



**RESOURCE MINING CORPORATION LIMITED**

**ABN 97 008 045 083**

**FINANCIAL REPORT**

**HALF-YEAR ENDED 31 DECEMBER 2021**

**Resource Mining Corporation Limited**  
**Half-year Ended 31 December 2021**

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# Resource Mining Corporation Limited

## Corporate Directory

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<b>ABN</b>	97 008 045 083
<b>Directors</b>	William (Bill) Mackenzie (Non-Executive Chairman) Warwick Davies (Managing Director) Trevor Matthews (Non-Executive Director)
<b>Company Secretary</b>	Amanda Sparks
<b>Registered Office</b>	Suite 14, Level 2, 210 Bagot Road SUBIACO, WESTERN AUSTRALIA 6008
<b>Principal Place of Business</b>	Suite 14, Level 2, 210 Bagot Road SUBIACO, WESTERN AUSTRALIA 6008  Telephone: +61 8 6494 0025 Website: <a href="http://www.resmin.com.au">www.resmin.com.au</a>
<b>Share Registry</b>	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 <a href="http://www.investorcentre.com/contact">www.investorcentre.com/contact</a>
<b>Auditor</b>	BDO Audit (WA) Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth Western Australia 6000  Telephone: +61 8 6382 4600
<b>Bankers</b>	Westpac Bank 116 James Street NORTHBRIDGE, WESTERN AUSTRALIA 6000
<b>Securities Exchange Listing</b>	Resource Mining Corporation Limited shares are listed on the Australian Securities Exchange (Home Exchange – Perth) ASX Code: RMI

# Resource Mining Corporation Limited

## Half-Year Directors' Report

### 31 December 2021

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The Directors present the financial report of the consolidated entity, consisting of Resource Mining Corporation Limited (ASX: RMI) ("**RMC**") and its controlled entities ("**Group**"), for the half-year ended 31 December 2021.

#### DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in the office for the entire period unless otherwise stated.

William (Bill) Mackenzie	Non-Executive Chairman
Warwick Davies	Managing Director
Trevor Matthews	Non-Executive Director – appointed 22 November 2021
<b>Previous Director</b> Zhang Chi (Andy)	Non-Executive Director – resigned 22 November 2021

#### COMPANY SECRETARY

Amanda Sparks

#### COMPANY REVIEW

#### REVIEW OF OPERATIONS

##### Corporate

##### Completion of Divestment of Niugini Nickel Pty Ltd and the Wowo Gap Nickel Laterite Project

At a general meeting of Shareholders held on 8<sup>th</sup> October 2021 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 18<sup>th</sup> 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 subsidiary, Niugini Nickel Pty Ltd (NN). NN owns 100% of the Wowo Gap Nickel Laterite Project in Papua New Guinea. The Purchaser is a wholly owned subsidiary of London's Iterative Investment Market listed Corcel plc.

As consideration for the sale, Corcel released all liabilities and obligations in connection with \$4,761,087 of debts owed to Corcel by RMI.

##### Debt Assignment to Kabunga Holdings Pty Ltd

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

- \$475,000 which had been borrowed by the Company from Sinom (Hong Kong) Limited<sup>1</sup>; and
- \$724,185 which was owing by the Company to Fairstone Holdings Pty Ltd (Fairstone)<sup>2</sup>.

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<sup>1</sup> Sinom is an entity controlled by ex-non-executive Director Mr. Zhang Chi (Andy)

<sup>2</sup> Fairstone is an entity controlled by RMI director Warwick Davies

# **Resource Mining Corporation Limited**

## **Half-Year Directors' Report**

### **31 December 2021**

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Kabunga is unrelated to the Company and is owned and controlled by Asimwe Kabunga. Kabunga is a substantial shareholder of Resource Mining Corporation Limited. In addition, Kabunga holds 25% of the issued capital in Resource Mining Corporation Limited's subsidiary, Eastern Nickel Pty Ltd, and Asimwe Kabunga is a director of that subsidiary.

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

#### **Board Changes**

During November 2021, the Company was advised that major shareholder, Sinom (Hong Kong) Limited (Sinom), had sold its entire shareholding in the Company to several individual investors. Sinom is a company associated with and controlled by then long-standing non-executive director Mr Zhang (Andy) Chi. Mr Zhang joined the Board in 2006 as a non-executive and served in this capacity for 15 years.

Through Sinom, Mr Zhang provided financial support to the Company to maintain Company operations. Following the sale of Sinom's shareholding, Mr Zhang tendered his resignation as a director. The Company's board and management recognise and thank Mr Zhang for his dedicated support in furthering the Company's interests.

Following Mr Zhang's resignation, experienced company director Trevor Matthews was appointed as a non-executive Director. 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).

#### **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 in 2 tranches with Tranche 1 of 14,375,000 issued 9 December 2021 at \$0.016 per share (\$230,000). Tranche 2 of 16,875,000 shares also at \$0.016 per share (\$270,000), occurred after 31 December, on 31 January 2022.

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**

The Kabulwanyeke Nickel Project, (KNP), is located approximately 45 km south-west of Mpanda, the administrative centre for the Katavi Region in Western Tanzania in an area of known nickel mineralisation. Figure 1 shows the Project location.

To assist the exploration efforts in Tanzania, South African 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

# Resource Mining Corporation Limited

## Half-Year Directors' Report

### 31 December 2021

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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.

#### **Preliminary Exploration Results**

The assay results from the preliminary exploration program including mapping and soils/rock chip sampling programme were received in November 2021.

A highlight summary of the assay results from the June 2021 sampling program follows<sup>3</sup>:

- **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**
- **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**

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 Kabulwanyele laterite have returned grades equal to, or exceeding, 500ppm Ni and 200ppm Co.

A follow-up drilling program to test the identified anomaly is being planned. 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.

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<sup>3</sup> Refer ASX announcement 18 November 2021. The Company confirms that it isn't aware of any new data or information affecting the exploration results.



**Figure 1: Project location**

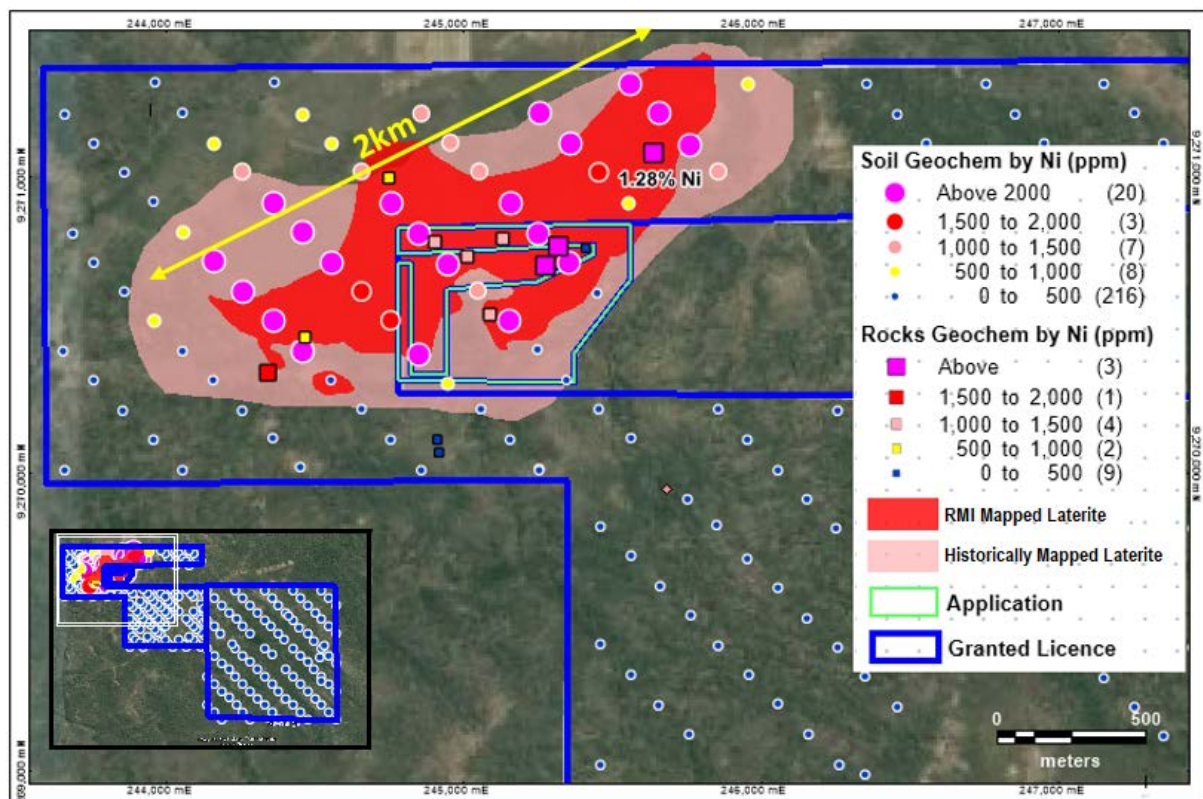


Figure 2: Ni values shown relative to the mapped Ni Laterite

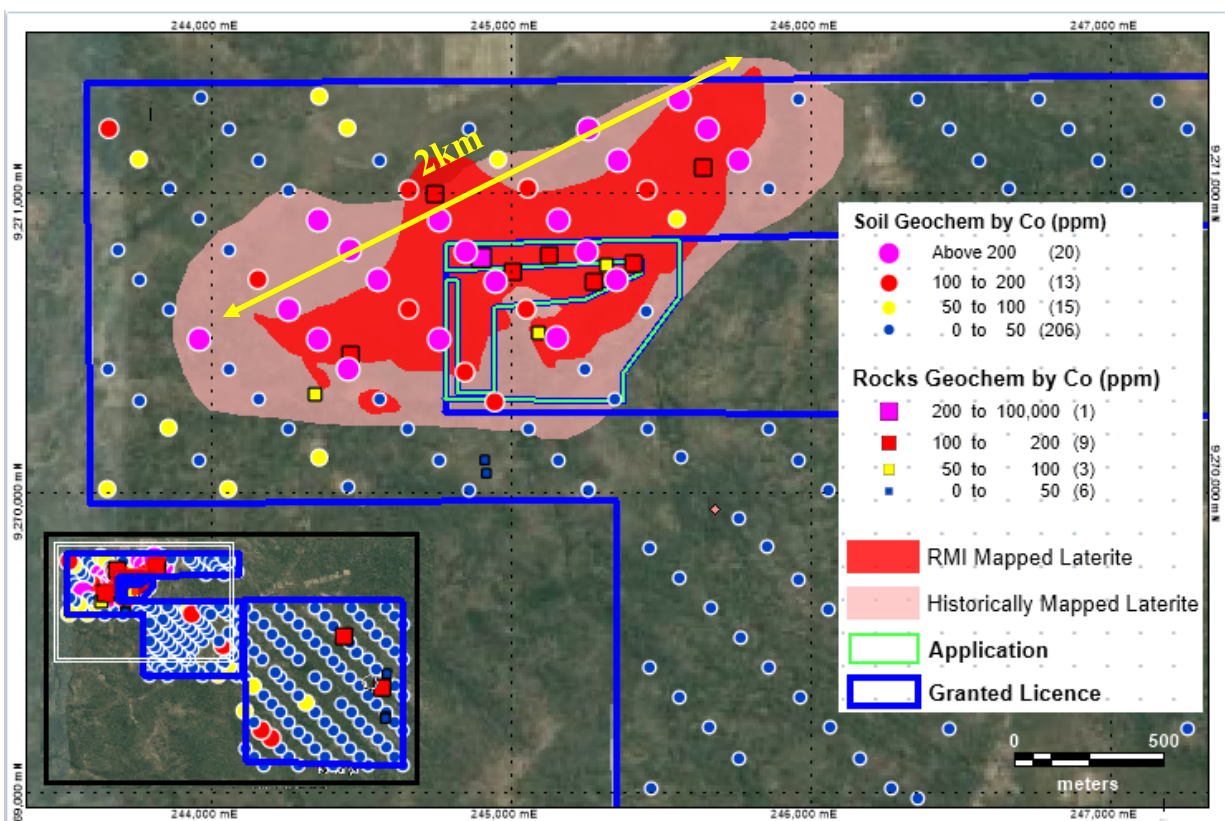


Figure 3: Co values shown relative to the mapped Ni Laterite



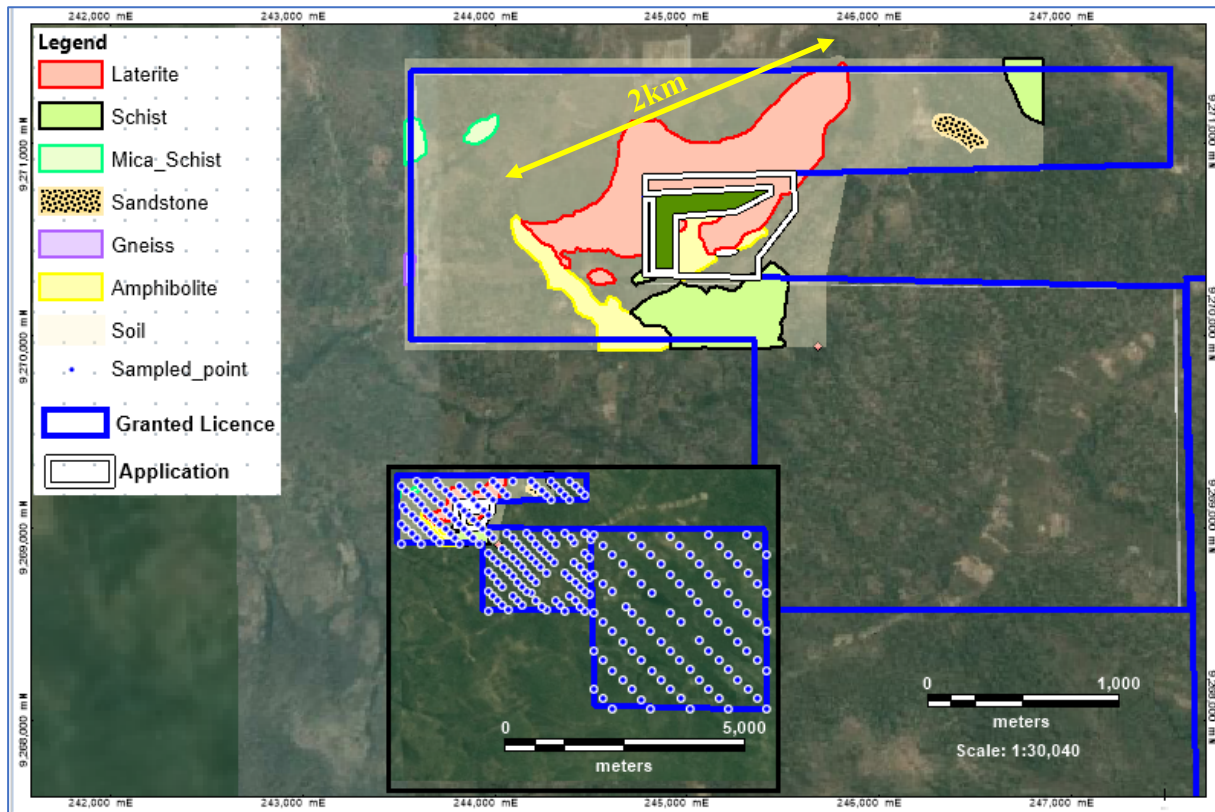
# Resource Mining Corporation Limited

## Half-Year Directors' Report

### 31 December 2021

#### Prospecting License Application

An application for an 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 0.27km<sup>2</sup> 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**

#### Future Work Programs

The future program will include a drilling campaign to test the identified anomaly.

# Resource Mining Corporation Limited

## Half-Year Directors' Report

### 31 December 2021

#### 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:

	Six Months Ended 31 December 2021	Six Months Ended 31 December 2020
	\$	\$
Net profit/(loss) for the period after tax	4,285,670	(195,892)
Included in loss for the year:		
Gain on disposal of subsidiary	4,859,482	-
Finance costs – implicit interest on fair value adjustment of loans	(319,174)	-
Exploration costs	(58,598)	(84,701)
Basic profit/(loss) per share (cents) from continuing operations	1.31 cents	(0.07) cents
Net cash (used in) operating activities	(252,443)	(114,677)
Net cash (used in) investing activities	(34,321)	-
Net cash from financing activities	298,688	139,666

During the year:

- On 12 August 2021, the Company's subsidiary, Resource Exploration Pty Ltd (REX), signed a 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 unrelated party, Corcel plc. As consideration for the sale, Corcel released all liabilities and obligations in connection with its \$4,761,087 of loans owing by the Company. The Company obtained the approval of its Shareholders at a Shareholder meeting held on 8 October 2021. On 18 October 2021, the sale was completed.

A gain of \$4,859,482 on sale of the subsidiary was realised in the profit or loss for the period ended 31 December 2021.

- In November 2021, the following parties assigned their debt to Kabunga Holdings Pty Ltd (Kabunga):
  - \$475,000 which was owing by the Company to Sinom (Hong Kong) Limited (Sinom). Sinom is an entity controlled by previous RMI director, Zhang Chi; and
  - \$724,185.61 which was owing by the Company to Fairstone Holdings Pty Ltd (Fairstone). Fairstone is an entity controlled by RMI director Warwick Davies. This amount was previously included in trade creditors.

Kabunga is unrelated to the Company and is owned and controlled by Asimwe Kabunga. Kabunga is a substantial shareholder of Resource Mining Corporation Limited. In addition, Kabunga holds 25% of the issued capital in Resource Mining Corporation Limited's subsidiary, Eastern Nickel Pty Ltd, and Asimwe Kabunga is a director of that subsidiary.

- The Company issued Tranche 1 of the Company's Placement of 14,375,000 Shares at 1.6 cents per share to raise \$230,000 gross. The Shares were issued on 9 December 2021.

# Resource Mining Corporation Limited

## Half-Year Directors' Report

### 31 December 2021

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#### MATTERS SUBSEQUENT TO 31 DECEMBER 2021

Subsequent to 31 December 2021, the following occurred:

On 21 January 2022, Shareholders approved:

- The issue of Tranche 2 of the Company's Placement of 16,875,000 Shares at 1.6 cents per share to raise \$270,000 gross. The Shares were issued on 31 January 2022.
- The issue of 2,000,000 unlisted options with an expiry date of 31 January 2025 and an exercise price of 2 cents. These options were issued to the lead manager of the Placement as part fees.
- The issue of 2,153,995 Shares (\$50,000) to Director William Mackenzie. For the period July 2015 to June 2021, \$300,000 of remuneration for William Mackenzie had accrued, but not been paid. William Mackenzie agreed to receive \$50,000 worth of RMI shares plus \$5,000 of statutory superannuation in lieu of the unpaid remuneration. The remaining \$245,000 of unpaid remuneration for that period was forgiven. The number of Shares issued was determined by dividing \$50,000 by the volume weighted average sale price of Shares sold on ASX during the 20 consecutive trading days prior to the date of the Shareholder Meeting.
- The issue of 34,375,000 Shares (\$550,000) to Kabunga Holdings Pty Ltd as consideration for repayment of \$550,000 of debt owing to Kabunga (at 1.6 cents / share). The Shares were issued on 3 February 2022.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

#### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included in this half-year financial report.

Signed in accordance with a resolution of the Board of Directors.



**Warwick Davies**  
**Managing Director**

Signed on the 15 March 2022

**Resource Mining Corporation Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
for the half-year ended 31 December 2021

	Note	Six Months ended 31 December 2021 \$	Six Months ended 31 December 2020 \$
<b>Other Gains/(losses)</b>			
Sale of subsidiary	3	4,859,482	-
Other		210	-
Total other gains, net		4,859,692	-
<b>Expenses</b>			
Administration and corporate expenses	4(a)	(195,644)	(110,404)
Exploration expenditure	4(b)	(58,598)	(84,701)
Borrowing costs	4(c)	(319,780)	(787)
Total expenses		(574,022)	(195,892)
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>		<b>4,285,670</b>	<b>(195,892)</b>
<b>INCOME TAX</b>		-	-
<b>PROFIT/(LOSS) AFTER INCOME TAX FOR THE PERIOD</b>		<b>4,285,670</b>	<b>(195,892)</b>
Total profit/(loss) is attributable to:			
Owners of Resource Mining Corporation Limited		4,290,075	(195,892)
Non-Controlling Interests		(4,405)	-
		<b>4,285,670</b>	<b>(195,892)</b>
<b>OTHER COMPREHENSIVE (LOSS) / PROFIT</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange translation difference		(177,022)	(14,722)
<b>OTHER COMPREHENSIVE (LOSS) / PROFIT</b>		<b>(177,022)</b>	<b>(14,722)</b>
<b>TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE PERIOD</b>		<b>4,108,648</b>	<b>(210,614)</b>
Total comprehensive profit/(loss) is attributable to:			
Owners of Resource Mining Corporation Limited		4,113,053	(210,614)
Non-Controlling Interests		(4,405)	-
		<b>4,108,648</b>	<b>(210,614)</b>
<b>PROFIT/(LOSS) PER SHARE FOR THE HALF YEAR ATTRIBUTABLE TO MEMBERS OF RESOURCE MINING CORPORATION LIMITED</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted profit/(loss) per share (cents per share)	5	1.31	(0.07)

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

**Resource Mining Corporation Limited**  
**Consolidated Statement of Financial Position**  
As at 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		57,833	43,680
Receivables and other current assets		16,924	22,097
<b>Total Current Assets</b>		<b>74,757</b>	<b>65,777</b>
<b>NON CURRENT ASSETS</b>			
Plant and equipment	6	-	75,014
<b>Total Non-Current Assets</b>		<b>-</b>	<b>75,014</b>
<b>TOTAL ASSETS</b>		<b>74,757</b>	<b>140,791</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		387,578	1,098,212
Interest bearing liabilities		5,301	2,854
Non-interest bearing liabilities	7	1,252,035	4,901,075
Provisions		-	33,655
<b>Total Current Liabilities</b>		<b>1,644,914</b>	<b>6,035,796</b>
<b>TOTAL LIABILITIES</b>		<b>1,644,914</b>	<b>6,035,796</b>
<b>NET ASSETS / (NET ASSET DEFICIENCY)</b>		<b>(1,570,157)</b>	<b>(5,895,005)</b>
<b>EQUITY</b>			
Issued capital	8	63,984,799	63,768,599
Reserves	9	85,370	262,392
Accumulated losses		(65,624,808)	(69,914,883)
Capital and reserves attributable to owners of Resource Mining Corporation Limited		<b>(1,554,639)</b>	<b>(5,883,892)</b>
Non-controlling interests		<b>(15,518)</b>	<b>(11,113)</b>
<b>TOTAL EQUITY / (DEFICIENCY IN EQUITY)</b>		<b>(1,570,157)</b>	<b>(5,895,005)</b>

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

**Resource Mining Corporation Limited**  
**Consolidated Statement of Changes in Equity**  
for the half-year ended 31 December 2021

	Issued Capital	Accumulated Losses	Reserves	Non-controlling Interests	Total
	\$	\$	\$	\$	\$
<b>6 Months to December 2021</b>					
Balance at 1 July 2021	63,768,599	(69,914,883)	262,392	(11,113)	(5,895,005)
Profit/(loss) for the period	-	4,290,075	-	(4,405)	4,285,670
Other comprehensive profit/(loss) for the period	-	-	(177,022)	-	(177,022)
<b>Total comprehensive profit/(loss) for the period</b>	<b>-</b>	<b>4,290,075</b>	<b>(177,022)</b>	<b>(4,405)</b>	<b>4,108,648</b>
<b>Transactions with owners in their capacity as owners</b>					
Shares issued	230,000	-	-	-	230,000
Costs of share issues	(13,800)	-	-	-	(13,800)
<b>Balance at 31 December 2021</b>	<b>63,984,799</b>	<b>(65,624,808)</b>	<b>85,370</b>	<b>(15,518)</b>	<b>(1,570,157)</b>

	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Convertible Notes Reserve	Total
	\$	\$	\$	\$	\$
<b>6 Months to December 2020</b>					
Balance at 1 July 2020	63,294,571	(69,576,673)	190,060	395,495	(5,696,547)
Loss for the period	-	(195,892)	-	-	(195,892)
Other comprehensive loss for the period	-	-	(14,722)	-	(14,722)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(195,892)</b>	<b>(14,722)</b>	<b>-</b>	<b>(210,614)</b>
Transfer of convertible notes reserve to accumulated losses	-	395,495	-	(395,495)	-
<b>Transactions with owners in their capacity as owners</b>					
Shares issued	-	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>63,294,571</b>	<b>(69,377,070)</b>	<b>175,338</b>	<b>-</b>	<b>(5,907,161)</b>

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

**Resource Mining Corporation Limited**  
**Consolidated Statement of Cash Flows**  
for the half-year ended 31 December 2021

	Six Months ended 31 December 2021 \$	Six Months ended 31 December 2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(269,467)	(124,525)
Interest income received		-
Other income received (including GST refunds)	17,630	10,635
Interest and finance costs paid	(606)	(787)
<b>Net Cash Utilised In Operating Activities</b>	<b>(252,443)</b>	<b>(114,677)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash held by subsidiary upon disposal	(34,321)	-
<b>Net Cash Utilised In Investing Activities</b>	<b>(34,321)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	230,000	-
Proceeds from borrowings and advances	145,747	154,961
Repayment of advances	(77,059)	(15,295)
<b>Net Cash From Financing Activities</b>	<b>298,688</b>	<b>139,666</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>11,924</b>	<b>24,989</b>
Cash and cash equivalents at beginning of the period	43,680	43,962
Effect of exchange rate changes on cash and cash equivalents	2,229	(6,516)
<b>Cash and cash equivalents at the end of the period</b>	<b>57,833</b>	<b>62,435</b>

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

# Resource Mining Corporation Limited

## Notes to the Financial Statements

for the half-year ended 31 December 2021

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### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Basis of Preparation***

This half-year financial report for the six months ended 31 December 2021 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001 and was authorised for issue in accordance with a resolution of the directors on 15 March 2022.

These half-year financial reports do not include all the notes of the type normally included in annual financial reports and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial reports.

The half-year financial reports should be read in conjunction with the annual financial reports for the year ended 30 June 2021 and any public announcements made by Resource Mining Corporation Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The financial report is presented in Australian dollars, which is the Company's functional and presentation currency.

Resource Mining Corporation Limited is a for-profit entity for the purpose of preparing the half-year financial statements.

#### ***Statement of Compliance***

These half-year financial statements comply with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

#### ***Adoption of new and revised standards***

##### **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 2021.

##### **New and amended standards adopted by the Group**

There were no material new or amended standards applicable for the current reporting period for which the Group has adopted.

##### **New and amended standards not yet adopted by the Group**

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

#### ***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.

Although the Group has incurred a net profit after tax for the period of \$4,285,670, this was due to a one-off gain on disposal of a subsidiary. The Group has experienced net cash outflows from operating activities of \$252,443 for the period ended 31 December 2021 and had a working capital deficiency of \$1,570,157 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.



# Resource Mining Corporation Limited

## Notes to the Financial Statements

for the half-year ended 31 December 2021

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 working capital deficiency contains amounts not currently owing but that will be due to be settled within the next 12 months;
- Subsequent to year end, the working capital deficiency has been significantly reduced by the following transactions:
  - The issue of Tranche 2 of the Company's Placement of 16,875,000 Shares at 1.6 cents per share to raise \$270,000 gross. The Shares were issued on 31 January 2022.
  - The issue of 2,153,995 Shares (\$50,000) to Director William Mackenzie plus \$5,000 of statutory superannuation in lieu of \$300,000 in unpaid remuneration for the period July 2015 to June 2021. The remaining \$245,000 of unpaid remuneration for that period was forgiven.
  - The issue of 34,375,000 Shares (\$550,000) to Kabunga Holdings Pty Ltd as consideration for repayment of \$550,000 of debt owing to Kabunga. The Shares were issued on 3 February 2022.
- A letter of support has been obtained from Kabunga Holdings Pty Ltd (Kabunga) not to call for the outstanding payable balance prior to 31 March 2023 unless Resource Mining Corporation Limited is in a position to repay the amount, subject to any agreement between the Company and Kabunga to repay any debt via equity.

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.

### 2. SEGMENT INFORMATION

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 Tanzania. 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, balance sheet 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.

### 3. SALE OF SUBSIDIARY

On 12 August 2021, the Company's subsidiary, Resource Exploration Pty Ltd (REX), signed a 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 unrelated party, Corcel plc. As consideration for the sale, Corcel released all liabilities and obligations in connection with its \$4,761,087 of loans owing by the Company. The Company obtained the approval of its Shareholders at a Shareholder meeting held on 8 October 2021. On 18 October 2021, the sale was completed.

A gain of \$4,859,482 on sale of the subsidiary has been realised in the profit or loss for the period ended 31 December 2021.

	31 December 2021 \$	31 December 2020 \$
Consideration received – value of loan released	4,761,087	-
Carrying amount of net liabilities/(assets) of subsidiary sold held by the group	(74,235)	-
Currency translation differences	172,630	-
Total gain from disposal of subsidiary	4,859,482	-

**Resource Mining Corporation Limited**  
**Notes to the Financial Statements**  
for the half-year ended 31 December 2021

**4. EXPENSES**

**(a) Administration and Corporate Expenses**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Compliance and regulatory expenses	57,288	37,415
Consultants	52,107	28,390
Non-Executive directors' fees (accrued, not yet paid)	25,000	25,000
Occupancy	7,357	11,485
Insurance	12,319	7,059
Legal fees	40,557	141
Other expenses	1,016	914

**195,644**

**110,404**

**(b) Exploration Expenditure and Project Costs**

Depreciation – exploration equipment	-	4,842
Other exploration and project costs	58,598	79,859

**58,598**

**84,701**

**(c) Borrowing costs/(gains)**

Finance charges and Interest on insurance funding	606	787
Finance costs - implicit interest on fair value adjustments – refer note 7(c)	68,777	-
Finance costs - implicit interest on fair value adjustments – refer note 7(d)	250,397	-

**319,780**

**787**

**5. EARNINGS PER SHARE**

Basic and diluted loss per share (cents per share)	1.31 cents	(0.07) cents
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Profit/(loss) used in the calculation of weighted average basic and diluted loss per share	\$4,290,075	(\$195,892)
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Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share

**Number of  
shares**

**Number of  
shares**

327,612,832

296,267,247

**6. PLANT AND EQUIPMENT**

Cost	3,052	221,825
Accumulated depreciation	(3,052)	(146,811)

**-**

**75,014**

*Movement in carrying amounts:*

Opening balance	75,014	95,531
Disposals (sale of subsidiary)	(75,014)	-
Depreciation expense	-	(9,348)
Currency translation differences	-	(11,169)

**-**

**75,014**

**Resource Mining Corporation Limited**  
**Notes to the Financial Statements**  
for the half-year ended 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
<b>7. NON INTEREST BEARING LIABILITIES - Current</b>			
Advances from Managing Director	7(a)	-	66,059
Unsecured loans and advances – Kabunga Holdings	7(b)	1,199,186	-
Unsecured loans and advances – Sinom (discounted)	7(c)	-	296,223
Unsecured loans and advances – Corcel (discounted)	7(d)	-	4,510,690
Other loan	7(e)	52,849	28,103
		<b>1,252,035</b>	<b>4,901,075</b>

**(a) Advances from Managing Director**

During the half-year, advances totalling \$11,000 were made by the Managing Director, Warwick Davies, to the Company as short term funding, and \$77,059 was repaid during the half-year. These advances were interest free and unsecured.

**(b) Unsecured loans and advances due to Kabunga Holdings**

In November 2021, the following parties assigned their debt to Kabunga Holdings Pty Ltd (Kabunga):

- \$475,000 which was owing by the Company to Sinom (Hong Kong) Limited (Sinom). Sinom is an entity controlled by previous RMI director, Zhang Chi (refer note 7(c)); and
- \$724,185.61 which was owing by the Company to Fairstone Holdings Pty Ltd (Fairstone). Fairstone is an entity controlled by RMI director Mr. Warwick Davies. This amount was previously included in trade creditors.

Kabunga is unrelated to the Company and is owned and controlled by Asimwe Kabunga. Kabunga is a substantial shareholder of Resource Mining Corporation Limited. In addition, Kabunga holds 25% of the issued capital in Resource Mining Corporation Limited's subsidiary, Eastern Nickel Pty Ltd, and Asimwe Kabunga is a director of that subsidiary.

**Movement - Unsecured loans and advances due to Kabunga**

Opening balance	-	-
Assignment of loans from Sinom	475,000	-
Assignment of loans from Fairstone	724,186	-
<b>Closing balance</b>	<b>1,199,186</b>	<b>-</b>

These advances are interest free and unsecured. Kabunga Holdings has agreed not to call for the outstanding payable balances prior to 31 March 2023 unless Resource Mining Corporation Limited is in a position to repay the amounts.

Subsequent to year end, on 3 February 2022, the Company issued 34,375,000 Shares (\$550,000) to Kabunga to repay \$550,000 of debt. **Balance owing as at the date of this report amounts to \$649,186.**

**(c) Unsecured loans and advances due to Sinom**

**Movement - Unsecured loans and advances due to Sinom**

Opening balance	296,223	1,126,087
New loan to repay convertible notes	-	2,000,000
Assignment of loans to Corcel plc	-	(3,051,087)
Other advances	110,000	290,000
Net (gain)/loss on measurement of loans at fair value through equity as a movement in Capital Contribution Reserve	-	(88,933)
Finance costs – implicit interest on fair value adjustments of loans	68,777	20,156
Assignment of loans to Kabunga Holdings Pty Ltd – refer to note 7(b)	(475,000)	-
<b>Closing balance</b>	<b>-</b>	<b>296,223</b>

**Resource Mining Corporation Limited**  
**Notes to the Financial Statements**  
for the half-year ended 31 December 2021

**7. NON INTEREST BEARING LIABILITIES - continued**

**(d) Unsecured loans due to Corcel plc**

	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Movement - Unsecured loans due to Corcel		
Opening balance	4,510,690	1,710,000
Assignment of loans by Sinom	-	3,051,087
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	250,397	399,728
Repayment of loan via sale of subsidiary – refer note 3	(4,761,087)	-
<b>Closing balance</b>	<b>-</b>	<b>4,510,690</b>

Corcel plc is an unrelated UK company listed on AIM.

**(e) Other loans**

Movement – Other loans		
Opening balance	28,103	-
Funds loaned	24,746	28,103
<b>Closing balance</b>	<b>52,849</b>	<b>28,103</b>

These advances are unsecured, repayable at 110% of the loan amount and made by an unrelated party in Tanzania. Subsequent to year end, in February 2022 these loans were repaid in full.

**8. ISSUED CAPITAL**

<b>Summary of Movements</b>	<b>Six months ended 31 December 2021</b>		<b>Year ended 30 June 2021</b>	
	<b>Number of Shares</b>	<b>\$</b>	<b>Number of Shares</b>	<b>\$</b>
Opening balance	325,894,082	63,768,599	296,267,347	63,294,571
Issued – acquisition of Eastern Nickel Pty Ltd	-	-	29,626,735	474,028
Issued – Placement Tranche 1	14,375,000	230,000	-	-
Costs of issues	-	(13,800)	-	-
<b>Closing Balance</b>	<b>340,269,082</b>	<b>63,984,799</b>	<b>325,894,082</b>	<b>63,768,599</b>

During the six months, a share placement was undertaken in 2 tranches, with Tranche 1 of 14,375,000 issued on 10 December 2021 at \$0.016 per share (\$230,000). Tranche 2 of 16,875,000 shares also at \$0.016 per share (\$270,000) was completed in January 2022.

**Resource Mining Corporation Limited**  
**Notes to the Financial Statements**  
for the half-year ended 31 December 2021

**9. RESERVES**

	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	(3,563)	173,459
Capital contributions reserve	88,933	88,933
	<b>85,370</b>	<b>262,392</b>
<b>Foreign currency reserve:</b>		
Balance at the beginning of the period	173,459	190,060
Currency translation differences arising during the period	(177,022)	(16,601)
<b>Balance at the end of the period</b>	<b>(3,563)</b>	<b>173,459</b>
<b>Capital contributions reserve:</b>		
Balance at the beginning of the period	88,933	-
Net (gain)/loss on measurement of loans at fair value through equity as a movement in Capital Contribution Reserve – refer to note 7(c)	-	88,933
<b>Balance at the end of the period</b>	<b>88,933</b>	<b>88,933</b>

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.

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.

**10. NON-CASH INVESTING AND FINANCING ACTIVITIES**

On 12 August 2021, the Company's subsidiary, Resource Exploration Pty Ltd (REX), signed a 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 unrelated party, Corcel plc. As consideration for the sale, Corcel released all liabilities and obligations in connection with its AUD \$4,761,087 of loans owing by the Company. Refer to note 3.

**11. COMMITMENTS**

Since the last annual reporting date, there has not been a material change to commitments or contingencies.

**12. RELATED PARTIES**

There have been no new related party transactions entered into since 30 June 2021 other than:

- Advances from a Director during the six months totalling \$11,000. \$77,059 was repaid during the half-year. Refer to note 7(a); and
- Interest free advances from Sinom (Hong Kong) Limited, a company related to previous Director Zhang Chi totalling \$110,000. Refer note 7(c).
- Subsequent to year end, 2,153,995 Shares were issued to Director William Mackenzie, and Mr Mackenzie forgave \$245,000 of debt. Refer to note 13.

# Resource Mining Corporation Limited

## Notes to the Financial Statements

for the half-year ended 31 December 2021

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### 13. EVENTS SUBSEQUENT TO REPORTING PERIOD

Subsequent to 31 December 2021, the following has occurred:

On 21 January 2022, Shareholders approved:

- The issue of Tranche 2 of the Company's Placement of 16,875,000 Shares at 1.6 cents per share to raise \$270,000 gross. The Shares were issued on 31 January 2022.
- The issue of 2,000,000 unlisted options with an expiry date of 31 January 2025 and an exercise price of 2 cents. These options were issued to the lead manager of the Placement as part fees.
- The issue of 2,153,995 Shares (\$50,000) to Director William Mackenzie. For the period July 2015 to June 2021, \$300,000 of remuneration for William Mackenzie had accrued, but not been paid. William Mackenzie agreed to receive \$50,000 worth of RMI shares plus \$5,000 of statutory superannuation in lieu of \$300,000 in unpaid remuneration for the period July 2015 to June 2021. The remaining \$245,000 of unpaid remuneration for that period was forgiven. The number of Shares issued was determined by dividing \$50,000 by the volume weighted average sale price of Shares sold on ASX during the 20 consecutive trading days prior to the date of the Shareholder Meeting.
- The issue of 34,375,000 Shares (\$550,000) to Kabunga Holdings Pty Ltd as consideration for repayment of \$550,000 of debt owing to Kabunga. The Shares were issued on 3 February 2022.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

## Directors' Declaration

for the half-year ended 31 December 2021

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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 Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
    - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory reporting requirements; 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 half-year ended 31 December 2021.

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



**Warwick Davies**  
**Managing Director**

Dated 15 March 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Resource Mining Corporation Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Resource Mining Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 1 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 conclusion is not modified in respect of this matter.



#### Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd



Dean Just  
Director

Perth, 15 March 2022

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

As lead auditor for the review of Resource Mining Corporation Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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, 15 March 2022