



ANNUAL REPORT 2017

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
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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's) Annual Report for the year ended 30 June 2017.

The past Financial Year has been both challenging and difficult for the company. The Nickel market remains depressed with the nickel price hovering near historical lows of approximately US\$9,000/ton at the close of the financial year.

Despite this, your company continues to maintain its 100% interest in the Wowo Gap project pending an improvement in market conditions. Advice was received from the PNG Mines Minister on 6th September 2016 that the exploration license for EL 1165 had been extended for a period of 2 years until 28th February 2018 with no special conditions imposed.

Project activity on EL 1165 was restricted to the maintenance of equipment, environmental monitoring, training and ensuring all capital equipment including buildings are kept at a high standard in readiness for any future work activity. A focus on cost reduction has continued and all supervisory, specialist and general labour requirements were met solely by PNG nationals who live close to the project. The company's commitment to maximizing local food purchase remains in place with local fresh produce supplemented by produce from exploration camp gardens.

EL 1980 and EL 2337 were considered non-core assets and were relinquished during the year.

Both short and long term, nickel market fundamentals are improving. Since June 2017, the closure of the Ravensthorpe nickel/cobalt producer has been announced and nickel prices have risen to the highest levels in 2 years. In the longer term, the rapid growth in battery demand, particularly Lithium Ion batteries, is also considered likely to have positive impacts on the nickel and cobalt markets.

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 a significant mineral deposit in Papua New Guinea (**PNG**).

The development of the Wowo Gap Nickel Laterite Project in south east PNG remains the key strategic goal of the Resource Mining Group. Recent developments in the world's nickel industry have focussed attention on the nickel laterite projects in the South Pacific.

PAPUA NEW GUINEA - WOWO GAP NICKEL 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 from the town of Wanigela situated on Collingwood Bay. The Project hosts significant nickel-cobalt mineralisation within the laterite profile overlying an ultramafic plateau.

Completed 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.

The full regolith profile of the Wowo Gap deposit with typical average thicknesses from top to bottom is described in Table 1 below.

Lithology	Typical Geochemistry	Typical thickness	Description
Volcanic Ash	<0.3%Ni	1 metre	Volcanic ash – barren overburden
Limonite	1.2%Ni, 50% Fe ₂ O ₃ , 5%MgO, 20% SiO ₂	5 metres	Limonitic clay; Ni, Co, Fe, Mn enriched
Saprolite	1.5%Ni, 30% Fe ₂ O ₃ , 20%MgO, 35% SiO ₂	5 metres	Saprolite clay; Ni, Mg enriched
Rocky Saprolite	1.9%Ni, 20% Fe ₂ O ₃ , 30%MgO, 40% SiO ₂	5 metres	Saprolite clay within partly weathered UM rocks;
Bedrock	<0.3%Ni	NA	Ultramafic rocks, peridotite and dunite

Table 1: Primary Lithology Units

*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.

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 was renewed for a 2-year period to 28 February 2018 with no special conditions with the renewal advice received from the Mines Minister on 6th September 2016. The Company will make application for a further renewal period during the latter part of 2017.

A condition of the previous licence period renewal was the completion of a feasibility study into a Direct Shipped Ore (DSO) operation. The main findings of the Feasibility Study were that the DSO project is dependent upon a sustained demand and price for nickel and laterite ore for the Chinese Nickel Pig Iron, (**NPI**) industry.

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.

Nickel Market

Table 2 illustrates the general decline in spot Nickel Prices over the past 5 years, with a stabilising trend during the last 12 months:

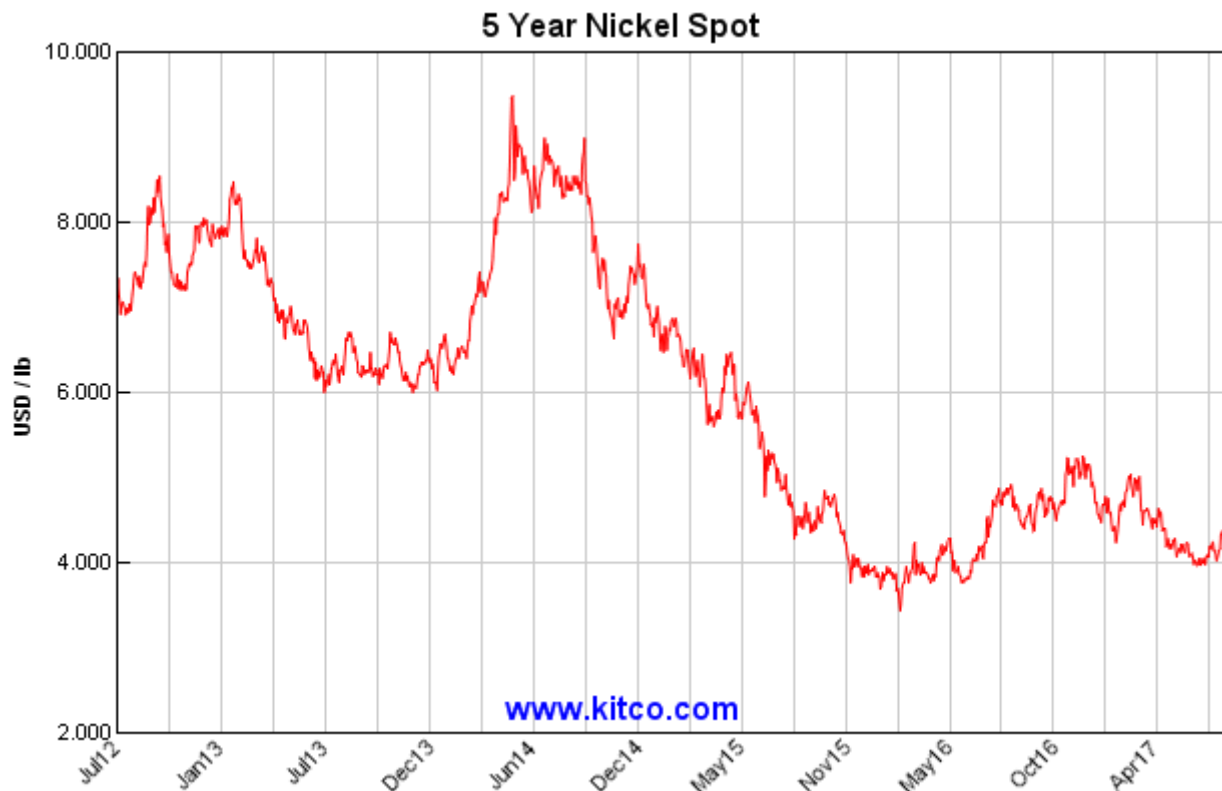


Table 2: 5 Year Nickel Spot Price

The one potentially positive outlook for nickel is the development of lithium ion batteries. UBS considers that the growth in electric car production could see a major shift in the world's nickel market after 2020. UBS analysts in a recent research note suggested that from about 2020 "electric vehicles could offer a renaissance for the nickel market." The analysts stated that the production of about 15 million electric vehicles in 2025 would create between 300,000 and 900,000 tonnes a year of additional demand for nickel, or a 10 to 40 per cent increase, depending on the type of chemistry used to create the battery cathodes, which is where the nickel is used.

Direct Shipped Nickel Laterite

Background

Previous exploration has been focussed on the determination of a suitable source of direct shipped nickel laterite to satisfy the Chinese Nickel Pig Iron industries demand for product. Sources of nickel laterite for this purpose include: Indonesia, Philippines and New Caledonia. The growth of an indigenous nickel production industry in Indonesia together with slowing in demand for stainless steel in China resulted in declines in demand for nickel laterite ore during the past year.

The closure of Queensland Nickel's processing plant in Townsville and the subsequent closure of First Quantum's Ravensthorpe nickel mine were symptoms of the general decline in nickel demand together with the cost faced by producers in a market dominated by falling and sustained low nickel metal prices.

The dramatic downturn in demand primarily from the Chinese NPI industry experienced in late 2016 continued to decline in 2017 despite the previously highlighted export restrictions placed by the Philippines Government on local nickel laterite producers. The speculation that the suspension of mining activity could directly impact nickel ore shipments from the Philippines which is the main supplier of DSO nickel ore to the Chinese market failed to materialise.

Demand for nickel laterite ore fell and supply essentially matched the falling demand. A significant price uplift is required to support consideration of future development of the Wowo Gap Project as a potential alternative supply source to both Indonesia and the Philippines.

EL 1165

The renewal advice for EL 1165 was received on 6th September 2016 almost seven months after expiry of the previous 2-year period. The tenement has been maintained in good standing during the period where the renewal advice was awaited. This delay in advice of tenement status is typical for the tenement renewal process.

Limited direct exploration activity was undertaken 'on-the-ground' during the year. Preparations have been made for the extraction of some large samples from exposed surfaces of saprolite at locations adjacent to the main exploration camp. Adverse weather conditions had negative impacts on proceeding with this task with the planned activity deferred until the dry season late in the calendar year.

All equipment including diamond and auger drills were effectively maintained during the year. A feature of this maintenance process is a disciplined approach to the training of semi-skilled personnel in all aspects of stripping and rebuilding the equipment. All exploration equipment is safely stored in purpose built facilities.

A feature of the exploration camp is the reliance on a solar power system for all electrical requirements. This system has undergone regular local and specialist maintenance again with a focus on training of local personnel in the operation and maintenance of the facility. Since its installation and commissioning over 2 years ago, the requirement for operation of a back-up diesel generator has been very limited with substantial savings in fuel costs.

EL 1980

A review of the extent of the nickel laterite mineralisation indicated on EL 1980 was undertaken during the year to determine the value of retaining the tenement for the longer term. The Company determined that the combination of topographical challenges together with spasmodic mineralisation appearing to be limited to the ridge caps was sufficient reason to relinquish this tenement. The formal notifications have been made to the Mineral Resources Authority, completion reports submitted and tenement relinquished

EL 2337

Following on from work completed in 2016, activity on EL 2337 was limited to review of the previous mapping to determine if there were any priority exploration targets requiring attention. With limited discretionary exploration expenditure available to the complete, it was decided to complete a definitive review of the exploration potential of the tenement. Following the review, it was decided that as there were no immediate or standout targets, the tenement would be relinquished. This relinquishment process was underway at year end.

Other Activities

From the suspension of exploration drilling to the end of the year, work activity on EL 1165 has progressively decreased. All drilling equipment has been dismantled, cleaned and stored. All motors and mechanical equipment are regularly checked, run and kept in an "operational ready state".

Exploration camp facilities have been maintained and non-active facilities closed. An extensive campaign of updating all policies and procedures and training manuals has been completed along with successful rationalization of operational roles on site. The objectives of the rationalization program have been to multi-skill local employees to ensure a pool of personnel trained in all aspects of current site activities.

Other activities include the following:

Environmental

The process of water quality monitoring, to provide baseline data essential for any future development, continued as a priority task. Normal rainfall patterns were experienced for most of the year punctuated by periods of abnormally high rainfall in contrast to the drought conditions experienced in 2015/16. Whilst a well-established water supply is available to the exploration camps, maintenance of this facility is afforded significant regular attention.

Continued forest and vegetation monitoring, particularly in recent heavy rainfall periods conditions, show dramatic growth since the negative effects from the drought. A clear indication of the return to more normal growing conditions is the frequency of site and helicopter landing pad clearing activities. A regular and emergency helicopter landing pad are maintained in a 'use ready' condition at all times.

Social

Social mapping and the maintenance of an active social engagement policy continued during the year. Airstrip, village storage, and school room maintenance and construction have all continued during the year at both the Embessa and Obea communities. Niugini Nickel worked with Rotary International who undertook a project to provide the community of Embessa with a permanent water supply.

The policy of sourcing local produce as an alternate to purchasing from Port Moresby continues to pay dividends with the delivery of fresh food now a streamlined process that benefits both the Company and the local community. The

REVIEW OF STRATEGIC INTENT



communities have demonstrated a willingness to respond to the requirement for regular supplies despite the variations in the growing seasons.

As an extension of the fresh food delivery system, one of the local villages has been providing sago leaves for the re-thatching of roofs of several of the exploration buildings. Use of indigenous materials has demonstrated superiority over tarpaulin as a roofing material.

Camp gardens were maintained providing the camp with an enhanced variety of produce, together with follow-up training of local cooks has provided a decrease in reliance on food sourced from Port Moresby. In turn this has reduced the frequency of charter flights with associated costs as well as providing employees with a regular balanced diet.

Your Directors present their report for the financial year ended 30 June 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was mineral exploration in 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; MAICD

Term: Chairman and Director since December 2008

Experience: Mr Mackenzie is a mining engineer with over 30 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 the 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: 137,793,768 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 particularly in the Iron Ore Industry with specific emphasis on China. He brings to the Company, a wealth of practical and international experience, a strong technical background and an extensive potential customer contact network. Over the past 7 years, Mr Davies has developed detailed knowledge of the conduct of business in Papua New Guinea as well as the broad Nickel 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: None

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 2017, and the number of meetings attended by each Director.

	Board	
	Number eligible to attend	Number attended
Warwick Davies	3	3
William Mackenzie	3	3
Zhang Chi	3	1

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group intends to continue its exploration activities with a view to the commencement of mining operations as soon as practical.

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 mineral tenements. 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

Wowo Gap

The major focus of the Company remains on the development of its wholly owned Wowo Gap Nickel Laterite Project located 200 kilometres from the PNG capital of Port Moresby.

Nickel prices continued demonstrating volatility during the year. The price began the year at US\$10,300/ton and ended the year at approximately US\$9,000/ton reflecting an oversupply situation. (It should be noted that the price attained a high of US\$11,760/ton in mid-November 2016). At the beginning of the year, nickel metal stocks at LME warehouses were approximately 369,000 tons, ending the year marginally up at approximately 376,000 tons. Against this background, demand for nickel laterite for the Chinese NPI market is subdued and DSO ore prices are low.

Accordingly, activity at Wowo Gap was reduced with work focussed on:

- Maintaining basic exploration and environmental monitoring activity;
- Completion of rationalisation of exploration camp facilities;
- Rationalisation of labour work force completing the move to 100% locally based employment;
- Intensive training of local based work force;
- Maintain focus on social engagement activities particularly with populations of local villages adjacent to the Wowo Gap exploration project;
- Maximisation of local food fresh food purchase as an integral component of the company's social engagement process; and
- Other work to ensure the integrity of the tenement to ensure all facilities and personnel are in an "operationally ready" condition.

A cost effective and an active social engagement policy remains at the core of Niugini Nickel's activities.

For further details 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 2017	Year 30 June 2016
	\$	\$
Cash and cash equivalents held at year end	51,460	69,049
Net loss for the year after tax	(714,068)	(1,726,357)
Included in loss for the year:		
Exploration costs	(171,710)	(624,047)
Borrowing costs	(108,144)	(337,459)
Basic loss per share (cents) from continuing operations	(0.24)	(0.58)
Net cash (used in) operating activities	(530,655)	(1,353,284)
Net cash (used in) investing activities	(2,282)	-
Net cash from financing activities	517,987	1,294,000

DIRECTORS' REPORT (continued)



During the year:

- The Company continues to be supported by additional funding from RMC's largest shareholder, Sinom (Hong Kong) Limited. During the year, Sinom loaned an additional \$517,987 to the Company. This funding is interest free and unsecured.
- At a General Meeting of shareholders held on Friday 13th January 2017 at the Company's offices in Perth, shareholders approved an amendment to the Company's Converting Notes held by Sinom to extend the maturity date by up to 27 months (ie maturity date extended to 14 January 2019).

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 2017 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 annually, 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 was increased from \$100,000 per annum to \$250,000 per annum as approved by the shareholders at the 2014 AGM on 26 November 2014.

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 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 management services of Mr Davies to the Company in relation to its corporate 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.	\$172,800 for 216 business days, per annum plus \$100 per hour there-after.	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:

2017	Short-term benefit			Post-employment Benefits	Share-based payments	
Name	Salary and Fees	Cash Bonus	Non-Monetary Benefit	Super-annuation	Shares	Total
	\$	\$	\$	\$	\$	\$
W Mackenzie ¹	50,000	-	-	-	-	50,000
W Davies ²	83,935	-	-	-	-	83,935
Zhang C ³	-	-	-	-	-	-
Totals	133,935	-	-	-	-	133,935

2016	Short-term benefit			Post-employment Benefits	Share-based payments	
Name	Salary and Fees	Cash Bonus	Non-Monetary Benefit	Super-annuation	Shares	Total
	\$	\$	\$	\$	\$	\$
W Mackenzie	50,000	-	-	-	-	50,000
W Davies	133,948	-	-	-	-	133,948
Zhang C	-	-	-	-	-	-
Totals	183,948	-	-	-	-	183,948

1. Mr Mackenzie's fees for the 2016 and 2017 financial years are unpaid as at 30 June 2017.
2. Mr Davies' fees of \$241,738 are unpaid (for the period May 2015 to June 2017, except for \$2,000 paid) as at 30 June 2017.
3. Mr Zhang Chi elected not to receive his Director's fees effective 1 July 2014.

Long term benefits and termination benefits paid for the year were nil (2016: nil).

During the year, no share-based payments were made (2016: none).

E. EQUITY HOLDINGS AND MOVEMENTS DURING THE YEAR

Share holdings of key management personnel ¹

30 June 2017	Balance At the beginning of the Year	Granted as Remuneration	Other	Balance 30 June 2017
Directors				
W Davies	4,335,382	-	-	4,335,382
W Mackenzie	2,092,847	-	-	2,092,847
Zhang C	137,793,768	-	-	137,793,768
Totals	144,221,997	-	-	144,221,997

1. Includes shares held directly, indirectly and beneficially by key management personnel.

There are no options on issue as at year end.

F. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL**Advances from Directors**

During the 2016 year, the Managing Director advanced a total of \$54,000 to the Company as short term funding. These advances are interest free and unsecured. Mr Davies has agreed not to call for the outstanding payable balances prior to 30 September 2018 unless Resource Mining Corporation Limited is in a position to repay the amounts.

During the 2017 year, the Managing Director advanced a total of \$21,700 (interest free) which was repaid by the Company during the year. Also during the 2017 year, the Chairman advanced a total of \$11,000 (interest free) which was repaid by the Company during the year.

Unsecured loans and advances – from Sinom

On 4 June 2015, the Company announced entering into a Funding Agreement ("Agreement") with its major shareholder Sinom (Hong Kong) Limited ("Sinom"). Under the terms of the Agreement and its subsequent amendments, Sinom has agreed to provide the Company up to \$1,210,000 for general working capital purposes as an unsecured loan on the following conditions:

- no interest or fees are payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 December 2018.

As at 30 June 2017, this facility had been fully drawn down (June 2016: \$1,210,000).

On 30 June 2016, the Company announced entering into an additional Funding Agreement ("Additional Agreement") with its major shareholder Sinom (Hong Kong) Limited ("Sinom"). Under the terms of the Additional Agreement and its subsequent amendments, Sinom has agreed to provide the Company up to \$500,000 for general working capital purposes as an unsecured loan on the following conditions:

- no interest or fees are payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 December 2018.

As at 30 June 2017, this facility had been fully drawn down (June 2016: \$nil).

Sinom has also provided additional interest free advances to the Company. These advances are unsecured with no set repayment date. Amount owing from these advances as at year end is \$347,987 (2016: \$330,000).

Convertible notes

On 14 October 2014 the Company announced entering into a Facility and Note Deed with its major shareholder Sinom. Pursuant to the Deed, Sinom agreed to provide a loan facility to the Company, and subscribed for two Convertible Notes with an issue price of \$1 million each.

The key terms of the Convertible Notes are:

- a conversion into 5,000,000 shares for each note;
- the Convertible Note is interest free and unsecured; and
- a maturity date of 2 years after the date of the Deed i.e. 14 October 2016.

As approved by Shareholders in January 2017, the Company has up to 27 months from the maturity date to convert the notes into shares (ie by 14 January 2019).

Other transactions

William Mackenzie, Director, is also shareholder and Director of Glenline Holdings Pty Ltd as trustee for The Mackenzie Family Trust ("Glenline"). Glenline reimbursed the Company for office space in the premises the Company occupied. During the year an amount of \$16,000 (net of GST) was paid by Glenline to the Company for reimbursement of office rental (2016: \$4,000). Also during the year, Glenline paid the Company \$200 (net of GST) for miscellaneous office furniture, which the Company had previously written down to nil, resulting in a \$200 profit for the Company.

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 83.55% of 'yes' votes for its remuneration report for the 2016 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 has paid a premium to insure the Directors and Officers of the Company and its controlled entities. Details of the premium are subject to a confidentiality clause under the contract of insurance.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company.

INDEMNIFICATION OF AUDITORS

The Company has agreed to indemnify their auditors, BDO Audit (WA) Pty Ltd, to the extent permitted by law, against any claim by a third party arising from the Company's breach of their agreement. The indemnity stipulates that the Company will meet the full amount of any such liabilities including a reasonable amount of legal costs.

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.

There were no fees for non-audit services paid/payable to the external auditors during the year ended 30 June 2017.

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 \$70,000 of funding from Sinom (Hong Kong) Limited.

There are no other matters or circumstances that have arisen since 30 June 2017 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



Warwick Davies
Managing Director

Dated at Perth 27th day of September 2017

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2017**



	Note	Consolidated	
		2017	2016
		\$	\$
Revenue	2	33,954	4,149
Expenses			
Administration and corporate expenses	3(a)	(468,168)	(769,000)
Exploration expenditure and project costs	3(b)	(171,710)	(624,047)
Borrowing costs	3(c)	(108,144)	(337,459)
Total expenses		(748,022)	(1,730,506)
LOSS BEFORE INCOME TAX		(714,068)	(1,726,357)
INCOME TAX BENEFIT / (EXPENSE)	5	-	-
LOSS AFTER INCOME TAX FOR THE YEAR		(714,068)	(1,726,357)
OTHER COMPREHENSIVE LOSS			
<i>Items that maybe re-classified to profit or loss</i>			
Exchange translation difference		(7,349)	(38,019)
OTHER COMPREHENSIVE LOSS		(7,349)	(38,019)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(721,417)	(1,764,376)
LOSS PER SHARE FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF RESOURCE MINING CORPORATION LIMITED			
Basic and diluted loss per share (cents per share)	4	(0.24)	(0.58)

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 2017



	Note	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$
CURRENT ASSETS			
Cash and cash equivalents	6	51,460	69,049
Trade and other current assets	8	21,145	17,816
Total Current Assets		72,605	86,865
NON CURRENT ASSETS			
Plant and equipment	9	142,283	184,653
Total Non-Current Assets		142,283	184,653
TOTAL ASSETS		214,888	271,518
CURRENT LIABILITIES			
Trade and other payables	10	384,922	307,480
Provisions	11	-	30,486
Interest bearing liabilities	12	7,558	13,242
Non-interest bearing liabilities	13	4,111,987	3,488,472
Total Current Liabilities		4,504,467	3,839,680
TOTAL LIABILITIES		4,504,467	3,839,680
NET ASSETS / (NET ASSET DEFICIENCY)		(4,289,579)	(3,568,162)
EQUITY			
Issued capital	14	63,294,571	63,294,571
Reserves	15	587,831	595,180
Accumulated losses		(68,171,981)	(67,457,913)
TOTAL EQUITY / (DEFICIENCY IN EQUITY)		(4,289,579)	(3,568,162)

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 2017**



Group	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Convertible Notes Reserve	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2017					
Balance at 1 July 2016	63,294,571	(67,457,913)	199,685	395,495	(3,568,162)
Loss for the year	-	(714,068)	-	-	(714,068)
Other comprehensive loss for the year	-	-	(7,349)	-	(7,349)
Total comprehensive loss for the year	-	(714,068)	(7,349)	-	(721,417)
Transactions with owners in their capacity as owners					
Shares issued	-	-	-	-	-
Balance at 30 June 2017	63,294,571	(68,171,981)	192,336	395,495	(4,289,579)
Year ended 30 June 2016					
Balance at 1 July 2015	63,283,155	(65,731,556)	237,704	395,495	(1,815,202)
Loss for the year	-	(1,726,357)	-	-	(1,726,357)
Other comprehensive loss for the year	-	-	(38,019)	-	(38,019)
Total comprehensive loss for the year	-	(1,726,357)	(38,019)	-	(1,764,376)
Transactions with owners in their capacity as owners					
Shares issued in lieu of directors fees	11,416	-	-	-	11,416
Balance at 30 June 2016	63,294,571	(67,457,913)	199,685	395,495	(3,568,162)

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 2017



	Note	Consolidated 2017 \$	2016 \$
CASH FLOWS FROM OPERATION ACTIVITIES			
Payments to suppliers and employees		(539,276)	(1,223,446)
Interest income received		1,544	149
Other income received		21,814	4,000
Interest expense paid		(1,302)	(9,432)
Tax paid – repayment of R&D tax concession benefit		(13,435)	(124,555)
Net Cash Utilised In Operating Activities	7	(530,655)	(1,353,284)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of other fixed assets		1,410	-
Other		(3,692)	-
Net Cash Utilised In Investing Activities		(2,282)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings and advances		550,687	1,294,000
Repayment of borrowings		(32,700)	-
Net Cash From Financing Activities		517,987	1,294,000
Net decrease in cash and cash equivalents		(14,950)	(59,284)
Cash and cash equivalents at beginning of the year		69,049	131,447
Effect of exchange rate changes on cash and cash equivalents		(2,639)	(3,114)
Cash and cash equivalents at the end of the year	6	51,460	69,049

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 27 September 2017 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 Ltd whose functional currency is Papua New Guinean Kina.

(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 of \$714,068 (2016: \$1,726,357), experienced net cash outflows from operations of \$530,655 (2016 outflow: \$1,353,284) for the year ended 30 June 2017 and had a working capital deficiency of \$4,431,862 at balance date, of which \$2,000,000 relates to the convertible notes which are convertible to shares on or before 14 January 2019. As such the ability of the Group to continue as a going concern, pay its debts as and when they fall due and to meet the expenditure commitments of tenement leases held, is dependent upon 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 significant doubt on the Group's ability to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

The Directors are satisfied that the going concern basis of preparation is appropriate. Given the combination of the Sinom (Hong Kong) Limited confirming that it will continue to provide financial support to the Group to meet its liabilities as and when they fall due and keep their assets in good standing during the next twelve months period and letters of support obtained from creditors of significant value to defer amounts payable at 30 June 2017 until the Group has sufficient funds to repay the debts, the Directors are confident of the Group's ability to pay its debts as and when they fall due and to meet the expenditure commitments of tenement leases held.

Should the company 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. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

(d) New and Amended Accounting Standards and Interpretations

Early adoption of accounting standards

The Company has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2016.

New and amended standards adopted by the Company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2016 affected any of the amounts recognised in the current year or any prior period and are not likely to affect future periods. Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting year. The Company's assessment of the impact of these new standards and interpretations that may have an impact on the Company is set out below:

AASB 9 Financial Instruments

AASB 9 includes requirements for the classification and measurement of financial assets. There is no material impact for the Group. This standard is not applicable until the financial year commencing 1 July 2018.

AASB 15 Revenue from Contracts with Customers

AASB 15 requires that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. There is no impact on the Group as it is not yet earning revenue. This standard is not applicable until the financial year commencing 1 July 2018.

AASB 16 Leases

AASB 16 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. RMC has not yet determined the impact on the group accounts, however it is possible that storage facilities and miscellaneous items such as modem hire will require RMC to recognise lease liabilities and right-of-use assets on its' statement of financial position. This standard is not applicable until the financial year commencing 1 July 2019.

(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 exploration permits. These commitments require estimates of the cost to perform exploration work required under these permits.

(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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

(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.

2. REVENUE

	Consolidated	
	2017	2016
	\$	\$
Interest received	1,544	149
Other income	32,410	4,000
	33,954	4,149

3. 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.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

Borrowing Costs

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

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
for the year ended 30 June 2017**



3. EXPENSES - continued

	Consolidated	
	2017	2016
	\$	\$
(a) Administration and Corporate Expenses		
Compliance and regulatory expenses	71,819	167,900
Salaries and wages	68,951	267,324
Superannuation	2,724	35,128
Consultants	73,548	17,759
Non-Executive directors' fees	50,000	50,000
Occupancy	137,834	112,353
Insurance	28,690	55,219
Legal fees	8,249	25,244
Depreciation – administration equipment	9,759	5,174
Other expenses	16,594	32,899
	468,168	769,000
(b) Exploration Expenditure and Project Costs		
Depreciation – exploration equipment	20,585	27,872
Other exploration and project costs	151,125	596,175
	171,710	624,047
(c) Borrowing costs		
Interest accreted on convertible note	105,528	323,209
Interest paid	1,302	10,612
Finance charges on insurance funding	1,314	3,638
	108,144	337,459

4. 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.

	2017	2016
Basic and diluted loss per share (cents per share)	(0.24)	(0.58)
Loss used in the calculation of weighted average basic and diluted loss per share	(714,068)	(1,726,357)
	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	296,267,347	296,267,347

5. 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	
	2017	2016
	\$	\$
(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	(714,068)	(1,726,357)
Prima facie income tax (benefit) @ 27.5% (2016: 30%)	(196,369)	(517,907)
Add:		
Non-assessable non-exempt related expenditure (income)		-
Non deductible expenses	3,407	6,192
Temporary differences and losses not recognised	241,799	642,305
Tax differential	(42,573)	(120,175)
Other deductible items	(6,264)	(10,415)
Income tax (benefit) / expense attributable to operating loss	-	-

Tax Consolidation

The Company and its 100% owned controlled entities have formed a tax consolidated group. Members of the Group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned controlled entities on a pro-rata basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At reporting date, the possibility of default is remote. The head entity of the tax consolidated group is Resource Mining Corporation Limited.

Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of AASB 112 Income Taxes. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the controlled entities intercompany accounts with the tax consolidated group head company, Resource Mining Corporation Limited.

5. INCOME TAX – continued

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

	Consolidated	
	2017	2016
	\$	\$
Unrecognised deferred tax assets / (liabilities):		
Deferred Tax Assets/(Liabilities) – Other Timing Differences, net	6,050	(17,001)
Deferred Tax Assets - Capital losses	426,646	465,432
Deferred Tax Assets - Tax losses	6,063,987	6,394,112
	6,496,683	6,842,543

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.

6. 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.

Cash at bank and on hand	51,460	65,323
Deposits at call	-	3,726
	51,460	69,049

7. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation from net loss after tax to the net cash flow from operating activities

Loss after income tax	(714,068)	(1,726,357)
Non-Cash Items:		
Depreciation	30,344	33,046
Loss on sale and write-off of plant and equipment	5,905	-
Interest accretion	105,528	323,209
Movement in assets and liabilities		
Decrease in trade and other receivables	363	43,975
Increase / (decrease) in trade and other payables	77,443	(11,848)
(Decrease) / increase in provisions	(30,486)	(23,535)
(Decrease) / increase in interest bearing liabilities	(5,684)	8,226
Net cash used in operating activities	(530,655)	(1,353,284)

No non-cash financing and investing activities were undertaken during the year (2016: none).

8. TRADE 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 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.

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.

Current

Secured cash	3,692	-
Prepayments	-	13,808
GST receivables	2,453	3,935
Other	15,000	73
	21,145	17,816

Secured Cash

There is a lien over deposit at call of \$3,692 (8,784 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.

Receivables do not contain past due or impaired assets as at 30 June 2017 (2016: none).

9. 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	15 – 50%

9. PLANT AND EQUIPMENT - continued

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.

	Consolidated	
	2017	2016
	\$	\$
Cost	265,330	349,953
Accumulated depreciation	(123,047)	(165,300)
	142,283	184,653
Movement in carrying amounts:		
Opening balance	184,653	239,605
Additions	-	-
Disposals	(2,170)	-
Depreciation expense	(30,344)	(33,046)
Currency translation differences	(9,856)	(21,906)
Closing balance	142,283	184,653

10. 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 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

Trade payables	85,776	100,420
Other payables and accruals	299,146	193,625
Australian Tax Office – R&D	-	13,435
	384,922	307,480

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.

11. PROVISIONS

Provisions are recognised where there is a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Current

Employee benefits	-	30,486
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Non-current

Employee benefits	-	-
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Employee benefits

The provision for employee benefits relates to the Group's liability for annual and long service leave.

12. 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	
	2017	2016
	\$	\$
Current		
Insurance premium funding	7,558	13,242

13. NON INTEREST BEARING LIABILITIES

Convertible Notes

Compound financial instruments issued by the Group comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest related to the financial liability is recognised in the statement of profit or loss and other comprehensive income. On conversion the financial liability is reclassified to equity and no gain or loss is recognised.

Current		
Advances from Managing Director	54,000	54,000
Unsecured loans and advances from Sinom	2,057,987	1,540,000
Convertible notes	2,000,000	1,894,472
	4,111,987	3,488,472

Advances from Directors

During the 2016 year, the Managing Director advanced a total of \$54,000 to the Company as short term funding. These advances are interest free and unsecured. Mr Davies has agreed not to call for the outstanding payable balances prior to 30 September 2018 unless Resource Mining Corporation Limited is in a position to repay the amounts.

During the 2017 year, the Managing Director advanced a total of \$21,700 (interest free) which was repaid by the Company during the year. Also during the 2017 year, the Chairman advanced a total of \$11,000 (interest free) which was repaid by the Company during the year.

Unsecured loans and advances – from Sinom

On 4 June 2015, the Company announced entering into a Funding Agreement (“Agreement”) with its major shareholder Sinom (Hong Kong) Limited (“Sinom”). Under the terms of the Agreement and its subsequent amendments, Sinom has agreed to provide the Company up to \$1,210,000 for general working capital purposes as an unsecured loan on the following conditions:

- no interest or fees are payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 December 2018.

As at 30 June 2017, this facility had been fully drawn down (30 June 2016: \$1,210,000).

13. NON INTEREST BEARING LIABILITIES - continued

On 30 June 2016, the Company announced entering into an additional Funding Agreement ("Additional Agreement") with its major shareholder Sinom (Hong Kong) Limited ("Sinom"). Under the terms of the Additional Agreement and its subsequent amendments, Sinom has agreed to provide the Company up to \$500,000 for general working capital purposes as an unsecured loan on the following conditions:

- no interest or fees are payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 December 2018.

As at 30 June 2017, this facility had been fully drawn down (30 June 2016: \$nil).

Sinom has also provided additional interest free advances to the Company. These advances are unsecured with no set repayment date. Amount owing from these advances as at year end is \$347,987 (2016: \$330,000).

Convertible notes

On 14 October 2014 the Company announced entering into a Facility and Note Deed with its major shareholder Sinom. Pursuant to the Deed, Sinom agreed to provide a loan facility to the Company, and subscribed for two Convertible Notes with an issue price of \$1 million each.

The key terms of the Convertible Notes are:

- a conversion into 5,000,000 shares for each note;
- the Convertible Note is interest free and unsecured; and
- a maturity date of 2 years after the date of the Deed i.e. 14 October 2016.

As approved by Shareholders in January 2017, the Company has up to 27 months from the maturity date to convert the notes into shares (ie by 14 January 2019).

14. 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.

	2017	2016	2017	2016
	Number	Number	\$	\$
Issued and fully paid	296,267,347	296,267,347	63,294,571	63,294,571

Movement in ordinary share capital of the Company:

Date	Details	Number of shares	Value \$
1 July 2015	Opening Balance	2,956,967,898	63,283,155
1 July 2015	Issue of shares to Non-Executive Director (i)	5,707,765	11,416
9 December 2015	Share Consolidation (ii)	(2,666,408,316)	-
30 June 2016	Closing Balance	296,267,347	63,294,571
1 July 2016	Opening Balance	296,267,347	63,294,571
30 June 2017	Closing Balance	296,267,347	63,294,571

Year ended 30 June 2016

On 1 July 2015, 5,707,765 (pre-consolidation) shares were issued in satisfaction of the \$11,416 non-executive director's fees payable to the Chairman, William Mackenzie for the period 1 April 2015 to 30 June 2015.

On 26 November 2015, Shareholders approved the share consolidation of issued capital on the basis of every 10 fully paid ordinary shares being consolidated into one fully paid ordinary share. The consolidation process was completed on 9 December 2015.

Year ended 30 June 2017

There were no movements during the year ended 30 June 2017.

14. CONTRIBUTED EQUITY - continued

Options as at 30 June 2017

There are no options on issue as at 30 June 2017 (2016: 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 (2016: nil).

		Consolidated	
		2017	2016
		\$	\$
15. RESERVES			
Foreign currency reserve	(a)	192,336	199,685
Convertible notes reserve	(b)	395,495	395,495
		587,831	595,180
(a) Foreign currency reserve			
Balance at the beginning of the year		199,685	237,704
Currency translation differences arising during the period		(7,349)	(38,019)
Balance at the end of the year		192,336	199,685

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) Convertible Notes reserve

The Convertible Note reserve records the equity portion of the Convertible Notes as described in note 13.

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	% Equity Interest	
				2017	2016
Resource Exploration Pty Ltd and its controlled entity	(a)	Ordinary	Australia	100%	100%

(a) Niugini Nickel Pty Ltd is a wholly owned subsidiary of Resource Exploration Pty Ltd. Niugini Nickel Pty Ltd's place of business is Papua New Guinea, and its principal activity is exploration.

Ultimate Parent

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

16. RELATED PARTY TRANSACTIONS - continued

Compensation of Key Management Personnel

	Consolidated	
	2017	2016
	\$	\$
Short term benefits	133,935	183,948
Post-employment benefits	-	-
	133,935	183,948

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) William Mackenzie, Director, is also shareholder and Director of Glenline Holdings Pty Ltd as trustee for The Mackenzie Family Trust ("Glenline"). Glenline reimbursed the Company for office space in the premises the Company occupied. During the year an amount of \$16,000 (net of GST) was paid by Glenline to the Company for reimbursement of office rental (2016: \$4,000). Also during the year, Glenline paid the Company \$200 (net of GST) for miscellaneous office furniture, which the Company had previously written down to nil, resulting in a \$200 profit for the Company.

b) Outstanding balances arising from services

Current payables (included in trade creditors and accruals)

Key management personnel	298,394	216,458
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Outstanding balances relate to remuneration services during 2015, 2016 and 2017 (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	54,000	-
Loans/Advances advanced	21,700	54,000
Repaid	(21,700)	-
Balance at the end of the year – refer note 13	54,000	54,000

William Mackenzie

Balance at the beginning of the year	-	-
Loans/Advances advanced	11,000	-
Repaid	(11,000)	-
Balance at the end of the year – refer note 13	-	-

Loans (unsecured and interest free) from related parties

Sinom (Hong Kong) Limited ⁽ⁱ⁾

Balance at the beginning of the year	1,540,000	300,000
Loans advanced	517,987	1,240,000
Loan repayments made	-	-
Balance at the end of the year – refer note 13	2,057,987	1,540,000

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

Sinom (Hong Kong) Limited also holds two Convertible Notes with a face value of \$2,000,000. Refer to note 13 for further details on the loan and Convertible Notes.

17. PARENT ENTITY DISCLOSURES

	Parent Entity	
	2017	2016
	\$	\$
Current assets	29,430	36,435
Non-current assets	1,800	13,730
Total assets	31,230	50,165
Current liabilities	4,494,980	3,799,667
Non-current liabilities	-	-
Total liabilities	4,494,980	3,799,667
Net liabilities	(4,463,750)	(3,749,502)
Issued capital	63,294,571	63,294,571
Reserves	395,495	395,495
Accumulated losses	(68,153,816)	(67,439,568)
Total deficiency in equity	(4,463,750)	(3,749,502)
Loss for the year	(714,248)	(1,688,883)
Total comprehensive loss for the year	(714,248)	(1,688,883)

- 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 2017.

19. CAPITAL AND LEASING COMMITMENTS

(a) 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:

	Consolidated	
	2017	2016
	\$	\$
Within 1 Year	15,696	49,740
Later than 1 year but not later than five years	-	24,668
	15,696	74,408

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

Payable – minimum lease commitments:

Within 1 Year	1,650	90,354
Later than 1 year but not later than five years	-	-
	1,650	90,354

Consolidated

20. REMUNERATION OF AUDITORS

The auditor is BDO Audit (WA) Pty Ltd.

Amount received, or due and receivable, by the auditors for:

Auditing and reviewing of the financial report

2017	2016
\$	\$
35,075	42,332

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. As the amounts disclosed in the table are the contractual undiscounted cash flows, these balances will not necessarily agree with the amounts disclosed in the Statement of Financial Position.

Financial liabilities	Less than 6 months	6 to 12 months	1 to 5 years	Over 5 years	Total
2017					
Trade and other payables	384,922	-	-	-	384,922
Interest bearing liabilities	7,558	-	-	-	7,558
Non-interest bearing liabilities	2,401,987	1,710,000	-	-	4,111,987
	2,794,467	1,710,000	-	-	4,504,467
2016					
Trade and other payables	307,480	-	-	-	307,480
Interest bearing liabilities	13,242	-	-	-	13,242
Non-interest bearing liabilities	2,278,472	1,210,000	-	-	3,488,472
	2,599,194	1,210,000	-	-	3,809,194

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 has no material impact on the RMC 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, the Group's Statement of Financial Position can be affected by movements in the Kina/A\$ exchange rate. 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 RMC 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, except for the convertible notes.

The fair value of the convertible notes has been determined by discounting the cash-flows over the term of the facility, being the principal repayable on maturity, using a market interest rate for a similar instrument that does not have the conversion feature. As at 30 June 2017, the fair value of the convertible notes was \$2,000,000 (carrying value \$2,000,000). In the prior year the fair value was \$1,896,858 with a carrying value of \$1,894,472.

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. 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 \$70,000 of funding from Sinom (Hong Kong) Limited.

There are no other matters or circumstances that have arisen since 30 June 2017 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 2017**



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 2017 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 2017.

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 horizontal line.

Warwick Davies
Managing Director

Dated this 27th day of September 2017

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 2017, 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 2017 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. Except for the matter described in the *Material uncertainty related to going concern* section, we have determined there are no key audit matters to be communicated in our 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 2017, 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 at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.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 10 to 13 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Resource Mining Corporation Limited, for the year ended 30 June 2017, 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 blue ink, appearing to read 'J Prue', is written over a faint, light blue BDO logo.

Jarrad Prue
Director

Perth, 27 September 2017

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF RESOURCE MINING CORPORATION LIMITED

As lead auditor of Resource Mining Corporation Limited for the year ended 30 June 2017, 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.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 27 September 2017

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 25 September 2017.

ANALYSIS OF SHAREHOLDING - Ordinary Shares

Size of Holding	Number of Holders	Number of Shares
1 – 1,000	500	182,429
1,001 – 5,000	572	1,569,512
5,001 – 10,000	252	1,954,580
10,001 – 100,000	576	20,899,609
100,001 – or more	148	271,661,217
TOTAL	2,048	296,267,347

Shareholders holding less than a marketable parcel 1,825

SUBSTANTIAL SHAREHOLDERS

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

Sinom (Hong Kong) Limited 137,793,768 46.51%

TOP 20 SHAREHOLDERS

The top 20 largest shareholders are listed below:

	Name	Number of Shares	% of Shares
1	SINOM (HONG KONG) LIMITED	137,793,768	46.51
2	CENTURY THREE X SEVEN RESOURCE FUND INC	10,656,250	3.60
3	THUNDER LUCK INTERNATIONAL LTD	9,503,171	3.21
4	PERSHING AUSTRALIA NOMINEES PTY LTD <PATERSONS SECURITIES A/C>	9,192,024	3.10
5	BEST VENTURE DEVELOPMENT LIMITED	8,469,895	2.86
6	J P MORGAN NOMINEES AUSTRALIA LIMITED	6,330,080	2.14
7	TIERRA DE SUEÑOS SA	5,866,819	1.98
8	CLASSIC ROOFING PTY LIMITED <SUPERANNUATION FUND ACCOUNT>	5,510,000	1.86
9	MS NADA SAADE	5,501,146	1.86
10	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	4,100,000	1.38
11	FIRST INVESTMENT PARTNERS PTY LTD	3,488,804	1.18
12	MOUNT GIBSON IRON LIMITED	3,478,025	1.17
13	CENTURY THREE X SEVEN RESOURCE FUND INC	3,170,000	1.07
14	MR DIMITRIOS GRAIKOS <THE GRAIKOS FAMILY A/C>	3,100,000	1.05
15	MR WILLIAM ROSS MACKENZIE	2,092,847	0.71
16	ERCEG ENTERPRISES PTY LTD	2,000,000	0.67
17	NICAMA INVESTMENTS PTY LTD	2,000,000	0.67
18	MR YUCHENG WU	1,921,586	0.65
19	FAIRSTONE HOLDINGS PTY LIMITED	1,910,633	0.64
20	MR WARWICK JEFFREY DAVIES	1,679,437	0.57
TOTAL TOP 20 HOLDERS		227,764,485	76.88%
TOTAL REMAINING HOLDERS BALANCE		68,502,862	23.12%
TOTAL		296,267,347	100.00%

VOTING RIGHTS

Article 15 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	Tenement No.	RMC Interest	Country in which Licence is held
Wowo Gap	EL1165	100%	Papua New Guinea