



RMC

Resource Mining Corporation Limited



DECEMBER 2021 QUARTERLY REPORT

For the period ended
31 December 2021

Resource Mining Corporation Limited

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ASX Code: RMI

Contact:
Warwick Davies – *Managing Director*

Projects:

Tanzania:
Kabulwanyele: Nickel-Cobalt

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Resource Mining Corporation Limited (“RMC”, “RMI” or the “Company”) is a Perth-based specialist mineral exploration company aiming to create wealth from mineral commodities using innovative technical, marketing and financial skills as it explores for economic metal deposits in Tanzania.

QUARTERLY REPORT

SUMMARY

Corporate Update

Considerable corporate activity during the quarter including:

1. Completed divestment of Niugini Nickel Pty Ltd and Wowo Gap nickel cobalt project
2. Debt assignment to Kabunga Holdings Pty Ltd
3. Resignation of Zhang Chi (Andy Zhang), long serving director and director of Sinom, the major funding source for RMI over the past +5 years
4. Appointment of experienced company director Trevor Matthews to the Board
5. Successful capital raising to provide immediate funding for exploration and working capital

Completion of Divestment of Subsidiary, Niugini Nickel Pty Ltd, and its' Wowo Gap Nickel Laterite Project

At a general meeting of shareholders held on 8th October in Perth, Shareholders voted overwhelmingly in support of the sale of the Wowo Gap Nickel Laterite Project under a Share Purchase Agreement (**SPA**). Completion of the transaction occurred on 18th October 2021.

Pursuant to the SPA between RMI's subsidiary, Resource Exploration Pty Ltd (**REX**), and Regency Mines Australasia Pty Ltd (**Purchaser**), the Purchaser acquired 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 AIM listed Corcel plc.

As consideration for the sale, Corcel released all liabilities and obligations in connection with AUD \$4,761,087 of debts owed to Corcel by RMI. All requirements of the terms of the SPA in relation for corporate information, company records etc have been met with an effective handover of the company to Corcel representatives having been completed.

Debt Assignment

Following the successful divestment of the Wowo Gap Nickel Cobalt Project, Kabunga Holdings Pty Ltd (Kabunga)¹ acquired the following Company debts:

- \$475,000 which had been borrowed by the Company from Sinom (Hong Kong) Limited²; and
- \$724,185.61 which was owing by the Company to Fairstone Holdings Pty Ltd (Fairstone)³.

There has been no change in the terms of either of these debts, both of which are interest free and unsecured.

Resignation of long-standing non-executive Director Andy Zhang

During the quarter, the Company was advised that major shareholder, Sinom (Hong Kong) Limited (**Sinom**), had sold its entire shareholding in RMI to several individual investors. Sinom is a company associated with and controlled by long-standing non-executive director Mr Zhang (Andy) Chi. Mr Zhang joined the RMI Board in 2006 as a non-executive and served in this capacity for 15 years. Through Sinom (Hong Kong) Limited, Mr Zhang has provided financial support to RMC to maintain Company operations.

¹ Kabunga holds 6.82% of the issued shares in RMI

² Sinom is an entity controlled by ex-non-executive Director Mr. Zhang Chi (Andy)

³ Fairstone is an entity controlled by RMI director Mr. Warwick Davies

Following the sale of Sinom's shareholding in RMI, Mr Zhang tendered his resignation as a director of RMI.

The Board and the Company recognise Mr Zhang's enormous contribution to RMI over many years which has been greatly appreciated and valued. The Board thanks him for his service and wishes him well for the future.

Appointment of Mr Trevor Matthews as non-executive Director

Mr Trevor Matthews was appointed as a non-executive Director following the resignation of Mr Zhang. Trevor has an accounting and finance background with over 35 years' experience in the resources industry, including roles with diversified resources companies North and WMC Resources Limited in executive-level positions. Mr Matthews is currently Managing Director of Volt Resources Limited, and Executive Chairman of Victory Goldfields Limited. Previous roles included Managing Director for MZI Resources (2012-16) and Murchison Metals (2005-12).

Successful 2 Tranche Capital Raising

In November, the Company appointed Empire Capital Partners Pty Ltd to arrange a share placement to raise \$500,000 before costs.

The share placement was undertaken in 2 tranches, with Tranche 1 of 14,375,000 issued on 10 December 2021 at \$0.016 per share under RMI's existing ASX listing rule 7.1 capacity (\$230,000). Tranche 2 of 16,875,000 shares also at \$0.016 per share (\$270,000) is expected to be issued within the next few days following Shareholder approval at the 21 January 2022 AGM.

Funds raised will be used for preparatory work on exploration programs for the 2022 field season at the Kabulwanyeke Nickel Project in Tanzania as well as for debt servicing and working capital.

Kabulwanyeke Nickel Project Exploration Update

The Kabulwanyeke Nickel Project, (**KNP**), is located approximately 45 km south-west of Mpanda, the administrative centre for the Katavi Region in Western Tanzania Project in Tanzania in an area of known nickel mineralisation. Figure 1 shows the Project location. Prior to the acquisition of the tenement package by the Company, 75% owned Eastern Nickel Tanzania Limited has undertaken the Company's exploration in Tanzania.

To assist the exploration efforts in Tanzania, the South Africa based MSA Group has been engaged as technical consultants for Tanzanian Nickel Exploration. The agreement envisages MSA providing various services including exploration geological review and evaluation, drilling program design, training and mentoring and other ad-hoc services.

The MSA team has been active in the international mining industry for over 30 years and have an in depth understanding of the geology and mineralisation controls of deposits within the East African Nickel belt and a track record of discovery success. MSA's expertise covers targeting and initial assessment through turn-key exploration and project management of multidisciplinary programmes culminating in geological and Mineral Resource modelling, Mineral Resource estimations, public reporting to all major stock exchanges, project valuations, due diligence studies and feasibility study management.



Figure 1: Project location

Assay results from the mapping and soils/rock chip sampling programme undertaken in the June quarter were finally received.

A summary of the assay results from the June 2021 sampling program including highlights follows⁴:

Highlights

- **Soil and rock samples have delineated a Ni and Co anomaly with a strike length of 2km coincident with a historically mapped Ni laterite deposit**
- **19 rock chip samples were collected and returned a maximum value of 1.27% Ni**

⁴ Refer ASX announcement dated 18 November 2021

- 254 soil samples were collected and returned a maximum value of 0.85% Ni (see appendix for all rock and soil values)
- Over 38 soils samples returned assays above 500 ppm Ni with over 20 samples above 0.2% Ni
- The identified nickel anomaly has confirmed the prospectivity of the area which will now be drill tested

The soil sampling results have delineated a Ni and Co anomaly which has a strike length of 2km and is broadly coincident with a historically mapped nickel laterite.

A total of 254 soil samples and 19 rock chip samples were collected from the project area. All samples were dispatched to SGS Laboratories in South Africa for multi-element assays using ICP90A, (a sodium hydroxide fusion followed by Inductively Coupled Plasma Optical Emission Spectroscopy (ICP-OES)). Soil samples were collected with a line spacing of 600m and a station spacing of 300m except over the previously mapped laterite where station spacing was reduced to 150m.

High grades up to 1.27% Ni in a rock sample and up to 0.85% Ni in soil have been returned. All the samples that were collected from the main Kabulwanyeke laterite have returned grades equal to, or exceeding, 500ppm Ni and 200ppm Co.

The Company is now planning a follow-up drilling program to test the identified anomaly. Figures 2 and 3 below show the anomalous Ni and Co values coincident with the historically mapped laterite as well as the exploration team's recent mapping.

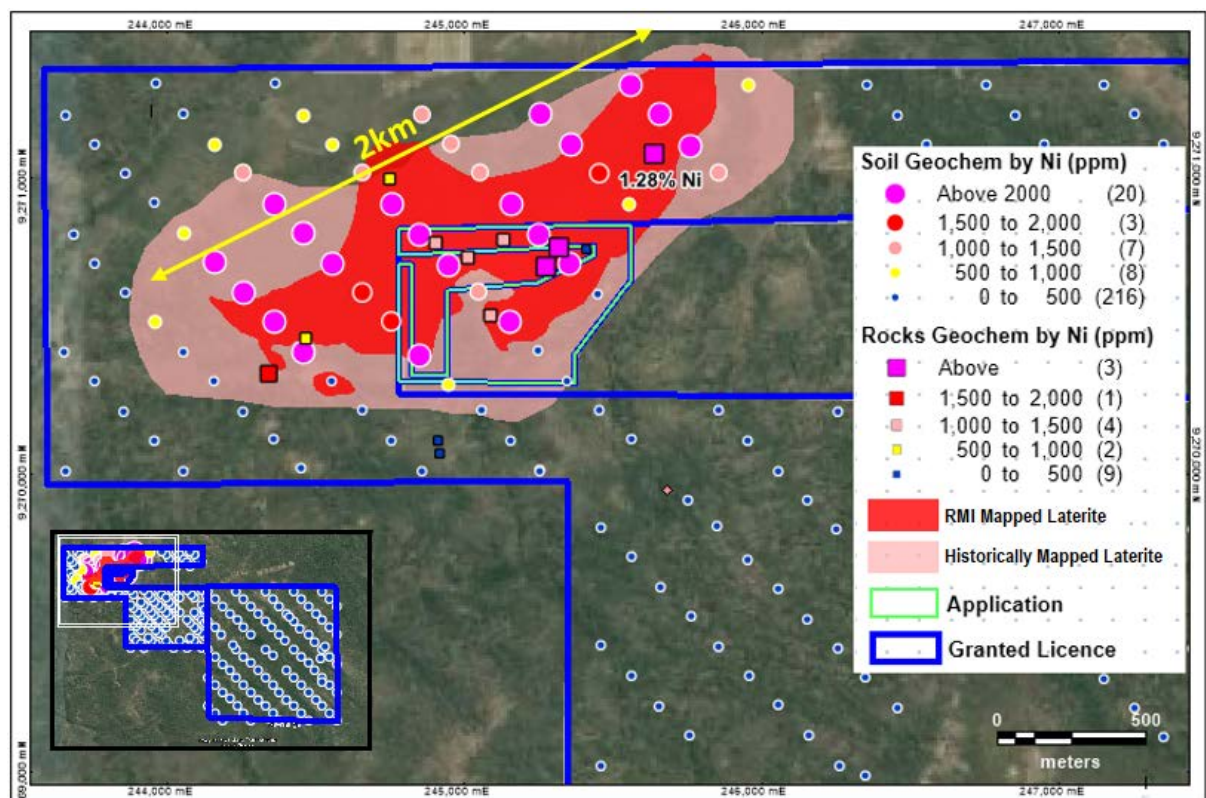


Figure 2: Ni values shown relative to the mapped Ni Laterite

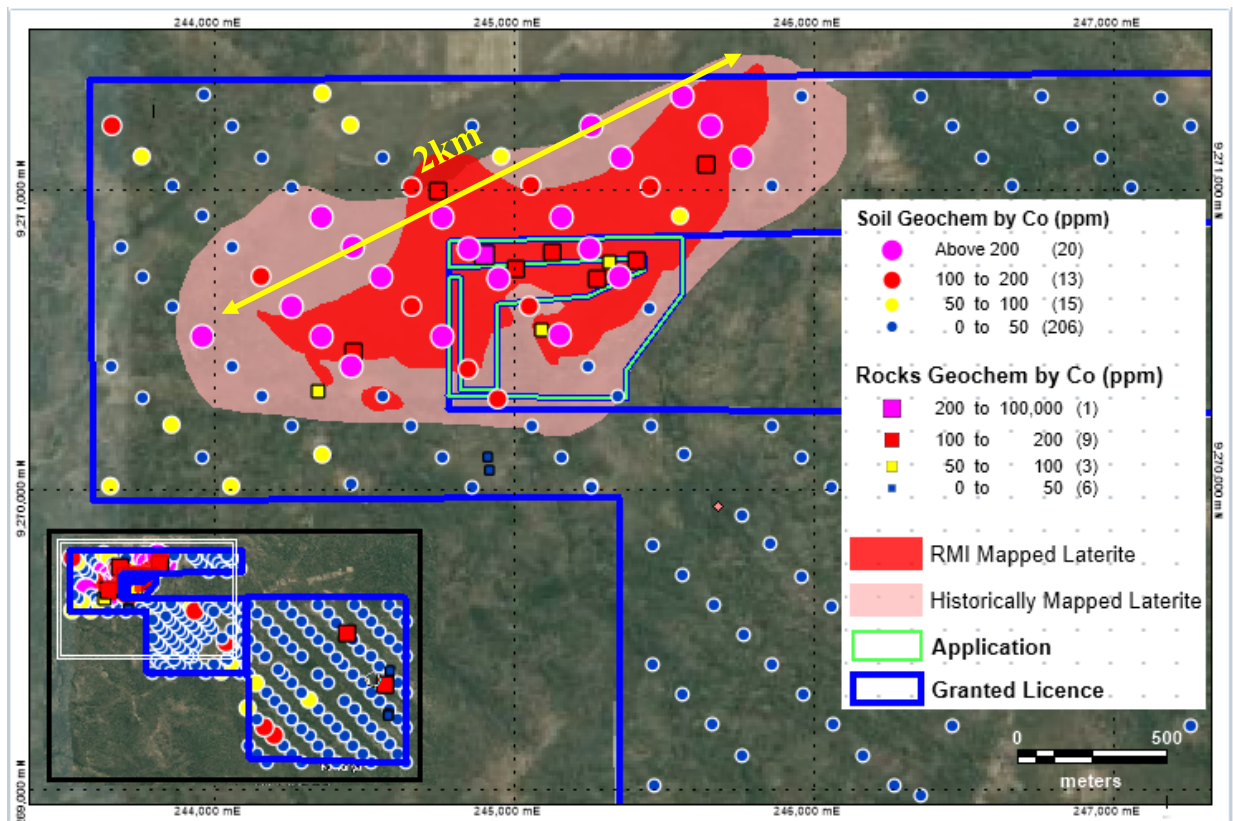


Figure 3: Co values shown relative to the mapped Ni Laterite

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 4 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.

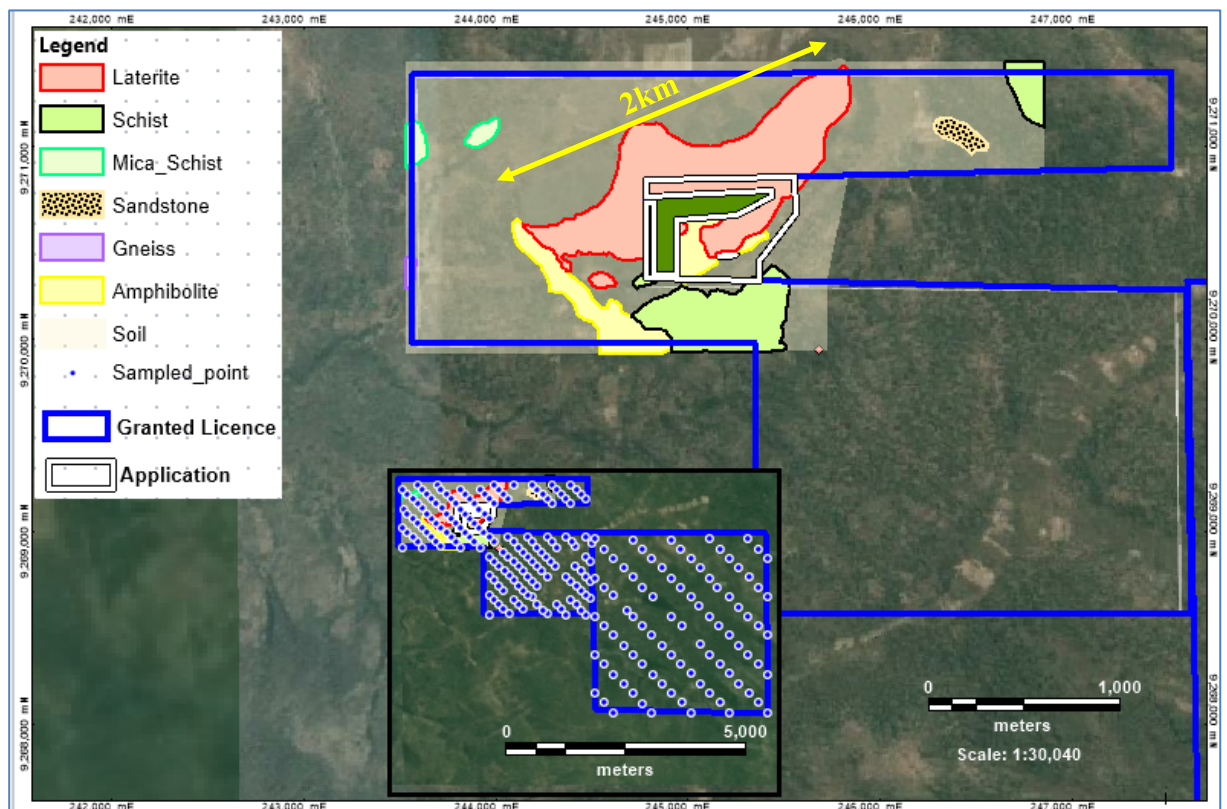


Figure 4: Mapped Area Including, Geology, Soil Sample Locations and New License Application Area

RMI is now focussed clearly on the exploration and development of the critical minerals nickel and cobalt, which have an essential role in the decarbonisation of the global economy. Nickel in particular is currently trading at prices not seen in the past 5 years as illustrated in figure 5 below.



Figure 5: 5 year nickel spot price chart

The KNP provides an important foothold in Tanzania, where investment stability and prospectivity for nickel and cobalt have been highlighted recently by BHP's investment of up to USD90 million in convertible debt to acquire an interest in the undeveloped Kabanga nickel cobalt project

Future Work Programs

A follow-up drilling program is in the planning stages with finalisation of the scope and a commencement date anticipated during the early part of the March 2022 quarter. Funds from the recent capital raising will be dedicated to continuing the exploration program to test the most prospective drill targets identified by the soils and chip sampling program.

Financial

Funding for the Company's ongoing operations has been provided by the recently complete capital raising program with Empire Capital Pty Ltd.

W J Davies
Managing Director
Dated: 31 January 2022

Additional ASX Information

- Exploration and evaluation expenditure during the Quarter was \$3,000. Full details of exploration activity during the Quarter are included in this Quarterly Activities Report.
- There were no mining production and development activities during the Quarter.
- Payments to related parties of the Company and their associates during the Quarter were \$5,000. The costs for non-executive director fees were unpaid.

SCHEDULE OF TENEMENTS AS AT 31 DECEMBER 2021

Tenement	Location	Tenement No.	RMI Interest
Kabulwanyele	Tanzania	PL/11534/2021	75%
Kabulwanyele	Tanzania	PL/11535/2021	75%
Kabulwanyele	Tanzania	PL/17691/2021*	75%*

* Tenement applied for but not yet granted.

Authorised for lodgement by Warwick Davies, Managing Director.