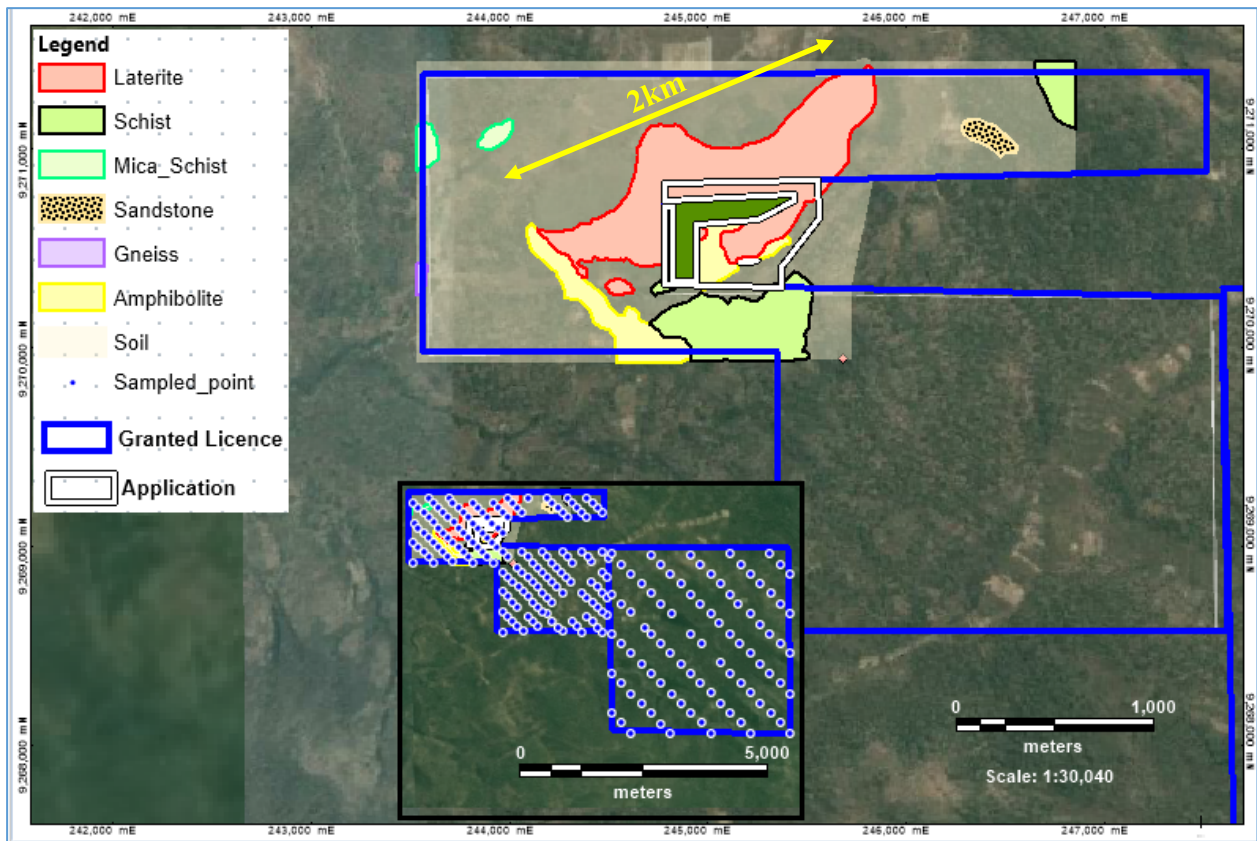


Figure 5. Mapped Area Including, Geology, Soil Sample Locations and New License Application Area

Future Work Programs

After receipt and review of the chemical assay results of the soils sampling program and assuming positive results, the company is planning to conduct an aircore drilling program to test any targets generated from the assay results.

PAPUA NEW GUINEA - WOWO GAP NICKEL/COBALT/ LATERITE PROJECT (the Project): EL 1165 (RMC 100% interest)

PROJECT OVERVIEW

The Project is located 200 kilometres east of the PNG capital Port Moresby and approximately 35 kilometres inland from the coastal town of Wanigela, situated on Collingwood Bay. The Project hosts significant nickel-cobalt mineralisation within the laterite profile overlying an ultramafic plateau.

Tenement Status EL 1165

Niugini Nickel Pty Ltd (**Niugini Nickel**), a 100% owned subsidiary of Resource Mining, is the sole owner of Exploration Licence 1165. The Exploration Licence consists of 28 sub-blocks with an area of 94.40 square kilometres.

The Exploration Licence for EL1165 expired on 28 February 2020 with a renewal application being submitted and accepted on 24th February 2020. The first stage of the licence renewal process, the conduct of a Warden’s Court Hearing has been the subject of cancellations and deferrals during the year from a combination of events including COVID-19, the declaration of a State of Emergency in PNG as well as a serious local event.

On 28th July 2020, the MRA advised that “the hearing has been adjourned and deferred indefinitely”. Subsequently, after various dates were set and deferred, the latest hearing date was set to 14 September 2021. The Hearing was unable to proceed due to the helicopter charter operator cancelling the flight from Port Moresby to Wowo Gap due to “unforeseen issues arising”. A revised Hearing date has yet to be set. During the period from renewal application on, the tenement remains in force with the company meeting its obligations under the terms and conditions of the Mining Act.

Geology

Wowo Gap is located at the south-eastern end of the Papuan Ultramafic Belt, a complex of peridotite, pyroxenite and gabbro which form the prominent east-west trending Didana Range.

The most prominent rock types are of the Papuan Ultramafic Belt, which occur as an east trending block through the Didana Range and are bounded to the east and southeast by the Bereruma Fault. The Bereruma Creek is controlled by this fault and is positioned in Wowo Gap between the Didana Range to the west and the Goropu Mountains to the east. In the Didana Range the ultramafic rocks consist of tectonite ultramafics, cumulate ultramafics and gabbro and granular gabbro.

The tectonite ultramafics crop out at the eastern end of the Didana Range adjacent to and within the western section of the Wowo Gap Nickel Laterite Project. The Sivai Breccia, co-host of the Wowo Gap mineralisation, flanks the tectonite ultramafic at the eastern end of the Didana Range adjacent to the Bereruma Fault.

The ultramafic rocks are flanked by younger clastic sediments and basaltic volcanics of the Pliocene Domara River Conglomerate, the Musa Volcanics and the Silimidi Conglomerate. In the northern foothills of the Didana Range the Bonua Porphyry is associated with the Musa Volcanics.

The Project area lies within an erosional regime of an east dipping lateritic profile developed over the underlying ultramafics. The Project area is the physiographic expression of the northeast trending Bereruma Fault.

A complete lateritic profile is preserved, with partial truncation associated with recent drainage systems. The depth of weathering varies according to rock type and the degree of brecciation. The lateritic profile is typically 10 to 15 metres thick, occasionally more than 20 metres proximal to the Sivai Breccia.

Mineral Resources

Exploration has outlined mineralisation along the 12-kilometre strike length with a total Indicated and Inferred Mineral Resource Estimate of 125 million tonnes at 1.06 per cent Nickel (Ni), 0.07 per cent Cobalt (Co). See Table 1 below for further details.

Mineral Resource Classification (JORC 2004)	Mt	Nickel (%)	Cobalt (%)
Indicated	72	1.03	0.07
Inferred	53	1.09	0.06
Total	125	1.06	0.07
Contained Metal		1,325,000 t	83,000 t

Table 1 – Mineral Resource Estimate¹

Wowo Gap

COVID-19 and the uncertainty regarding the tenement renewal process had serious negative impacts on the ability to undertake anything more than basic care and maintenance activities. The requirement to operate under conditions of initial education with subsequent reinforcement of COVID-19 safe conditions including ‘social distancing’ meant all site-based personnel learning a new way of working.

Changes to daily routines were implemented along with a process of changes to portage, visitor behaviour, and education in local villages as to acceptable safe-working practice proved a continuous challenge for many months until the “new” acceptable operations behaviour was established and accepted by all employees and visitors.

COVID-19 caused lockdowns, travel restrictions both domestic and international, disrupted personal and corporate lives and resulted in changes to working arrangements both in PNG and in Australia. In addition, with the tenement under a renewal status, the combination of the two events, resulted in only basic maintenance and general activities taking place on site.

¹ Refer to ASX announcement 14 December 2011, RMC confirms that it is not aware of any new information or data that affects the information included in that market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. RMC’s policy for Mineral Resources estimates is to have the estimates prepared by a suitably qualified and experienced external consultant and have these estimates reviewed internally by the Board periodically.

COVID-19 was the most significant impact/task/focus with considerable management time devoted to the continually reinforcement of social distancing and safe working practices. In the remote location of EL 1165, little or no Provincial or National Government support is available. The Company has accepted a role to deliver the messages of COVID-19 firstly on site and secondly to the local villages through the village liaison officer network. Whilst not directly linked to time/money spent on EL 1165 in the ground, the Company believes that safety of personnel and local residents is paramount hence the significant and major focus on spreading COVID-19 facts and information.

The normally simple activities of running supply charters to site became a major logistics exercise complete with the additional documentation required when operating in a COVID-19 environment.

Site Activities

Exploration camp facilities have been maintained and local personnel rotated through regular training programs. The impact of COVID-19 has been significant in terms of numbers of people on site, social distancing, and general arrangements with porters. Considering social distancing, work programs have been arranged to tasks involving 2 or 3 people with limited supervision, operators being trained and encouraged to be 'self-reliant'.

The COVID-19 situation has affected the arrangements casual labour is provided from local villages. With Company support, a program of offering employment opportunities to as many people as possible on a rotation basis has meant regular "first-timers" arriving on site. This has been a positive providing opportunities to reinforce the COVID-19 message and provide a platform for continuous improvement in the site training regime.

The extensive campaign of updating all policies and procedures and training manuals completed last year has provided its worth in the current changed circumstances.

Environmental

Regular environmental investigations were undertaken including the routine monitoring of stream and river flows as well as routine sampling of water quality. A system of track clearance is routinely undertaken in conjunction with local landowners to oversee the clearance activity. Where possible, access to sampling points is made from local walking tracks where the Company maintains the walking paths in good condition for locals as well as site-based personnel.

The impact of COVID-19 restricted the ability to conduct water sampling on the desired frequency basis. However, amended procedures consistent with COVID-19 practices continued in force as indicated by Figure 6 below, showing typical testing and measurement location with creek conditions at the time testing was conducted.



Figure 6: Water testing & measurement

Other environmental activity focussed on tailings disposal methods for nickel processing metallurgical practices reviewed in the associated studies.

Social

The ongoing negative effects from COVID-19 together with the after-effects of severe flooding of the Musa River, the main transport artery for villages adjacent to EL 1165, resulted in significant increases in requests for assistance from the local communities. The initial impact of the flooding of the Musa River, was the destruction of many local gardens and the elimination of a means for many households to feed themselves. In turn, this placed stress on the availability of local garden produce available for purchase by the Company to provide fresh vegetables and fruit to employees working in the exploration camps.

A secondary and perhaps more important impact of the severe flood was the re-routing of the river and the creation of spoil banks which restricted and, in some cases, eliminated navigable sections of the river. The Musa River is the transport lifeline for local communities. Without a navigable river, the local people are forced to walk many days to move from their local villages to the Provincial Capital, Popondetta. Without a navigable river, the Company has no means of economically arranging the delivery of vital fuel, (petrol and diesel).

The villagers formed work teams to attempt to re-open sections of the river using a variety of equipment including Company water pumps. Recent bursts of heavy rains have aided the clearance efforts with major sections being re-opened at the year's end.

During the year, requests for assistance, specifically for education and health services were received reflecting the on-going 'fall-off' of service delivery by local, provincial and national governments. The requests for assistance with were for funding, for equipment and for basic facilities. Whilst RMC's subsidiary company, Niugini Nickel Pty Ltd, provides an active social engagement policy, the Company is unable to step-in and provide basic government services.

During the SOE, access to Popondetta, was totally restricted. During the SOE, the COVID-19 domestic travel restrictions caused some minor site manning issues as Company personnel were 'caught' in Popondetta unable to travel home due to quarantine and general travel restrictions. Local villagers sought assistance from the Company to facilitate communications with family members and officials during what was a difficult communications period.

The Company's emergency communications protocols were tested during these conditions with mixed success. Lessons have been learnt and modifications to the protocols instituted and successfully tested in practice and a real-life situation. Site personnel have appreciated the revised contact protocols as they look to adapt their lives to new normal.

Reinforcement of the Company's COVID-19 operations and awareness campaigns together with updated information regarding COVID-19, is a regular activity. Experience from information sourced from World Health Organisation, Australian and PNG Government sources, together with regular news information is regularly being shared with employees and the residents of the villages serving the EL 1165 exploration facilities.

The site-based supervisors together with the Village Liaison Officers, have maintained effective control over the numbers of people travelling to site. Experience has demonstrated that quite strict controls over the frequency of portage and numbers of porters has to be a focus for the supervisory personnel.

With satellite internet on site, the Company provides regular updates to local communities regarding Government and PNG newspaper information to ensure these communities have relevant information that assists in their understanding of actions being undertaken by the Company.

The National PNG Government implemented a COVID-19 awareness campaign which was rolled out across the country and when delivered to the villages by the EL 1165 exploration area, served to reinforce the messages provided by company staff and casual employees. No evidence of the COVID-19 virus infection has been identified in the broad area surrounding EL 1165.

The Company continued to provide support for local schools, community groups as well as clan groups on a cooperative basis. Logistical and financial reasons together with social engagement drives the local purchase of labour and fresh food for the satisfaction and mutual benefit of the company and communities.

Weather Impacts

Adverse weather conditions impacted badly on operations during the second half of the report period. Fuel supply, essential for equipment operation has been effectively cut-off with changes to the Musa River's path to the coast. (The Musa River is the main transport corridor from Embessa, major population centre adjacent to Wowo Project, to Oro Bay/Popondetta the capital of Oro Province).

Unseasonal rains resulted in flooding of the Musa River with significant changes in its path including major erosion of riverbanks, causing the river's path to spread across relatively flat landforms leaving the river wide and very shallow. This has prevented the passage of all craft including canoes. With limited navigable water, it is not possible to transport fuel drums from Oro Bay to Embessa.

The flooding of the river caused major problems near the town of Embessa where many of the residents lost +50% of their gardens, their local food source and the source of fresh vegetables for the operations at Wowo Gap.

Fuel management, weather conditions and COVID-19 restrictions all contributed to reduced on-site activity where essential operations only were undertaken. By necessity, camp maintenance, access track repair, routine environmental monitoring and training were the main activities undertaken. With COVID-19 infections being recorded in Popondetta, considerable time was spent conducting 'Awareness Lectures' for the workforce, porters and the occasional travellers who pass through the exploration area.

REVIEW OF STRATEGIC INTENT



With the Company's satellite communication links, the local villages rely on the Company to pass on COVID-19 information, a service provided to endeavour to keep local communities up to date.

Planned Disposal of Wowo Gap

On 12 August 2021, the Company's subsidiary, Resource Exploration Pty Ltd (REX), signed a binding but conditional Share Purchase Agreement (SPA) with Regency Mines Australasia Pty Ltd (Purchaser) to sell 100% of the issued share capital in REX's subsidiary, Niugini Nickel Pty Ltd (NN). NN owns 100% of the Wowo Gap Nickel Laterite Project in Papua New Guinea. Regency Mines Australasia Pty Ltd is a wholly owned subsidiary of Corcel plc. As consideration for the sale, Corcel is releasing all liabilities and obligations in connection with its AUD \$4,761,087 of loans owing by the Company. The Company will seek to obtain the approval of its Shareholders at a Shareholder meeting to be held on 8 October 2021. Further details of the proposed transaction, together with an Independent Expert's Report and recommendation were included in the Notice of Meeting sent to all shareholders on 8 September 2021.

Competent Persons Statement

The information in this document that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Mark Hill, a Competent Person who is a member of the Australian Institute of Geoscientists. Mark Hill is an employee of Exman Consultancy and 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Information on the Wowo Gap Nickel Laterite Project was prepared and first disclosed under JORC Code 2004*. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mark Hill consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

* Refer to ASX announcement 14 December 2011, RMC confirms that it is not aware of any new information or data that affects the information included in that market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. RMC's policy for Mineral Resources estimates is to have the estimates prepared by a suitably qualified and experienced external consultant and have these estimates reviewed internally by the Board periodically.

DIRECTORS' REPORT



Your Directors present their report for the financial year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was mineral exploration in Tanzania and Papua New Guinea.

DIRECTORS

The following persons were Directors of Resource Mining Corporation Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

William Mackenzie	Chairman (Non-Executive)
Warwick Davies	Managing Director (Executive Director)
Zhang Chi	Director (Non-Executive)

PARTICULARS OF DIRECTORS AND COMPANY SECRETARY

William (Bill) Mackenzie **Chairman (Non-Executive)**

Qualifications: Bachelor of Engineering (Mining); MBA; M AusIMM

Term: Chairman and Director since December 2008

Experience: Mr Mackenzie is a mining engineer with over 40 years of experience in the resources sector with involvement in the assessment, development and operation of mineral projects both within Australia and overseas. Mr Mackenzie's experience has included direct operating, senior project management and executive roles with responsibility for business development, project and business unit management of various Australian and offshore ventures and from 2001 was Principal of a consulting group that provided specialised, independent technical and commercial advice to boards, banks and investors involved in the development of resources, energy and infrastructure projects worldwide. He served as a non-executive Director of ASX listed OM Holdings Limited from 2005 till 2007 and as Managing Director of a privately owned diversified Australian resource development company from 2007 till 2013. Since 2015, he has been a director of an Australian subsidiary of a privately owned international investment group.

Interest in Shares and Options in Resource Mining Corporation Limited: 2,092,847 ordinary shares

Special Responsibilities: Mr Mackenzie is a Non-Executive Chairman.

Directorships held in other listed entities current or last 3 years: None.

Zhang Chi (Andy) **Director (Non-Executive)**

Qualifications: Mr Zhang has an economics degree from Renmin University in China.

Term: Director since April 2006

Experience: Mr Zhang is Managing Director of Sinom (Hong Kong) Limited and has very extensive experience in the Iron and Steel Industry in China. Prior to becoming involved in Sinom (Hong Kong) Limited, Mr Zhang held several positions with the BaoSteel Group, (China's largest steel maker).

Interest in Shares and Options in Resource Mining Corporation Limited: 136,793,768 ordinary shares held by Sinom (Hong Kong) Limited of which Mr Zhang is a Director and controlling shareholder.

Special Responsibilities: Mr Zhang is a Non-Executive Director.

Directorships held in other listed entities current or last 3 years: None.

DIRECTORS' REPORT (continued)



Warwick Davies **Managing Director**

Qualifications: Bachelor of Arts (Economics) and has a Certificate of Chemistry.

Term: Director since August 2004

Experience: Mr Davies has over fifty years' industry experience in the mining, exploration and manufacturing industries. He has held a variety of leadership roles in both technical and commercial positions during his extensive career with BHP, Hamersley Iron, Robe River Mining Co and RMC.

As an independent mining industry consultant since 2001, Mr Davies has worked on a wide variety of assignments initially in the Iron Ore Industry and more recently in the Non-Ferrous industry with specific emphasis on China. He brings to the Company, considerable practical and international experience, a strong technical background and an extensive potential customer contact network. Over the past 10 years, Mr Davies has developed detailed knowledge of the conduct of business in Papua New Guinea as well as the Nickel and emerging Battery Minerals industry.

Interest in Shares and Options in Resource Mining Corporation Limited: 1,679,437 ordinary shares held directly and 2,655,945 ordinary shares held by related parties.

Special Responsibilities: Mr Davies is responsible for the day-to-day operations of the Group and in particular Metallurgy, Marketing and Infrastructure.

Directorships held in other listed entities current or last 3 years: Fenix Resources Limited.

Amanda Sparks **Company Secretary**

Qualifications: B.Bus, CA, F.Fin

Term: Company Secretary since August 2016

Experience: Ms Amanda Sparks is a Chartered Accountant with over 30 years of resources related financial experience, both with explorers and producers. Ms Sparks has extensive experience in financial management, corporate governance and compliance for listed companies.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2021, and the number of meetings attended by each Director.

	Board Meetings	
	Number eligible to attend	Number attended
Warwick Davies	4	4
William Mackenzie	4	4
Zhang Chi	4	-

During the year, the Chairman and Managing Director held various discussions via phone calls and informal meetings, rather than formal Board meetings. In addition, circular resolutions were used to resolve important matters.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group intends to continue its exploration activities with a view to the commencement of mining operations when practical. The Group intends to dispose of its subsidiary, Niugini Nickel Pty Ltd, which holds the Wowo Gap Project. Refer to the Subsequent Events section in this Director's Report.

For further details refer to Review of Strategic Intent immediately preceding this Directors' Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or in the consolidated accounts.

DIVIDENDS

No dividends were paid or declared during the year. The Directors do not recommend payment of a dividend.

ENVIRONMENTAL REGULATIONS

The Group has conducted exploration activities on its mineral tenement. The right to conduct these activities is granted subject to environmental conditions and requirements. The Group aims to ensure a high standard of environmental care is achieved and, as a minimum, to comply with relevant environmental regulations. There have been no known breaches of any of the environmental conditions.

OPERATING AND FINANCIAL REVIEW

Review of Operations

Refer to Review of Strategic Intent immediately preceding this Directors' Report.

Summary of Financial Position, Asset Transactions and Corporate Activities

A summary of key financial indicators for the Group, with prior period comparison, is set out in the following table:

	Year 30 June 2021	Year 30 June 2020
	\$	\$
Cash and cash equivalents held at year end	43,060	43,962
Net loss for the year after tax	(744,820)	(425,278)
Included in loss for the year:		
Finance gain – fair value adjustment of loans	650,125	-
Finance costs – implicit interest on fair value adjustment of loans	(419,884)	-
Exploration costs	(219,417)	(202,436)
Exploration acquisition costs	(474,025)	-
Basic loss per share (cents) from continuing operations	(0.24)	(0.14)
Net cash (used in) operating activities	(303,655)	(257,400)
Net cash (used in) investing activities	-	-
Net cash from financing activities	307,822	252,633

During the year:

- The Company continues to be supported by additional funding from RMC's largest shareholder, Sinom (Hong Kong) Limited (Sinom). During the year, Sinom loaned an additional \$290,000 to the Company. This funding is interest free and unsecured.
- On 13 November 2020, the Company elected to redeem the two convertible notes for a total of \$2,000,000 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 RMC and Sinom. Sinom agreed to loan RMC \$2,000,000 in accordance with a new unsecured loan agreement for the purpose of redemption of the two convertible loan notes.

Also in November 2020, RMC documented with Sinom the terms of previous loan funds made by Sinom during the period 8 June 2017 to 17 February 2020 totalling AUD 1,051,087 (Loan C). On 17 November 2020, Sinom assigned Loans C and D to Corcel plc, an unrelated UK company listed on AIM.

- On 9 February 2021, the Company announced that it had agreed to acquire 75% of the issued capital of Eastern Nickel Pty Ltd (ENPL), an Australian company. The remaining 25% is held by Kabunga Holdings Pty Ltd. On 11 February 2021 the transaction was completed and the consideration for the acquisition being 29,626,735 RMI shares were issued (valued at \$474,028 at the closing price on 5 February 2021 of \$0.016). The shares were escrowed for six months from the date of issue to 11 August 2021.

ENPL holds 99% of the shares in Tanzanian subsidiary, Eastern Nickel Tanzania Limited (ENT). The remaining 1% is held by Leticia Herman Kabunga, a Tanzanian resident. ENT holds a 100% interest in the Kabulwanyele Nickel Project (KNP) located approximately 45 km south west of Mpanda, the administrative centre for the Katavi Region in Western Tanzania. The KNP comprises 2 x granted Prospecting Licences, PL/11534/2021 and PL/11535/2021, covering approximately 20.5 square kilometres in total. The KNP covers part of the Ubendian rock system of lower Proterozoic rocks, comprising mainly of acidic gneisses, granulites, amphibolites and ultramafic rocks. Laterite hills at Kabulwanyele are prospective for nickel, cobalt and manganese. The area has not been subject to modern exploration.

SHARE OPTIONS

As at the date of this report, there are no listed or unlisted options over unissued ordinary shares in the Resource Mining Corporation Limited.

REMUNERATION REPORT (Audited)

The Directors present the 2021 Remuneration Report, outlining key aspects of Resource Mining Corporation's remuneration policy and framework, together with remuneration awarded this year.

The report is structured as follows:

- A. Key management personnel (KMP) covered in this report
- B. Remuneration policy, link to performance and elements of remuneration
- C. Contractual arrangements of KMP remuneration
- D. Remuneration of key management personnel
- E. Equity holdings and movements during the year
- F. Other transactions with key management personnel
- G. Use of remuneration consultants
- H. Voting of shareholders at last year's annual general meeting

A. KEY MANAGEMENT PERSONNEL (KMP) COVERED IN THIS REPORT

For the purposes of this report key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise).

Key Management Personnel during the Year

Non-Executive Directors

- | | | |
|-------------------|---|---|
| William Mackenzie | – | Non-executive Chairman (from December 2008) |
| Zhang Chi | – | Non-Executive Director (from April 2006) |

Executive Directors

- | | | |
|----------------|---|--------------------------------------|
| Warwick Davies | – | Managing Director (from August 2004) |
|----------------|---|--------------------------------------|

B. REMUNERATION POLICY, LINK TO PERFORMANCE AND ELEMENTS OF REMUNERATION

The Board's policy is to remunerate Directors, officers and employees at market rates for companies of similar size and industry, for time, commitment and responsibilities. The Board determines payment to the Directors and reviews their remuneration as required, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of Directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholders' interests, the Directors are encouraged to hold securities in the Company.

The remuneration of Non-Executive Directors is set by reference to payments made by other companies of similar size and industry, and by reference to the Director's skills and experience, and for the Reporting Period included a consideration of the financial restrictions in place on the Company.

Remuneration policy and framework

The Company's policy on remuneration clearly distinguishes the structure of Non-Executive Directors' remuneration from that of executive Directors and senior executives. The remuneration of Non-Executive Directors is set by reference to payments made by other companies of similar size and industry, and by reference to the Director's skills and experience, and for the Reporting Period included a consideration of the financial restrictions in place on the Company. Given the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options to Non-Executive Directors, subject to obtaining the relevant approvals. The Remuneration Policy is subject to annual review.

The maximum aggregate amount of fees (including superannuation payments) that can be paid to Non-Executive Directors is subject to approval by shareholders at general meeting. The maximum aggregate Directors' fees payable to non-executive Directors is \$250,000 per annum as approved by the shareholders at the 2020 AGM on 11 December 2020 (stated in section 14.8 of the constitution adopted at that meeting).

Executive pay and rewards may consist of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options, when made, are designed to recognise and reward efforts as well as to provide additional incentive

DIRECTORS' REPORT (continued)



and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed to ensure market competitiveness.

There are no termination or retirement benefits for Non-Executive Directors (other than superannuation).

Relationship between remuneration and the Group's performance

The Company does not pay any performance-based component of salaries.

Non-Executive Directors' Remuneration

Non-Executive Directors' remuneration consists of base fees (inclusive of superannuation) and is currently set at \$50,000 per annum for the Chairman. The Directors are entitled to reimbursement of out-of-pocket expenses incurred whilst on Company business.

C. CONTRACTUAL ARRANGEMENTS OF KMP REMUNERATION

On appointment to the board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including compensation, relevant to the office of director. Remuneration and other terms of employment for the executive directors and the other key management personnel are formalised in service agreements.

Executive Directors

Mr Warwick Davies, Managing Director, is responsible for the day-to-day operations of the Group. The Group has an agreement with Fairstone Holdings Pty Ltd* to provide the services of Mr Davies to the Company in relation to its activities on normal commercial terms and conditions, which are detailed as follows:

Terms of Agreement	Remuneration excluding GST	Termination benefit
Agreement commenced 31 August 2011 for 3 years, extended to 31 March 2016. Services continue to be provided under this agreement since 31 March 2016.	\$14,400 per calendar month based on a minimum of 216 business days per annum plus \$100 per hour there-after. However, to assist in reducing costs, Mr Davies has not invoiced the minimum monthly amount, and instead charged his time at \$100/hour, which has resulted in a significantly lower monthly cost for the Company.	3 months notice

*Mr Davies is a Director and shareholder of Fairstone Holdings Pty Ltd.

D. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total remuneration paid to Key Management Personnel is summarised below:

2021	Short-term benefit			Post-employment Benefits	Share-based payments	Total
	Salary and Fees	Cash Bonus	Non-Monetary Benefit	Super-annuation	Shares	
	\$	\$	\$	\$	\$	\$
W Mackenzie ¹	50,000	-	-	-	-	50,000
W Davies ²	106,957	-	-	-	-	106,957
Zhang C ³	-	-	-	-	-	-
Totals	156,957	-	-	-	-	156,957

2020	Short-term benefit			Post-employment Benefits	Share-based payments	Total
	Salary and Fees	Cash Bonus	Non-Monetary Benefit	Super-annuation	Shares	
	\$	\$	\$	\$	\$	\$
W Mackenzie ¹	50,000	-	-	-	-	50,000
W Davies ²	89,127	-	-	-	-	89,127
Zhang C ³	-	-	-	-	-	-
Totals	139,127	-	-	-	-	139,127

DIRECTORS' REPORT (continued)



1. Mr Mackenzie's fees for the period July 2016 to June 2021 are unpaid as at 30 June 2021 (total \$300,000).
2. Mr Davies' fees for the period May 2015 to June 2021 are unpaid as at 30 June 2021 (total \$622,400 excluding GST).
3. Mr Zhang Chi elected not to receive any Director's fees effective 1 July 2014.

Long term benefits and termination benefits paid for the year were nil (2020: nil).

During the year, no share-based payments were made (2020: none).

E. EQUITY HOLDINGS AND MOVEMENTS DURING THE YEAR

Share holdings of key management personnel (Includes shares held directly, indirectly and beneficially)

30 June 2020	Balance At the beginning of the Year	Granted as Remuneration	On-market Sale	Balance 30 June 2021
Directors				
W Davies	4,335,382	-	-	4,335,382
W Mackenzie	2,092,847	-	-	2,092,847
Zhang C	136,793,768	-	-	136,793,768
Totals	143,221,997	-	-	143,221,997

There are no options on issue as at year end.

F. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Office Usage

Warwick Davies, Director, is also shareholder and Director of Fairstone Holdings Pty Ltd (Fairstone). During the year, Fairstone provided office usage to the Company amounting to \$4,080 for the year ended June 2021.

Advances from Managing Director

These advances are interest free and unsecured. Mr Davies has agreed not to call for the outstanding payable balances prior to 30 September 2022 unless Resource Mining Corporation Limited is in a position to repay the amounts.

During the 2020/2021 year, the Managing Director advanced a total of \$18,953 (interest free) and \$29,234 was repaid by the Company during the year (2020: advances made to the Company \$30,190, and \$16,057 repaid).

Convertible notes

On 13 November 2020, the Company elected to redeem the two convertible notes for a total of \$2,000,000 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 RMC and Sinom. Sinom agreed to loan RMC \$2,000,000 in accordance with a new unsecured loan agreement for the purpose of redemption of the two convertible loan notes. On 17 November 2020, Sinom assigned this loan (Loan D) to Corcel plc, an unrelated UK company listed on AIM.

Sinom (Hong Kong) Limited is an entity of which Mr Zhang, a Director of RMC, is a Director and controlling shareholder.

Unsecured loans and advances due to Sinom

	2021	2020
	\$	\$
Movement - Unsecured loans and advances due to Sinom		
Opening balance	1,126,087	2,597,587
New loan to repay convertible notes	2,000,000	-
Assignment of loans to Corcel plc	(3,051,087)	(1,710,000)
Other advances	290,000	238,500
Closing balance - undiscounted	365,000	1,126,087

In November 2020, RMC documented with Sinom the terms of previous loan funds made by Sinom during the period 8 June 2017 to 17 February 2020 totalling AUD 1,051,087 (Loan C). On 17 November 2020, Sinom assigned Loans C and D to Corcel plc, an unrelated UK company listed on AIM.

Sinom has also provided additional interest free advances to the Company. During the year these advances totalled \$290,000. These advances are unsecured with no set repayment date. Sinom has agreed not to call for repayment of these advances unless RMC is in a position to repay the amounts.

Other transactions

There were no other transactions with key management personnel during the year.

G. USE OF REMUNERATION CONSULTANTS

No remuneration consultants were engaged by the Company during the year.

H. VOTING OF SHAREHOLDERS AT LAST YEAR'S ANNUAL GENERAL MEETING

The Company received 100% of 'yes' votes for its remuneration report for the 2020 financial year and did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of audited remuneration report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company does not have insurance for Directors and Officers of the Company.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Resource Mining Corporation Limited support and adhere to the principles of corporate governance. Please refer to the Company's website for details of corporate governance policies: <http://resmin.com.au/corporate/corporate-governance/>.

AUDITOR

BDO Audit (WA) Pty Ltd was appointed auditors in November 2012 in accordance with section 327 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

BDO Corporate Finance (WA) Pty Ltd were paid fees for non-audit services totalling \$22,660 during the year ended 30 June 2021.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is included after the Auditor's Report in this annual report.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Subsequent to year end, the following occurred:

- The Company has received an additional \$110,000 of funding from Sinom (Hong Kong) Limited;
- On 12 August 2021, the Company's subsidiary, Resource Exploration Pty Ltd (REX), signed a binding but conditional Share Purchase Agreement (SPA) with Regency Mines Australasia Pty Ltd (Purchaser) to sell 100% of the issued share capital in REX's subsidiary, Niugini Nickel Pty Ltd (NN). NN owns 100% of the Wowo Gap Nickel Laterite Project in Papua New Guinea. Regency Mines Australasia Pty Ltd is a wholly owned subsidiary of Corcel plc. As consideration for the sale, Corcel is releasing all liabilities and obligations in connection with its AUD \$4,761,087 of loans owing by the Company. The Company will seek to obtain the approval of its Shareholders at a Shareholder meeting to be held on 8 October 2021. Further details of the proposed transaction, together with an Independent Expert's Report and recommendation were included in the Notice of Meeting sent to all shareholders on 8 September 2021;
- On 6 September 2021, the Company announced that Corcel plc (Corcel) has agreed to extend the repayment dates of debt tranches A to C to 31 October 2021 to allow the Company time to obtain Shareholder approval for the divestment of the Wowo Gap Project; and
- The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential future impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by governments, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

DIRECTORS' REPORT (continued)



There are no other matters or circumstances that have arisen since 30 June 2021 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

Signed in accordance with a resolution of the Directors

A handwritten signature in black ink, appearing to read 'W. Davies', is written over a light blue horizontal line.

Warwick Davies
Managing Director
Dated at Perth 30th day of September 2021

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2021**



	Note	Consolidated	
		2021	2020
		\$	\$
Other Income			
Finance Income – fair value adjustment of loans	11(c)	650,125	-
Interest income		-	103
Total other income		650,125	103
Expenses			
Administration and corporate expenses	2(a)	(280,433)	(221,383)
Exploration expenditure	2(b)	(219,417)	(202,436)
Exploration expenditure – acquisition costs	2(c)	(474,025)	-
Borrowing costs	2(d)	(421,070)	(1,562)
Total expenses		(1,394,945)	(425,381)
LOSS BEFORE INCOME TAX		(744,820)	(425,278)
INCOME TAX BENEFIT / (EXPENSE)	4	-	-
LOSS AFTER INCOME TAX FOR THE YEAR		(744,820)	(425,278)
Total loss is attributable to:			
Owners of Resource Mining Corporation Limited		(733,705)	(425,278)
Non-Controlling Interests	15	(11,115)	-
		(744,820)	(425,278)
OTHER COMPREHENSIVE PROFIT/(LOSS)			
<i>Items that maybe re-classified to profit or loss</i>			
Exchange translation difference	14	(16,601)	(808)
OTHER COMPREHENSIVE PROFIT/(LOSS)		(16,601)	(808)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(761,421)	(426,086)
Total comprehensive loss is attributable to:			
Owners of Resource Mining Corporation Limited		(750,306)	(426,086)
Non-Controlling Interests		(11,115)	-
		(761,421)	(426,086)
LOSS PER SHARE FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF RESOURCE MINING CORPORATION LIMITED			
Basic and diluted loss per share (cents per share)	3	(0.24)	(0.14)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2021**



	Note	Consolidated	
		30 June 2021 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents	5	43,680	43,962
Receivables and other current assets	7	22,097	19,200
Total Current Assets		65,777	63,162
NON CURRENT ASSETS			
Plant and equipment	8	75,014	95,531
Total Non-Current Assets		75,014	95,531
TOTAL ASSETS		140,791	158,693
CURRENT LIABILITIES			
Trade and other payables	9	1,098,212	898,708
Interest bearing liabilities	10	2,854	5,956
Non-interest bearing liabilities	11	4,901,075	4,912,427
Provisions	12	33,655	38,149
Total Current Liabilities		6,035,796	5,855,240
TOTAL LIABILITIES		6,035,796	5,855,240
NET ASSETS / (NET ASSET DEFICIENCY)		(5,895,005)	(5,696,547)
EQUITY			
Issued capital	13	63,768,599	63,294,571
Reserves	14	262,392	585,555
Accumulated losses		(69,914,883)	(69,576,673)
Capital and reserves attributable to owners of Resource Mining Corporation Limited		(5,883,892)	(5,696,547)
Non-controlling interests	15	(11,113)	-
TOTAL EQUITY / (DEFICIENCY IN EQUITY)		(5,895,005)	(5,696,547)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2021



Group	Issued Capital	Accumulated Losses	Reserves	Non-controlling Interests	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2021					
Balance at 1 July 2020	63,294,571	(69,576,673)	585,555	-	(5,696,547)
Loss for the year	-	(733,705)	-	(11,115)	(744,820)
Other comprehensive loss for the year	-	-	(16,601)	-	(16,601)
Total comprehensive profit/(loss) for the year	-	(733,705)	(16,601)	(11,115)	(761,421)
Transfer of convertible notes reserve to accumulated losses	-	395,495	(395,495)	-	-
Transactions with owners in their capacity as owners					
Shares issued	474,028	-	-	2	474,030
Fair value adjustment to related party borrowings	-	-	88,933	-	88,933
Balance at 30 June 2021	63,768,599	(69,914,883)	262,392	(11,113)	(5,895,005)
Year ended 30 June 2020					
Balance at 1 July 2019	63,294,571	(69,151,395)	586,363	-	(5,270,461)
Loss for the year	-	(425,278)	-	-	(425,278)
Other comprehensive loss for the year	-	-	(808)	-	(808)
Total comprehensive profit/(loss) for the year	-	(425,278)	(808)	-	(426,086)
Transactions with owners in their capacity as owners					
Shares issued	-	-	-	-	-
Balance at 30 June 2020	63,294,571	(69,576,673)	585,555	-	(5,696,547)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2021



	Note	Consolidated	
		2021	2020
		\$	\$
CASH FLOWS FROM OPERATION ACTIVITIES			
Payments to suppliers and employees		(320,195)	(279,479)
Interest income received		-	103
Other income received, including GST refunds		17,726	23,883
Interest expense/finance costs paid		(1,186)	(1,907)
Net Cash Utilised In Operating Activities	6(a)	(303,655)	(257,400)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of other fixed assets		-	-
Net Cash Utilised In Investing Activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings and advances	6(b)	337,056	268,690
Repayment of borrowings and advances	6(b)	(29,234)	(16,057)
Net Cash From Financing Activities		307,822	252,633
Net increase/(decrease) in cash and cash equivalents		4,167	(4,767)
Cash and cash equivalents at beginning of the year		43,962	49,962
Effect of exchange rate changes on cash and cash equivalents		(4,449)	(1,233)
Cash and cash equivalents at the end of the year	5	43,680	43,962

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated statements and notes represent those of Resource Mining Corporation Limited (“**Company**”) and controlled entities (the “**Group**”). Resource Mining Corporation Limited is a listed public company, incorporated and domiciled in Australia.

The financial report was authorised for issue on 30 September 2021 by the Board of Directors.

(a) Basis of Preparation and Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards. The financial report has also been prepared on a historical cost basis.

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied to all years presented, unless otherwise stated.

The consolidated financial statements are presented in Australian dollars. The functional currency of Resource Mining Corporation Limited and its subsidiaries is Australian dollars, except for Niugini Nickel Pty Ltd whose functional currency is Papua New Guinean Kina and Eastern Nickel Tanzania whose function currency is Tanzanian Shillings.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board.

(c) Going Concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group has incurred a net loss after tax for the year of \$744,820 (2020: \$425,278), experienced net cash outflows from operating activities of \$303,655 (2020: \$257,400) for the year ended 30 June 2021 and had a working capital deficiency of \$5,970,019 at balance date.

The ability of the Group to continue as a going concern is dependent on the realisation of value of the Group’s projects, the future successful raising of funding through equity or other available forms of funding and continued support from its creditors and financiers. These conditions indicate a material uncertainty that may cast a significant doubt about the Group’s ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe there are reasonable grounds to believe that the Company will be able to meet the entity’s working capital requirements as at the date of this report.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities for the following reasons:

- The Directors have assessed the cash flow requirements for the 12 month period from the date of approval of the financial statements and its impact on the Group and have confirmed that Sinom (Hong Kong) Limited will continue to provide financial support to the Group to meet its liabilities as and when they fall due and keep its assets in good standing during the next twelve months period (excluding repayment of the Corcel loans);
- The working capital deficiency contains amounts not currently owing but that will be due to be settled within the next 12 months. Prior to these amounts being due and payable, the Directors are in the process of negotiating settlement for the amounts due to Corcel PLC, as disclosed below; and
- Letters of support have been obtained from Sinom (Hong Kong) Limited and the Company’s Directors William Mackenzie and Warwick Davies to defer amounts owing to them as at 30 June 2021 until the Group has sufficient funds to repay the debts.

In addition, on 12 August 2021, the Company’s subsidiary, Resource Exploration Pty Ltd (REX), signed a binding but conditional Share Purchase Agreement (SPA) with Regency Mines Australasia Pty Ltd (Purchaser) to sell 100% of the issued share capital in REX’s subsidiary, Niugini Nickel Pty Ltd (NN). NN owns 100% of the Wowo Gap Nickel Laterite Project in Papua New Guinea. Regency Mines Australasia Pty Ltd is a wholly owned subsidiary of Corcel plc.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

As consideration for the sale, Corcel is releasing all liabilities and obligations in connection with its AUD \$4,761,087 of loans owing by the Company. The Company will seek to obtain the approval of its Shareholders at a Shareholder meeting to be held on 8 October 2021. On 6 September 2021, the Company announced that Corel plc (Corcel) has agreed to extend the repayment dates of debt tranches A to C owed by RMI to 31 October 2021 to allow RMI time to obtain Shareholder approval for the divestment of the Wowo Gap Project.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

(d) New and Amended Accounting Standards and Interpretations

Early adoption of accounting standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2020.

New and amended standards adopted by the Company

A number of new or amended standards became applicable for the current reporting period for which the Group has adopted. None of these standards had a material effect on the Group.

New and amended standards not yet adopted by the Group

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

AASB 2020-1 makes amendments to AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or noncurrent. A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for the liability for at least 12 months after the reporting period. The AASB recently issued amendments at AASB 101 to clarify the requirements for classifying liabilities as current. Specifically: • clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period; • stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability; • adding guidance about lending conditions and how these can impact classification; and • including requirements for liabilities that can be settled using an entity's own instruments. This new standard is not expected to impact the Group's reporting.

There are no other material new or amended standards not yet adopted by the Group.

(e) Significant Accounting Estimates and Judgements

Estimates and judgements incorporated into the financial report are continually evaluated and are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Commitments - Exploration

The Group has certain minimum exploration commitments to maintain its right of tenure to its' exploration permits. These commitments require estimates of the cost to perform exploration work required under this permit.

Asset acquisition

The Group has determined that the acquisition of Eastern Nickel Pty Ltd is deemed to be an asset acquisition not a business combination. In assessing the requirements of AASB 3 Business Combinations, the Group has determined that the assets acquired do not constitute a business. The assets acquired consists of mineral exploration tenements. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in the purchase transaction and no deferred tax will arise in relation to the acquired asset as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition. The acquisition cost has been expensed in line with the Group's accounting policy for acquisition costs.

Discount rate on borrowings

As some of the Company's borrowings are on interest-free terms, present value calculations have been performed on the basis of an implied 14% discount rate as determined by the Directors.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. Currently there is no significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(f) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Resource Mining Corporation Limited ("Company" or "Parent Entity") as at 30 June each year and the results of all subsidiaries for the year then ended. Resource Mining Corporation Limited and its subsidiaries together are referred to in these financial statements as the "Group".

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All inter-group balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position respectively.

(g) Foreign Currency Transaction and Balances

Functional and presentation currency

The functional currency of each of the entities in the Group is measured using the currency of the primary economic environment in which the entity operates. The Group's financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Exchange differences arising on the transaction of monetary items are recognised in the Statement of Profit or Loss and Other Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Controlled entities

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the Statement of Financial Position. These differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which the operation is disposed of.

**NOTES TO THE CONSOLIDATED
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2. EXPENSES

Exploration and Evaluation Expenditure

Exploration expenditure is expensed to the profit or loss statement as and when it is incurred and included as part of cash flows from operating activities. Acquisition costs are expensed to the profit or loss statement as and when it is incurred and included as part of cash flows from investing activities. Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

The Group has one exploration licence in PNG, and two tenements in Tanzania .

Borrowing Costs

Refer to the accounting policy notes under Interest Bearing Liabilities and Non-Interest Bearing Liabilities.

	Consolidated	
	2021	2020
	\$	\$
(a) Administration and Corporate Expenses		
Compliance and regulatory expenses	75,597	79,337
Consultants	105,398	52,440
Non-Executive directors' fees	50,000	50,000
Occupancy	23,265	23,012
Insurance	7,167	14,369
Legal fees	16,923	56
Other expenses	2,083	2,169
	280,433	221,383
(b) Exploration Expenditure		
Depreciation – exploration equipment	9,348	14,243
Other exploration and project costs	210,069	188,193
	219,417	202,436
(c) Exploration expenditure – acquisition costs		
Acquisition of Tanzanian project – refer note 15	484,025	-
(d) Borrowing costs		
Finance costs - implicit interest on fair value adjustments of Sinom loans – refer note 11(b)	20,156	-
Finance costs – implicit interest on fair value adjustments of Corcel loans – refer note 11(c)	399,728	-
	419,884	-
Finance charges on insurance funding	1,186	1,562
	421,070	1,562

3. LOSS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	2021	2020
Basic and diluted loss per share (cents per share)	(0.24)	(0.14)
Loss used in the calculation of weighted average basic and diluted loss per share	(733,705)	(425,278)
	Number of shares	Number of shares
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	307,549,857	296,267,347

4. INCOME TAX

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowable items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary difference can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

	Consolidated	
	2021	2020
	\$	\$
(a) Income Tax Expense		
A reconciliation of income tax (benefit) / expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate is as follows:		
Loss before tax	(744,820)	(425,278)
Prima facie income tax (benefit) @ 30%	(223,446)	(127,583)
Add:		
Non deductible expenses	22,567	2,775
Temporary differences and losses not recognised	235,388	164,314
Tax differential	(34,509)	(39,506)
Income tax (benefit) / expense attributable to operating loss	-	-

Tax Consolidation

The Company and its 100% owned subsidiaries have formed a tax consolidated group. Under the tax consolidation regime, all members of a tax consolidated group are jointly and severally liable for the tax consolidated group's income tax liabilities. The head entity of the tax consolidated group is Resource Mining Corporation Limited.

(b) Net Deferred Tax Assets Not Recognised Relate to the Following:

Unrecognised deferred tax assets / (liabilities):

Deferred Tax Assets/(Liabilities) – Other Timing Differences, net	6,900	5,610
Deferred Tax Assets - Capital losses	465,432	465,432
Deferred Tax Assets - Tax losses – Australia*	6,416,790	6,285,940
Deferred Tax Assets - Tax losses –Tanzania *	12,965	-
Deferred Tax Assets – Exploration tax losses - PNG**	7,048,272	6,958,290
	13,950,359	13,715,272

* The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

** Includes all carry forward Exploration Expenditure for PNG (these losses expire 20 years after being incurred).

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5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and less bank overdraft, if any.

	Note	Consolidated	
		2021	2020
		\$	\$
Cash at bank and on hand		43,680	43,962

6. NOTES TO THE STATEMENT OF CASH FLOWS

<i>(a) Reconciliation from net loss after tax to the net cash flow from operating activities</i>			
Loss after income tax		(744,820)	(425,278)
Non-Cash Items:			
Finance income – fair value adjustment of loans	11(c)	(650,125)	-
Finance costs – implicit interest on fair value adjustment of loans	2(d)	419,884	-
Depreciation		9,348	14,243
Acquisition of Tanzanian project	15	474,025	-
<i>Movement in assets and liabilities</i>			
Decrease in trade and other receivables		(3,371)	(4,875)
Increase in trade and other payables		194,506	158,266
Decrease in interest bearing liabilities		(3,102)	244
Net cash used in operating activities		(303,655)	(257,400)

Non-cash financing and investing activities:

On 9 February 2021, the Company announced that it had agreed to acquire 75% of the issued capital of Eastern Nickel Pty Ltd (ENPL), an Australian company. The remaining 25% is held by Kabunga Holdings Pty Ltd. On 11 February 2021 the transaction was completed and the consideration for the acquisition being 29,626,735 RMI shares were issued (valued at \$474,028 at the closing price on 5 February 2021 of \$0.016). Refer to note 15.

<i>(b) Reconciliation of Net Borrowings and Advances</i>			
Net borrowings and advances at 1 July	11	4,912,427	4,659,794
Cash flows:			
Proceeds from borrowings and advances		337,056	268,690
Repayment of borrowings and advances		(29,234)	(16,057)
Net (gain)/loss on measurement of loans fair value through equity	11(b)	(88,933)	-
Net (gain)/loss on measurement of loans fair value through profit or loss	11(c)	(650,125)	-
Finance costs – implicit interest on fair value adjustments of loans	2(d)	419,884	-
Net borrowings and advances as at 30 June	11	4,901,075	4,912,427

7. RECEIVABLES AND OTHER CURRENT ASSETS

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Current receivables for GST are due for settlement within 30 days (Australian GST) and 12 months for PNG GST, and other current receivables within 12 months. Cash on deposit is not due for settlement until rights of tenure are forfeited or performance obligations are met.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office in Australia and the Internal Revenue Commission in Papua New Guinea. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses.

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7. RECEIVABLES AND OTHER CURRENT ASSETS - continued

Receivables and payables are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

	Consolidated	
	2021	2020
	\$	\$
Current		
Secured cash	3,547	4,021
Prepayments	984	4,830
GST receivables	17,510	10,349
Other receivables	56	-
	22,097	19,200

Secured Cash:

There is a lien over deposit at call of \$3,547 (9,357 Kina) to secure a Bank Guarantee of 5,000 Kina to the Mineral Resources Authority (MRA) in Papua New Guinea.

Fair Value and Risk Exposures:

- (i) Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.
- (ii) The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security.
- (iii) Other receivables generally have repayments between 30 and 90 days, except GST receivable from PNG (A\$10,045) which can be up to 365 days.

Receivables do not contain past due or impaired assets as at year end (2020: none).

8. PLANT AND EQUIPMENT

Each class of plant and equipment is carried at cost, less where applicable, any accumulated depreciation and impairment losses.

Plant and equipment:

Plant and equipment are measured on historical cost basis less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation:

The depreciable amount of all fixed assets is depreciated on a reducing balance commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Plant and Equipment	10 – 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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8. PLANT AND EQUIPMENT - continued

	Consolidated	
	2021	2020
	\$	\$
Cost	221,825	249,024
Accumulated depreciation	(146,811)	(153,493)
	75,014	95,531
Movement in carrying amounts:		
Opening balance	95,531	109,521
Disposals	-	-
Depreciation expense	(9,348)	(14,243)
Currency translation differences	(11,169)	253
Closing balance	75,014	95,531

9. TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

	Consolidated	
	2021	2020
	\$	\$
Trade payables	679,478	614,701
Other payables and accruals	418,734	284,007
	1,098,212	898,708
<i>Included in the above are related party payables:</i>		
Trade payables and accruals – related parties – refer note 16(b)	994,810	830,826

Fair Value and Risk Exposures

- (i) Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.
- (ii) Trade and other payables are unsecured, non-interest bearing and usually paid within 60 days of recognition, except for payables to Directors and their related entities for remuneration.

10. INTEREST BEARING LIABILITIES

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan, capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

	Consolidated	
	2021	2020
	\$	\$
Current		
Insurance premium funding	2,854	5,956

11. NON INTEREST BEARING LIABILITIES

		Consolidated	
		2021	2020
		\$	\$
Current			
Advances from Managing Director	11(a)	66,059	76,340
Unsecured loans and advances – Sinom (discounted)	11(b)	296,223	1,126,087
Unsecured loans and advances – Corcel (discounted)	11(c)	4,510,690	1,710,000
Convertible notes	11(d)	-	2,000,000
Other loan	11(e)	28,103	-
		4,901,075	4,912,427

(a) Advances from Managing Director

These advances are interest free and unsecured. Mr Davies has agreed not to call for the outstanding payable balances prior to 30 September 2022 unless Resource Mining Corporation Limited is in a position to repay the amounts.

During the 2020/2021 year, the Managing Director advanced a total of \$18,953 (interest free) and \$29,234 was repaid by the Company during the year (2020: advances made to the Company \$30,190, and \$16,057 repaid).

(b) Unsecured loans and advances due to Sinom

In November 2020, RMC documented with Sinom the terms of previous loan funds made by Sinom during the period 8 June 2017 to 17 February 2020 totalling AUD 1,051,087 (Loan C). On 17 November 2020, Sinom assigned Loans C and D to Corcel plc, an unrelated UK company listed on AIM.

Sinom has also provided additional interest free advances to the Company. During the year these advances totalled \$290,000. These advances are unsecured with no set repayment date. Sinom has agreed not to call for repayment of these advances unless RMC is in a position to repay the amounts.

For accounting purposes, the value of loans due to Sinom have been discounted by applying a market interest rate of 14% with an assumed repayment date of 31 December 2022. The measurement of the loans at fair value resulted in a gain of \$88,933 recorded in equity to the Capital Contribution Reserve. As a result of the effective interest calculation, finance costs of \$20,156 were recorded during the year ended 30 June 2021.

		Consolidated	
		2021	2020
		\$	\$
Movement - Unsecured loans and advances due to Sinom			
Opening balance		1,126,087	2,597,587
New loan to repay convertible notes		2,000,000	-
Assignment of loans to Corcel plc		(3,051,087)	(1,710,000)
Other advances		290,000	238,500
Net (gain)/loss on measurement of loans at fair value through equity as an increase in Capital Contribution Reserve		(88,933)	-
Finance costs – implicit interest on fair value adjustments of loans		20,156	-
Closing balance – discounted Sinom loans and advances		296,223	1,126,087
Movement - Unsecured loans and advances due to Sinom			
Opening balance		1,126,087	2,597,587
New loan to repay convertible notes		2,000,000	-
Assignment of loans to Corcel plc		(3,051,087)	(1,710,000)
Other advances		290,000	238,500
Closing balance - undiscounted Sinom loans and advances		365,000	1,126,087

11. NON INTEREST BEARING LIABILITIES - continued

(c) Unsecured loans due to Corcel plc

For accounting purposes, the value of loans due to Corcel have been discounted by applying a market interest rate of 14%. The measurement of the loans at fair value resulted in a gain of \$650,125 through profit or loss. As a result of the effective interest calculation, finance costs of \$399,728 were recorded during the year ended 30 June 2021.

	Consolidated	
	2021	2020
	\$	\$
Movement - Unsecured loans due to Corcel		
Opening balance	1,710,000	-
Assignment of loans by Sinom	3,051,087	1,710,000
Net (gain)/loss on measurement of loans at fair value on assignment through profit or loss	(650,125)	-
Finance costs – implicit interest on fair value adjustments of loans	399,728	-
Closing balance – discounted Corcel loans	4,510,690	1,710,000
The undiscounted underlying loan balances are as follows:		
Loans A & B – repayable no earlier than 30/9/2021*	1,710,000	1,710,000
Loan C – repayable no earlier than 30/9/2021*	1,051,087	-
Loan D – repayable no earlier than 14/01/2022	2,000,000	-
Closing balance – undiscounted Corcel loans	4,761,087	1,710,000

The key terms agreed are as follows:

- The loans are unsecured.
- The loans are interest free.
- The loans are repayable at any time on or following the dates in the table above forthwith on demand by Corcel. Corcel must give RMC at least thirty days' notice prior to any requested repayment date for loans C and D. RMC may repay the loans, in whole or in part, at any time prior to Corcel providing notice of the requested repayment date.

* Subsequent to year end, on 6 September 2021, the Company announced that Corcel plc (Corcel) agreed to extend the repayment dates of debt tranches A to C to 31 October 2021 to allow the Company time to obtain Shareholder approval for the divestment of the Wowo Gap Project.

Corcel plc is an unrelated UK company listed on AIM. On 23 November 2020, Base Asia Pacific Limited, an entity related to RMC's Non-Executive Director, Andy Zhang, acquired a 12.69% interest in Corcel.

(d) Convertible notes

On 13 November 2020, the Company elected to redeem the two convertible notes for a total of \$2,000,000 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 RMC and Sinom. Sinom agreed to loan RMC \$2,000,000 in accordance with a new unsecured loan agreement for the purpose of redemption of the two convertible loan notes. On 17 November 2020, Sinom assigned this loan (Loan D) to Corcel plc.

(e) Other loan

Other loan is a facility of USD 30,000 provided by Leticia Kabunga (the 1% shareholder of Eastern Nickel Tanzania Limited). As at 30 June 2021, A\$28,103 had been drawn down. The loan is unsecured, interest free interest free with the principal to be repaid at 110% of the loan amount. The maturity date is 23 October 2021.

12. PROVISIONS

Compensation Provision

Obligations associated with compensation are recognised when the Group has an obligation which is probable, and the provision can be measured reliably. The provision is measured at the estimated value of the future expenditure. The determination of the provision requires judgement in terms of the best estimate of the costs of the compensation required.

	Consolidated	
	2021	2020
	\$	\$
Current		
Provision for compensation	33,655	38,149

The movement during the year was due to currency translations.

13. CONTRIBUTED EQUITY

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

	2021	2020	2021	2020
	Number	Number	\$	\$
Issued and fully paid	325,894,082	296,267,347	63,768,599	63,294,571

Movement in ordinary share capital of the Company:

On 9 February 2021, the Company announced that it had agreed to acquire 75% of the issued capital of Eastern Nickel Pty Ltd (ENPL), an Australian company. The remaining 25% is held by Kabunga Holdings Pty Ltd. On 11 February 2021 the transaction was completed and the consideration for the acquisition being 29,626,735 RMI shares were issued (valued at \$474,028 at the closing price on 5 February 2021 of \$0.016). Refer to note 15.

There were no movements during the prior year.

Options

There are no options on issue as at 30 June 2021 (2020: nil).

Voting and dividend rights

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as maintains optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. There are no plans to distribute dividends in the next year.

Dividends

The Group did not pay nor declare dividends in the last financial year (2020: nil).

**NOTES TO THE CONSOLIDATED
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	Note	Consolidated	
		2021 \$	2020 \$
14. RESERVES			
Foreign currency reserve	(a)	173,459	190,060
Capital contributions reserve	(b)	88,933	-
Convertible notes reserve	(c)	-	395,495
		262,392	585,555
(a) Foreign currency reserve			
Balance at the beginning of the year		190,060	190,868
Currency translation differences arising during the period		(16,601)	(808)
Balance at the end of the year		173,459	190,060

The foreign currency translation reserve is used to record exchange differences arising on translation of the Group entities that do not have a functional currency of Australian dollars and have been translated into Australian dollars for presentation purposes.

(b) Capital contributions reserve

Balance at the beginning of the year		-	-
Net (gain)/loss on measurement of loans at fair value through equity as an increase in Capital Contribution Reserve	11(b)	88,933	-
Balance at the end of the year		88,933	-

The capital contributions reserve is used to record the fair value adjustments of loans from shareholders who have provided the Company interest free loans and advances.

(c) Convertible notes reserve

Balance at the beginning of the year		395,495	395,495
Transfer to accumulated losses upon redemption of the notes		(395,495)	-
Balance at the end of the year		-	395,495

	Consolidated	
	2021 \$	2020 \$
15. NON-CONTROLLING INTERESTS		
Non-controlling interests	(11,113)	-
Movement during the year:		
Balance at the beginning of the year	-	-
Capital invested by non-controlling interests in subsidiaries	2	-
Share of loss for the period	(11,115)	-
Share of other comprehensive loss	-	-
Balance at the end of the year	(11,113)	-

Non-controlling interests represent:

- a 1% interest in Eastern Nickel Limited held by Leticia Herman Kabunga.
- A 25% interest in Eastern Nickel Pty Ltd held by Kabunga Holdings Pty Ltd <Kabunga Family A/C>.

15. NON-CONTROLLING INTERESTS - continued

Acquisition of Eastern Nickel Pty Ltd

On 9 February 2021, the Company announced that it had agreed to acquire 75% of the issued capital of Eastern Nickel Pty Ltd (ENPL), an Australian company. On 11 February 2021 the transaction was completed and the consideration for the acquisition being 29,626,735 RMI shares were issued (valued at \$474,028 at the closing price on 5 February 2021 of \$0.016). ENPL holds 99% of the issued shares in the Tanzanian entity, Eastern Nickel Tanzania Limited (ENT). ENT holds a 100% interest in the Kabulwanyele Nickel Project (KNP). A 1.5% NSR royalty is payable to Kabunga Holdings Pty Ltd on future production from the KNP. The Consideration Shares were held under a voluntary escrow for a period of six (6) months following the date of issue of the Consideration Shares, and were released from escrow on 11 August 2021.

	Consolidated	
	2021	2020
	\$	\$
Consideration paid – 29,626,735 RMI shares	474,028	-
Less: carrying amount of net assets of Eastern Nickel Group at acquisition date*	(3)	-
Cost of exploration project acquired - note 2(c)	<u>474,025</u>	<u>-</u>

* In addition, the Eastern Nickel Group held 2 x granted Prospecting Licences, PL/11534/2021 and PL/11535/2021, covering approximately 20.5 square kilometres.

Summarised financial information for Eastern Nickel Pty Ltd and its' 99% owned subsidiary Eastern Nickel Tanzania Limited is as follows. The amounts disclosed are before inter-company eliminations:

Summarised Statement of Financial Position

Current assets	3,112	-
Current liabilities	(46,852)	-
Current net assets	<u>(43,740)</u>	<u>-</u>
Net Assets	<u>(43,740)</u>	<u>-</u>

Summarised Statement of Comprehensive Income

Revenue	-	-
Loss for the period	(43,164)	-
Other comprehensive income/(loss)	(581)	-
Total comprehensive loss	<u>(43,745)</u>	<u>-</u>
Allocated to Non-Controlling Interests	(11,115)	-
Other comprehensive loss allocated to Non-Controlling Interests	-	-
Other comprehensive loss	<u>(11,115)</u>	<u>-</u>

Summarised Statement of Cash Flows

Cashflows (used in) operating activities	(24,991)	-
Cashflows from financing activities	28,103	-
Net increase/(decrease) in cash and cash equivalents	<u>3,112</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED
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16. RELATED PARTY TRANSACTIONS

Subsidiaries

The consolidated financial statements included the financial statements of Resource Mining Corporation Limited and the subsidiaries listed in the following table:

Name	Class of shares	Country of incorporation	% Interest	
			2021	2020
Resource Exploration Pty Ltd	Ordinary	Australia	100%	100%
Niugini Nickel Pty Ltd	Ordinary	Australia	100%, held by Resource Exploration Pty Ltd	100%, held by Resource Exploration Pty Ltd
Eastern Nickel Pty Ltd	* Ordinary	Australia	75%	-
Eastern Nickel Tanzania Limited	* Ordinary	Tanzania	99%, held by Eastern Nickel Pty Ltd	-

* The 75% interest in Eastern Nickel Pty Ltd was acquired during the year. Refer to note 15 for details on the Eastern Nickel Group.

Ultimate Parent

Resource Mining Corporation Limited is the ultimate Australian parent entity and the ultimate parent of the Group.

Compensation of Key Management Personnel

	Consolidated	
	2021	2020
	\$	\$
Short term benefits	156,957	139,127
Post-employment benefits	-	-
	156,957	139,127

This remuneration remains unpaid. Refer to note 16(b) below.

Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

- a) Warwick Davies, Director, is also shareholder and Director of Fairstone Holdings Pty Ltd (Fairstone). During the year, Fairstone provided office usage to the Company amounting to \$4,080 (2020: \$4,080).

b) Outstanding balances arising from services

	Consolidated	
	2021	2020
	\$	\$
Current payables (included in trade creditors and accruals)		
Key management personnel	994,810	830,826

Outstanding balances relate to remuneration services during 2015 to 2021 (inclusive of GST where applicable).

c) Loans and Advances from related parties

Advances (unsecured and interest free) from related parties

Warwick Davies		
Balance at the beginning of the year	76,340	62,207
Loans/Advances advanced	18,953	30,190
Repaid	(29,234)	(16,057)
Balance at the end of the year – refer note 11	66,059	76,340

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
for the year ended 30 June 2021**



16. RELATED PARTY TRANSACTIONS - continued

	Note	Consolidated	
		2021	2020
		\$	\$
<i>Loans (unsecured and interest free) from related parties</i>			
Sinom (Hong Kong) Limited ⁽ⁱ⁾			
Balance at the beginning of the year - undiscounted		1,126,087	2,597,587
Advances during the year		290,000	238,500
New loan to repay convertible notes	11(b)	2,000,000	-
Assignment of loans to Corcel	11(b)	(3,051,087)	(1,710,000)
Balance at the end of the year – undiscounted	11(b)	365,000	1,126,087

(i) Non-Executive Director Mr Zhang Chi is the Managing Director and Shareholder of Sinom (Hong Kong) Limited.

17. PARENT ENTITY DISCLOSURES

	Parent Entity	
	2021	2020
	\$	\$
Current assets	13,646	11,259
Non-current assets	-	-
Total assets	13,646	11,259
Current liabilities	5,930,022	5,787,508
Total liabilities	5,930,022	5,787,508
Net liabilities	(5,916,376)	(5,776,249)
Issued capital	63,768,599	63,294,571
Reserves	88,933	395,495
Accumulated losses	(69,773,908)	(69,466,315)
Total deficiency in equity	(5,916,376)	(5,776,249)
Loss for the year	(703,088)	(393,271)
Total comprehensive loss for the year	(703,088)	(393,271)

- i) Guarantees: No guarantees have been entered into by the parent entity on behalf of the subsidiaries.
ii) Contingent liabilities: No contingent liabilities exist.

18. CONTINGENCIES

Resource Mining Corporation Limited and its controlled entities do not have any known material contingent assets or liabilities as at 30 June 2021 other than a 1.5% net smelter royalty is payable to Kabunga Holdings Pty Ltd on future production from the Kabulwanyele Nickel Project in Tanzania.

19. REMUNERATION OF AUDITORS

	Consolidated	
	2021	2020
	\$	\$
Amount received, or due and receivable, by the auditors for:		
Auditing and reviewing of financial reports	30,728	37,718
Other services – corporate finance	22,660	-
	53,388	37,718

20. COMMITMENTS

Mineral Tenement Commitments

In order to maintain current rights of tenure to mining tenements, the Group has exploration and evaluation expenditure obligations up until the expiry of those licences. The following stated obligations are not provided for in the financial statements and represent a commitment of the Group for both PNG and Tanzania.

	Consolidated	
	2021	2020
	\$	\$
Within 1 Year	27,784	24,060
Later than 1 year but not later than five years	35,216	16,040
	63,000	40,100

21. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including market risk (including currency risk), credit risk and liquidity risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. To date, the Group has not used derivative financial instruments. The Group uses different methods to measure different types of risk to which it is exposed.

Risk Management

Risk management is carried out by the Managing Director under policies approved by the Board of Group's Directors and includes evaluation of financial risks. The Board provides principles for overall risk management and the finance function provides policies with regard to financial risk management that are defined and consistently applied.

(a) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date, is the carrying amount net of any provisions for impairment of debts, as disclosed in the Statement of Financial Position and notes to the financial statement. In the case of material cash deposited, credit risk is minimised by depositing with recognised financial intermediaries such as banks, subject to Australian Prudential Regulation Authority Supervision. For banks and financial institutions, only independently rated parties with a minimum rating of AA are accepted.

The Group does not have any material risk exposure to any single debtor or Group of debtors under financial instruments entered into by it.

(b) Liquidity and Capital Risk

The Group has appropriate procedures in place to manage cash flows including continuous monitoring of forecast and actual cash flows to ensure funds are available to meet commitments. The objectives when managing the Group's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date.

Financial liabilities	Less than 6 months	6 to 12 months	1 to 5 years	Over 5 years	Total Cash Flows	Carrying Value
2021						
Trade and other payables	1,098,212	-	-	-	1,098,212	1,098,212
Interest bearing liabilities	2,854	-	-	-	2,854	2,854
Non-interest bearing liabilities	3,220,249	2,000,000	-	-	5,220,249	4,901,075
	4,321,315	2,000,000	-	-	6,321,315	6,002,141
2020						
Trade and other payables	898,708	-	-	-	898,708	898,708
Interest bearing liabilities	5,956	-	-	-	5,956	5,956
Non-interest bearing liabilities	3,202,427	1,710,000	-	-	4,912,427	4,912,427
	4,107,091	1,710,000	-	-	5,817,091	5,817,091

21. FINANCIAL RISK MANAGEMENT - continued

(c) Interest Rate Risk

The Group's exposure to market risk for changes in interest rates relates primarily to interest on deposits with banking institutions. The sensitivities of a movement in interest rates have no material impact on the Group due to the small balances that are interest bearing.

(d) Foreign Exchange Risk

As a result of operations in Papua New Guinea being denominated primarily in Papua New Guinean Kina, and operations in Tanzania in both United States dollars and Tanzanian shillings, the Group's Statement of Financial Position can be affected by movements in exchange rates. The Group does not hedge this exposure.

The Group manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained in Kina, to meet current operational commitments.

The Group's exposure to foreign exchange risk for changes in exchange rates relates has no material impact on the Group due to the small balances of cash, receivables and payables.

Management believes the balance date risk exposures are representative of the risk exposure inherent in financial instruments.

(e) Net Fair Values

Disclosure of fair value measurements by level are as follows:

- Level 1 – the fair value is calculated using quoted prices in active markets
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data

Fair values of other financial instruments

The carrying value of assets and liabilities, due to their short term nature, are assumed to approximate their fair value other than the following non-interest bearing liabilities. These borrowings are on interest-free terms, and accordingly present value calculations have been performed on the basis of an implied 14% discount rate as determined by the Directors.

		Consolidated	
		2021	2020
Non-interest bearing liabilities measured at fair value – Level 2		\$	\$
Loan funds provided		5,126,087	-
Net (gain)/loss on measurement of loans fair value through equity	11(b)	(88,933)	-
Net (gain)/loss on measurement of loans fair value through profit or loss	11(c)	(650,125)	-
Initial recognition of financial liabilities at fair value		4,387,029	-
Finance costs – implicit interest on fair value adjustments of loans	2(d)	419,884	-
		4,806,913	-
Consists of:			-
Non-interest bearing liabilities – Sinom loans	11(b)	296,223	-
Non-interest bearing liabilities – Corcel loans	11(c)	4,510,690	-
		4,806,913	-

22. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group does not have any customers and all its' assets and liabilities are primarily related to the mining industry and its operations are located within Papua New Guinea and Tanzania. The Tanzanian operations are not material for the year. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

23. MATTERS SUBSEQUENT TO THE REPORTING PERIOD

Subsequent to year end, the following occurred:

- The Company has received an additional \$110,000 of funding from Sinom (Hong Kong) Limited;
- On 12 August 2021, the Company's subsidiary, Resource Exploration Pty Ltd (REX), signed a binding but conditional Share Purchase Agreement (SPA) with Regency Mines Australasia Pty Ltd (Purchaser) to sell 100% of the issued share capital in REX's subsidiary, Niugini Nickel Pty Ltd (NN). NN owns 100% of the Wowo Gap Nickel Laterite Project in Papua New Guinea. Regency Mines Australasia Pty Ltd is a wholly owned subsidiary of Corcel plc. As consideration for the sale, Corcel is releasing all liabilities and obligations in connection with its AUD \$4,761,087 of loans owing by the Company. The Company will seek to obtain the approval of its Shareholders at a Shareholder meeting to be held on 8 October 2021;
- On 6 September 2021, the Company announced that Corel plc (Corcel) has agreed to extend the repayment dates of debt tranches A to C to 31 October 2021 to allow the Company time to obtain Shareholder approval for the divestment of the Wowo Gap Project; and
- The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential future impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by governments, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There are no other matters or circumstances that have arisen since 30 June 2021 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

**DIRECTOR'S DECLARATION
for the year ended 30 June 2021**



1. In the opinion of the directors:
 - a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year then ended; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - iii) complying with International Financial Reporting Standards (IFRS) as stated in note 1 of the financial statements; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

This declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'W. Davies', is written over a light blue horizontal line.

Warwick Davies
Managing Director

Dated this 30th day of September 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Resource Mining Corporation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Resource Mining Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 (c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for Financing Arrangements

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 11 the Group renegotiated its financing arrangements during the year. This included entering into new loans, redeeming convertible notes and loans being assigned between financiers. Loans entered into during the year are interest free.</p> <p>Subsequent to reporting date, on 12 August 2021, the Group entered into a share purchase agreement to dispose of its subsidiary which holds the Wowo Gap Nickel project in consideration for releasing all liabilities and obligations in connection with loans owing by the Group to Corcel plc.</p> <p>This was deemed to be a key audit matter as accounting for these transactions is complex and requires estimates in relation to the fair value of the loans on initial recognition and consideration of the implication of the proposed disposal.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Understanding and reviewing the nature or types of loans; • Reviewing board minutes relating to loans and the proposed disposal; • Assessing the terms and conditions under the Loan Agreements; • Recalculating the fair value of the loans on initial recognition including involving our valuation experts where necessary; • Obtaining confirmation from financiers in respect of balances owing at reporting date and associated terms and conditions; • Reviewing the share purchase agreement to identify any accounting implications for the financial report for the year ended 30 June 2021; and • Assessing the appropriateness of the disclosures included in Note 11 and 23 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 17 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Resource Mining Corporation Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', positioned below the printed name.

Dean Just

Director

Perth, 30 September 2021

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF RESOURCE MINING CORPORATION LIMITED

As lead auditor of Resource Mining Corporation Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Resource Mining Corporation Limited and the entities it controlled during the period.



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 30 September 2021

ADDITIONAL SHAREHOLDER INFORMATION



Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. The information is current as at 24 September 2021.

ANALYSIS OF SHAREHOLDING - Ordinary Shares

Size of Holding	Number of Holders	Number of Shares
1 – 1,000	493	177,762
1,001 – 5,000	539	1,478,274
5,001 – 10,000	224	1,741,790
10,001 – 100,000	499	18,032,438
100,001 – or more	154	304,463,818
TOTAL	1,909	325,894,082

Shareholders holding less than a marketable parcel 1,480

SUBSTANTIAL SHAREHOLDERS

The following substantial shareholders have notified the Company in accordance with the *Corporations Act 2001*.

Sinom (Hong Kong) Limited	136,793,768	41.97%
Kabunga Holdings Pty Ltd <Kabunga Family A/C>	22,220,053	6.82%

TOP 20 SHAREHOLDERS

The top 20 largest shareholders are listed below:

	Name	Number of Shares	% of Shares
1	SINOM (HONG KONG) LIMITED	136,793,768	41.97
2	KABUNGA HOLDINGS PTY LTD <KABUNGA FAMILY A/C>	22,240,053	6.82
3	CENTURY THREE X SEVEN RESOURCE FUND INC	10,656,250	3.27
4	MS NADA SAADE	10,622,146	3.26
5	KEEN MERIT LIMITED	10,192,024	3.13
6	THUNDER LUCK INTERNATIONAL LTD	8,503,171	2.61
7	BEST VENTURE DEVELOPMENT LIMITED	8,469,895	2.60
8	ERCEG ENTERPRISES PTY LTD	8,327,055	2.56
9	TIERRA DE SUENOS SA	5,866,819	1.80
10	CLASSIC ROOFING PTY LIMITED <SUPERANNUATION FUND ACCOUNT>	5,510,000	1.69
11	BRISLOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	4,100,000	1.26
12	MANYAMA MAOTORA MAKWEBE	3,703,341	1.14
13	MR HASHIMU MUSEDDEM MILLANGA	3,703,341	1.14
14	MOUNT GIBSON IRON LIMITED	3,478,025	1.07
15	INTUICION INC	3,360,271	1.03
16	CENTURY THREE X SEVEN RESOURCE FUND INC	3,170,000	0.97
17	MR DIMITRIOS GRAIKOS <THE GRAIKOS FAMILY A/C>	3,100,000	0.95
18	NICAMA INVESTMENTS PTY LTD	3,000,000	0.92
19	MR ROHAN PATNAIK	2,750,000	0.84
20	MR WILLIAM ROSS MACKENZIE	2,092,847	0.64
TOTAL TOP 20 HOLDERS		259,639,006	79.67%
TOTAL REMAINING HOLDERS BALANCE		66,255,076	20.33%
TOTAL		325,894,082	100.00%

VOTING RIGHTS

Article 13.13 of the Constitution specifies that on a show of hands every member present in person, by attorney or by proxy shall have:

- a) for every fully paid share held by him one vote
- b) for every share which is not fully paid a fraction of the vote equal to the amount paid on the share over the nominal value of the shares.

INTEREST IN MINING TENEMENTS

Tenement	Location	Tenement No.	RMC Interest
Wowo Gap	Papua New Guinea	EL1165*	100%
Kabulwanyele	Tanzania	PL/11534/2021	75%
Kabulwanyele	Tanzania	PL/11535/2021	75%
Kabulwanyele	Tanzania	PL/17691/2021**	75%

* Tenement under renewal.

** Tenement applied for but not yet granted.