ABN 79 123 776 652

RMA Energy Limited

Financial Statements
For The Year Ended
31 December 2017

Contents

Directors
Mr Ying Liu (Chairman and Non-Executive Director)
Mr Jun Lyu (Non-Executive Director)
Mr Gang Xu (Non-Executive Director)
Mr Theuns Klopper (Non-Executive Director)

Auditors
Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3, 216 St Georges Terrace
PERTH WA 6000

Tel: +61 8 9226 4500
Fax: +61 8 9226 4300

Joint Company Secretaries
Mr TJ Spooner
Ms Abby Siew

Banker
ANZ Banking Group Limited
8 St Georges Terrace
PERTH WA 6000

Registered Office
Level 3, 88 William Street
PERTH WA 6000

Tel: +61 8 9463 2463
Fax: +61 8 9463 2499

Securities Exchange
Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Share Registry
Computershare Investor Services Pty Ltd
Level 11, 172 St George's Terrace
PERTH WA 6000

Tel: +61 8 9323 2000

ASX Code
RMT

Website
www.rmaenergy.com.au

Your directors present their report on the RMA Energy Limited (the "Company") for the financial year ended 31 December 2017.

Directors
The names of the directors in office during the period and until the date of this report are as follows:

Mr Ying Liu	Chairman and Non-Executive Director (Appointed 12 December 2017)
Mr Jun Lyu	Non-Executive Director (Appointed 12 December 2017)
Mr Gang Xu	Non-Executive Director (Appointed 15 September 2017)
Mr Theuns Klopper	Non-Executive Director (Appointed 19 January 2017)
Mr Debao Mao	Chairman and Non-Executive Director (Appointed 15 April 2010; Resigned as Chairman on 12 December 2017 and as Non-Executive Director on 20 December 2017)
Mr Qin Weihong	Non-Executive Director (Appointed 28 August 2012; Resigned 12 December 2017)
Mr Leonard Math	Non-Executive Director (Appointed 24 May 2013; Resigned 19 January 2017)

All directors were in office for the whole of the financial year unless otherwise stated.

Principal activity
The principal activity of the company during the financial year was mineral resources exploration.

Dividends
No dividend has been paid or recommended by the directors since the commencement of the financial year.

Significant changes in state of affairs
There were no other significant changes in the state of affairs of the Company during the financial year.

Operating results
For the year ended 31 December 2017, the loss attributable to members of the Company was $224,529 (31 December 2016: loss $255,724).

Corporate
On 14 September 2017, Mr Gang Xu joined the RMA Board as a non-executive director, effective 15 September 2017. At the same time, the Company secured the agreement of LC Alliance Pty Ltd, a company associated with Mr Gang Xu, to provide ongoing financial support to the Company for its day-to-day operations for a period up to at least 14 September 2018.

In November 2017, the Company successfully completed a capital raising of $82,183 by the issue of 273,943,777 fully paid ordinary shares to sophisticated investors at an issue price of $0.0003 per share ("Placement Shares"). The Placement Shares were issued within the Company's current 15% placement capacity under ASX Listing Rule 7.1.

On 12 December 2017, Mr Jun Lyu and Mr Ying Liu were appointed as Non-Executive Directors of the Company. Mr Debao Mao stepped down as Chairman effective 12 December 2017 and resigned as Non-Executive Director effective 20 December 2017. Mr Ying Liu was appointed new Chairman effective 12 December 2017. On the same day, Mr Weihong Qin resigned as Non-Executive Director of the Company.

On 19 December 2017, the Company held an Extraordinary General Meeting to seek shareholder approval in respect to the resolution to undertake a consolidation of its issued ordinary shares on the basis that every 20 ordinary shares consolidate into 1 ordinary share. This motion was not carried as an ordinary resolution on a poll.

The Company is actively considering a number of restructuring and refinancing alternatives and is discussing these with its major shareholders and a few interested parties with a view to securing the best finance option for all shareholders.

There have been no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

(i) the Company's operations in future years; or
(ii) the results of those operations in future years; or
(iii) the Company's state of affairs in future years.

Likely developments and expected results
The Company intends to continue exploration on its existing tenements, to acquire further tenements for exploration of all minerals and to seek other areas of investment.

Environmental regulations
The Company's environmental obligations are regulated by Australian State and Federal Law. The Company has complied with its environmental performance obligations. As disclosed under Review of operations, during the December 2017 quarter the Company continued to focus its efforts on finalising rehabilitation works arising from previous drilling activities on EPC1125, EPC1127 and EPC1128. The rehabilitation works was successfully completed in December 2017.

Unissued shares under options
There are no unissued shares under options at 31 December 2017.

Shares issued from exercise of options
No shares issued were during the year ended 31 December 2017 as a result of an exercise of options.

Review of operations
The principal activity of the Company during the course of the 2017 financial year was to concentrate on evaluating and exploring its mining tenements.

On 21 July 2017, the Company lodged a renewal application with Queensland Department of Natural Resources and Mines for EPM 15136 following its expiry on 21 July 2017 and is awaiting confirmation on the renewal.

During the December quarter, the Company continued to focus its efforts on finalising rehabilitation works arising from previous drilling activities on EPC1125, EPC1127 and EPC1128. The rehabilitation works was successfully completed in December 2017.

Matters subsequent to the end of the financial year
On 27 March 2018, the Company received further loan of A$200,000 from its major shareholder, CREC Resources (Aust) Pty Ltd ('CREC') to assist with working capital requirements. The loan term is for 3 years and attracts a fixed interest rate of based on the RMB benchmark lending rate announced by the Peoples Republic of China corresponding to term of borrowing on the borrowing date until maturity date.

At the same time, CREC signed a financial support letter to confirm that they will continue to provide financial support to enable RMA Energy to meet its working capital and existing exploration commitments as and when they fall due for a period no less than 12 months from the date of signing the 31 December 2017 financial statements.

Information on directors

Mr Ying Liu *Chairman and Non-Executive Director (Appointed 12 December 2017)*

Mr Ying Liu is a Chinese citizen and has an Undergraduate Degree in Engineering from Hebei University. He is currently Director of the Development Department of China Railway Resources Group Limited.

Directorships of other listed companies
None

Interests in shares and options
Nil

Mr Jun Lyu *Non-Executive Director (Appointed 12 December 2017)*

Mr Jun Lyu holds a Master's Degree in International Business, Computing and Information Management from London South Bank University and is a Chinese citizen. He is currently Vice Director of the Development Department of China Railway Resources Group Limited.

Directorships of other listed companies
None

Interests in shares and options
Nil

Mr Gang Xu *Non-Executive Director (Appointed 15 September 2017)*

Mr Xu has more than 20 years' senior management experience serving Australian public and ASX listed companies as both Managing Director and in Non-Executive Director capacities, with various companies that include KTL Technologies Limited, UraniumSA Ltd and Riva Resources Limited and most recently Augend Ltd (renamed Aumake International Ltd) as Executive Director – Strategy and Business Development. Mr Xu completed his Masters of Business Administration at Boise State University in the US. He holds a Master of Science – Engineering from China National Nuclear Corporation and Bachelor of Science from Nanjing University in the People's Republic of China. He is a member of AusIMM.

Directorships of other listed companies
Riva Resources Limited (Resigned 5 February 2018)
Aumake International Limited

Interests in shares and options
Nil

Mr Theuns Klopper *Non-Executive Director (Appointed 19 January 2017)*

Mr Klopper is a Chartered Accountant with over 15 years' experience providing professional services to ASX listed, public and private companies. His experience include provision of audit and assurance services as well as advisory work on financial governance and financial reporting. He is a graduate member of the Australian Institute of Company of Directors.

Directorships of other listed companies
None

Interests in shares and options
Nil

Mr Debao Mao *Chairman and Non-Executive Director (Appointed 15 April 2010; Resigned as Chairman on 12 December 2017 and as Non-Executive Director on 20 December 2017)*

Mr Mao has a doctorate in mineral exploration from China University of Geosciences and has more than 15 years' experience in the resources sector. He currently occupies the position of deputy general manager and chief geologist of China Railway Resources Group Co Ltd.

Directorships of other listed companies
None

Interests in shares and options
Nil

Mr Qin Weihong *Non-Executive Director (Appointed 28 August 2012; Resigned 12 December 2017)*

Mr Qin holds a Ph. D degree in law and held qualifications as a lawyer, accountant and broker in China. He has more than 13 years' experience spread across the investment sector and mining industry with major companies such as Chinalco and China Railway.

Directorships of other listed companies
None

Interests in shares and options
Nil

Mr Leonard Math *Non-Executive Director and Company Secretary (Appointed 24 May 2013; Resigned 19 January 2017)*

Mr Leonard Math graduated from Edith Cowan University, majoring in Accounting and Information Systems, in 2003 and is a member of the Institute of Chartered Accountants. He is currently Chief Financial Officer and Company Secretary of Gulf Manganese Corporation Limited.

Directorships of other listed companies
Kore Potash Limited
Global Gold Holdings Limited (Resigned 1 February 2017)

Interests in shares and options
Nil

Directors' meetings
The number of full directors' meetings and the number of meetings attended by each of the directors of the company for the time the director held office during the financial year are:

	Number eligible to attend	Number attended
Ying Liu (i)	1	1
Jun Lyu (i)	1	1
Gang Xu (ii)	2	2
Theuns Klopper (iii)	5	5
Debao Mao (iv)	6	6
Qin Weihong (v)	6	6
Leonard Math (vi)	1	1

There were 2 Board Meetings held and 4 Circular Resolutions during the year.

(i) Appointed 12 December 2017
(ii) Appointed 15 September 2017
(iii) Appointed 19 January 2017
(iv) Resigned 20 December 2017
(v) Resigned 12 December 2017
(vi) Resigned 19 January 2017

Remuneration report (Audited)
The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration (audited)
B. Details of remuneration
C. Service agreements
D. Share-based compensation
E. Additional information

The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

A. Principles used to determine the nature and amount of remuneration
The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

Non-executive directors
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board. The maximum currently stands at $300,000 in aggregate.

Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. This amount is separate from any specific tasks the directors may take on for the company in the normal course of business and at normal commercial rates.

Fees for directors are not linked to the performance of the company, however, to align all directors' interests with shareholders' interests, directors are encouraged to hold shares in the company and may receive options. This effectively links directors' performance to the share price performance and therefore to the interests of shareholders. For this reason there are no performance conditions prior to grant, but instead act as an incentive to increase the value for all shareholders.

The tables below set out summary information about the company's earnings and movements in shareholder wealth up to 31 December 2017.

	31 December 2017	**31 December 2016**	**31 December 2015**	**31 December 2014**	**31 December 2013**
Income	463	1,038	49,241	19,496	68,658
Net loss before tax	(224,529)	(255,724)	(619,959)	(15,451,406)	(866,525)
Net loss after tax	(224,529)	(255,724)	(619,959)	(15,451,406)	(866,525)

	31 December 2017	**31 December 2016**	**31 December 2015**	**31 December 2014**	**31 December 2013**
Share price at the start of the year (cent)	0.003	0.01	0.00	0.01	0.00
Share price at the end of the year (cent)	0.003	0.003	0.01	0.00	0.01
Basic and diluted earnings per share (cent)	(0.01)	(0.01)	(0.03)	(0.85)	(0.05)

Additional fees
A director may also be paid fees or other amounts as the directors determine if a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Retirement allowances for directors
Superannuation contributions required under the Australian superannuation guarantee legislation continue to be made and are deducted from the directors' overall fee entitlements.

Executive pay
The executive pay and reward framework consists of base pay and benefits, including superannuation.

The combination of these comprises the executive's total remuneration. The company intends to review its long-term equity-linked performance incentives for executives as deemed necessary by the board.

Base pay
Base pay is structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits, at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Correspondence with external remuneration consultants provides the market analysis to ensure base pay is set to reflect the market for a comparable role. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. There is no formal link between executive remuneration and shareholder wealth.

Benefits
No benefits other than noted above are paid to directors or management except as incurred in normal operations of the business.

Short and long term incentives
At the date of this report, the company has not adopted any employee incentive schemes.

There is no relationship between company performance and remuneration.

B. Details of remuneration
Key Management Personnel (KMP) and other executives of the company:

Name	**Short-Term Benefits** *Base Remuneration*	**Short-Term Benefits** *Additional Fees*	**Post-Employment Benefits** *Superannuation*	**Share Based Payments** *Value of Options and ESS*	**Total**	**Value of Share Based Payments as a Proportion of Remuneration** %
Directors						
Debao Mao (iv)						
- 31 Dec 2017	-	-	-	-	-	-
- 31 Dec 2016	-	-	-	-	-	-
Qin Weihong (v)						
- 31 Dec 2017	-	-	-	-	-	-
- 31 Dec 2016	-	-	-	-	-	-
Leonard Math (vi)						
- 31 Dec 2017	581	-	-	-	581	-
- 31 Dec 2016	12,000	-	-	-	12,000	-
Theuns Klopper (iii)						
- 31 Dec 2017	11,419	-	-	-	11,419	-
- 31 Dec 2016	-	-	-	-	-	-
Gang Xu (ii)						
- 31 Dec 2017	-	14,000	-	-	14,000	-
- 31 Dec 2016	-	-	-	-	-	-
Jun Lyu (i)						
- 31 Dec 2017	-	-	-	-	-	-
- 31 Dec 2016	-	-	-	-	-	-
Ying Liu (i)						
- 31 Dec 2017	-	-	-	-	-	-
- 31 Dec 2016	-	-	-	-	-	-
Total						
For 12 months to 31 December 2017	12,000	14,000	-	-	26,000	-
For 12 months to 31 December 2016	12,000	-	-	-	12,000	-

(i) Appointed 12 December 2017
(ii) Appointed 15 September 2017
(iii) Appointed 19 January 2017
(iv) Resigned 20 December 2017
(v) Resigned 12 December 2017
(vi) Resigned 19 January 2017

The percentage of the remuneration of the directors and other key management personnel that is performance based is nil.

C. Service agreements
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 managing director and the other key management personnel are also formalised in service agreements. Each of these agreements provide for the provision of performance-related conditions, other benefits including car allowances and when eligible, participation in the RMA Energy Employee Option Plan. Other major provisions of the agreements relating to remuneration are set out below.

Mr Qin Weihong (resigned 12 December 2017)

- Employment commenced on 27 August 2012 with no fixed employment term.
- Salary of $150,000 per annum (excluding superannuation), inclusive of director's fees. However, he voluntarily suspended his salary until the Company achieved successful capital raising or funding.

Mr Mao Debao (resigned 20 December 2017):

- Engagement commenced on 15 October 2013 with no fixed engagement term.
- Remuneration of $90,000 per annum, inclusive of director's fees. However, he voluntarily suspended his salary until the Company achieved successful capital raising or funding.

Mr Theuns Klopper (appointed 19 January 2017):

- Engagement commenced on 19 January 2017 with no fixed engagement term.
- Remuneration of $12,000 per annum plus applicable GST, inclusive of director's fees through Nexia Perth.

Mr Leonard Math (resigned on 19 January 2017):

- Engagement commenced on 24 May 2013 with no fixed engagement term.
- Remuneration of $12,000 per annum plus applicable GST, inclusive of director's fees through Nexia Perth.

D. Share-based compensation
During the period no unlisted options were granted to key management personnel as part of their remuneration.

E. Option holdings of key management personnel (KMP)
There were no options exercised during the financial period.

F. Loans to key management personnel
During the period, no loans had been made to key management personnel.

G. Other transactions with key management personnel

There were no other material transactions with key management personnel.

The directors are satisfied that the company has complied with its policies on ethical standards, including trading in securities.

As at the date of this report there were are no unlisted options on issue.

End of audited remuneration report

Indemnification and insurance of officers
The Company resolved that it would indemnify its current directors and officers. Coverage in respect of this indemnity has been provided via a *Directors and Officers* insurance policy negotiated at commercial terms. The premium paid was $6,355 (2016: $5,750).

Excluding the matter noted above the company has not, during or since the financial period-end, in respect of any person who is, or has been an officer or auditor of the Company or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the company are important.

Details of the amounts paid or payable to the auditor Bentleys Perth and Deloitte Touche Tohmatsu for audit and non-audit services provided during the period are set out below.

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor.
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

During the period the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	31-Dec-17	**31-Dec-16**
	$	**$**
Audit services		
Audit and review of financial reports (Deloitte Touche Tohmatsu)	-	1,500
Audit and review of financial reports (Bentleys Perth)	24,428	21,203
Total remuneration for audit services	24,428	22,703

Auditor's independence declaration
A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11.

Signed in accordance with a resolution of the directors.

Mr Theuns Klopper
Non-Executive Director

Perth, Western Australia
29 March 2018

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of RMA Energy Limited for the financial year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS
Chartered Accountants

CHRIS NICOLOFF CA
Director

Dated at Perth this 29h day of March 2018

	Notes	Dec-2017	Dec-2016
		$	$
Income from continuing operations			
Other income	5	463	1,038
Expenditure from continuing operations			
External professional fees		(63,778)	(59,553)
Employee benefits expense	6	(26,000)	(12,000)
Exploration and evaluation expenses		(49,171)	(2,105)
Impairment of property, plant and equipment	12	-	(5,613)
Office rental and utilities	6	-	(56,561)
Other administrative expenses		(44,235)	(88,263)
Financial costs	6	(41,808)	(32,667)
Loss before income tax		(224,529)	(255,724)
Income tax expense from continuing operations	7	-	-
Net loss after income tax attributable to members of the company		(224,529)	(255,724)
Total comprehensive loss for the year attributable to members of the company		(224,529)	(255,724)
Basic and diluted loss per share (cents)	8	(0.01)	(0.01)

The above statement of comprehensive income is to be read in conjunction with the accompanying notes.

RMA Energy Limited
Statement of Financial Position
As at 31 December 2017

	Notes	Dec-17 $	Dec-16 $
ASSETS			
Current assets			
Cash and cash equivalents	9	72,578	155,141
Other assets	11	25,639	29,985
Total current assets		98,217	185,126
Non-current assets			
Property, plant and equipment	12	-	-
Total non-current assets		-	-
Total assets		98,217	185,126
LIABILITIES			
Current liabilities			
Trade and other payables	13	64,277	48,809
Total current liabilities		64,277	48,809
Non-current liabilities			
Loans	14	713,316	671,509
Total non-current liabilities		713,316	671,509
Total liabilities		777,593	720,318
NET ASSETS		(679,376)	(535,192)
EQUITY			
Contributed equity	15	24,443,186	24,362,841
Accumulated losses		(25,122,562)	(24,898,033)
Total equity		(679,376)	(535,192)

The above statement of financial position is to be read in conjunction with the accompanying notes.

RMA Energy Limited
Statement of Cash Flows
For the year ended 31 December 2017

	Notes	Dec-2017 $	Dec-2016 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(107,874)	(167,115)
Interest received		463	1,038
Interest paid		-	(5)
Net cash flows used in operating activities	10	(107,411)	(166,082)
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	31,636
Payments for exploration and evaluation tenements		(55,497)	(2,105)
Net cash flows used in investing activities		(55,497)	29,531
Cash flows from financing activities			
Proceeds from borrowings		-	200,000
Proceeds from issue of shares		82,183	-
Share issue costs		(1,838)	-
Net cash flows from financing activities		80,345	200,000
Net increase/(decrease) in cash and cash equivalents		(82,563)	63,449
Cash and cash equivalents at beginning of year		155,141	91,692
Cash and cash equivalents at end of year	9	72,578	155,141

The above statement of cash flows is to be read in conjunction with the accompanying notes.

RMA Energy Limited
Statement of Changes in Equity
For the year ended 31 December 2017

	Notes	Issued capital $	Accumulated losses $	Reserves $	Total $
Balance at 1 Jan 2017		24,362,841	(24,898,033)	-	(535,192)
Total comprehensive income for the period		-	(224,529)	-	(224,529)
Transactions with owners in their capacity as owners:					
Issue of shares	15	82,183	-	-	82,183
Issue of shares, net of transaction costs	15	(1,838)	-	-	(1,838)
Balance at 31 December 2017		24,443,186	(25,122,562)	-	(679,376)

For the period ended 31 December 2016

	Notes	Issued capital $	Accumulated losses $	Reserves $	Total $
Balance at 1 Jan 2016		24,362,841	(24,642,309)	-	(279,468)
Total comprehensive income for the period		-	(255,724)	-	(255,724)
Transactions with owners in their capacity as owners:		-	-	-	-
Issue of shares, net of transaction costs		-	-	-	-
		-	-	-	-
Balance at 31 December 2016		24,362,841	(24,898,033)	-	(535,192)

The above statements of changes in equity should be read in conjunction with the accompanying notes.

1. Corporate information

The financial statements for profit of RMA Energy Limited for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 29 March 2018.

RMA Energy Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of operations and principal activities of the Company are described in the Directors' Report.

2. Statement of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) Statement of compliance

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, urgent Issues Group Interpretations and the Corporations Act. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

(c) Standards and interpretations adopted in the current year

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(d) Going concern

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

The Company has incurred a loss for the year ended 31 December 2017 of $224,529 (2016: $255,724) and cash outflows from operating and investing activities of $162,908 (2016: $166,082).

The Company has a $5,000,000 credit facility with its major shareholder CREC Resources (Aust) Pty Ltd ("CREC"), of which $410,500 has been drawn down as at 31 December 2017 (Refer to Note 14).

On 27 March 2018, the Company received further loan funds of A$200,000 from CREC to assist with working capital requirements.

At the same time, CREC signed a financial support letter to confirm that they will continue to provide financial support to enable RMA Energy to meet its working capital and existing exploration commitments as and when they fall due for a period no less than 12 months from the date of signing the 31 December 2017 financial statements. CREC also confirmed that they will not be calling upon the loan within 12 months and that no amount of principal is repayable within 12 months of signing the 31 December 2017 financial statements, unless RMA Energy Limited is in the position to repay the loan.

The directors are confident that they will achieve a successful resolution of the matters set out above and therefore that the going concern basis is appropriate. The financial report has therefore been prepared on the going concern basis, which assumes continuity of normal business activities and the realization of assets and the settlement of liabilities in the ordinary course of business.

(e) List of Standards and Interpretations in issue not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 31 December 2017. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Company is currently making an assessment on the impact of this standard.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise 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. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. Currently the Company does not have any revenue contracts, hence AASB 15 is not expected to have a material impact on the Company's financial report.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company is currently making an assessment on the impact of this standard.

(f) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(g) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(h) Functional and presentation currency

These financial statements are presented in Australian dollars, which is also the Company's functional currency.

(i) Exploration expenses

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- exploration and evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations in, or relating to, the area are continuing.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Depreciation is calculated using the diminishing value method so as to write off the net cost of each asset during their expected useful life of 3 to 20 years.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not shown in the accounts at a value in excess of the recoverable amount from assets.

(l) Investments and other financial assets

Classification

The Company classifies its investments in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value and transaction costs are expensed to the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Impairment

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

(m) Provisions and employee benefits

Provisions and employee benefits

Provisions are recognised when the Company has a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at year end using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(n) Share based payments

The Company provides benefits to directors, employees, consultants and other advisors of the Company in the form of share-based payments, whereby the directors, employees, consultants and other advisors render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the market price of the shares of the Company if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant recipient becomes fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired and

(ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the recipient, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(o) Earnings per share

The calculation of basic earnings per share is determined by dividing the profit/(loss) after income tax attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

(p) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in the active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value of financial instruments traded in active markets (such as shares in listed companies) is based on quoted market prices at 31 December 2017.

The nominal value, less any estimated credit adjustments, of trade receivables and payables are assumed to approximate their fair value.

(q) Impairment of assets
At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

(r) Payables
Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

(s) Revenue recognition

Interest income
Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

Rental income
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(t) Foreign currency
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(u) Segment reporting
AASB 8 Operating Segments requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

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 board of directors.

(v) Income tax
The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(w) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis, inclusive of GST.

(x) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases (note 19(b)). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

(y) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. 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 to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the draw down occurs.

(z) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(aa) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant accounting judgements

Determination of mineral resources

The determination of mineral resources impacts the accounting for asset carrying values. The Company estimates its mineral resources in accordance with the *Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004* (the 'JORC' Code). The information on mineral resources was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

Significant accounting estimates and assumptions

Share based payment transactions

The Company measures the cost of equity-settled share based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined by using a recognised option valuation model, with the assumptions. The accounting estimates and assumptions relating to equity-settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

4. Segment information

Management has determined that the Company has one reporting segment being mineral exploration.

As the Company is focused on mineral exploration, management make resource allocation decisions by reviewing the working capital balance, comparing cash balances to committed exploration expenditure and the current results of exploration work performed. This internal reporting framework is the most relevant to assist the board with making decisions regarding the Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date and capital available to the Company.

All revenue and expenses relate to corporate activities and would not be used to assess segment performance.

Geographical information

The Company operates in one principal geographical area – Australia (country of domicile).

	Dec-2017 $	Dec-2016 $
5. Revenues		
(a) Other income		
Interest income	463	1,038
6. Expenses		
(a) Finance cost		
Interest expense	41,808	32,667
Interest expense incurred during the year ended 31 December 2017 on the $410,500 and $200,000 loans from CREC Resources (Aust) Pty Ltd. Refer to Note 14 for more information.		
(b) Depreciation		
Depreciation	-	4,325
Loss on sale of fixed assets	-	22,546
	-	26,871
(c) Employee benefits expense		
Directors' fees	12,000	12,000
Additional fees*	14,000	-
	26,000	12,000
** Fees paid to Mr Gang Xu for his technical services provided to the Company during the year ended 31 December 2017.*		
(d) Rental expense		
Rental expenses	-	56,561
7. Income tax expense		
The income tax (benefit) for the year differs from the prima facie tax as follows:		
Loss for the year	(224,529)	(255,724)
Prima facie income tax (benefit) @27.5% (2016: 30%)	(61,745)	(76,717)
Non-deductible expenses	-	1,748
Temporary differences not brought to account	61,745	74,969
Total income tax expense	-	-
The directors estimate that the potential deferred tax asset, at the prevailing rate of 27.5% (2016:30%), in respect of tax losses not brought to account is	7,274,727	7,867,973

The corporate tax rate in Australia was changed from 28.5% to 27.5% with effect from 1 July 2016.
No income tax expense has been provided in the accounts because the Company has an operating loss for the year. No future tax benefit attributable to tax losses has been brought to account as recovery is not probable. The benefit will only be obtained if the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised, continues to comply with the conditions for deductibility imposed by taxation legislation and there are no changes in tax legislation adversely affecting the Company in realising the benefit.

	Dec-2017 $	Dec-2016 $

8. Earnings per share

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Dec-2017 $	Dec-2016 $
(a) Net Loss		
	(224,529)	(255,724)
(b) Basic and Diluted earnings per share – cents per share		
Loss attributable to the ordinary equity holders of the Company	(0.01)	(0.01)
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share		
	2,096,733,148	1,826,291,848

9. Cash at bank and in hand

Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Dec-2017 $	Dec-2016 $
Cash at bank and on hand	72,578	155,141
Balance per statement of cash flows	72,578	155,141

The Company's exposure to interest rate risk is discussed at note 17. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents noted above.

	Dec-2017 $	Dec-2016 $
10. Reconciliation from the net loss after tax to the net cash flows used in operations		
Operating loss	(224,529)	(255,724)
Add non-cash items		
Depreciation	-	4,325
Loss on property, plant and equipment	-	22,546
Payments made not classified as operating activities	-	34,767
Exploration expenses	49,171	5,613
Increases and decreases in operating assets and liabilities		
Decrease in trade and other receivables	3,780	11,325
Increase/(decrease) in trade and other payables	64,167	11,066
Net cash used in operating activities	(107,411)	(166,082)

	Dec-2017 $	Dec-2016 $
11. Other assets (current)		
Prepaid expenses	2,181	2,029
Deposits	20,000	20,000
Other	3,458	7,956
	25,639	29,985
12. Property, plant and equipment (non-current)		
Cost of plant and equipment	165,000	165,000
Accumulated depreciation	(165,000)	(165,000)
Net book amount	-	-
Movement in carrying value		
Opening net book amount	-	64,120
Additions	-	-
Disposals	-	(54,182)
Depreciation charge	-	(4,325)
Impairment charge	-	(5,613)
Closing net book amount	-	-
13. Trade and other payables (current)		
Trade payables and accruals	64,277	48,809
	64,277	48,809

Trade payables are normally settled on 30 – 60 day terms.

	Dec-2017 $	Dec-2016 $
14. Borrowings (non-current)		
Loan from parent entity[1]	410,500	410,500
Add: Interest accrued on loan	85,376	53,430
Loan from parent entity[2]	200,000	200,000
Add: Interest accrued on loan	17,440	7,579
	713,316	671,509

[1]The loan is part of a facility of $5,000,000 that has been provided by the parent entity (CREC Resources (Aust) Pty Ltd) to the Company. The loan is unsecured and is repayable within 5 years from the dates of drawdown. Interest accrues on the loan at the rate of 6.30%.

[2]The loan is unsecured and is repayable within 3 years from the dates of drawdown. Interest accrues on the loan at the rate of 4.75%.

CREC has provided written confirmation that the loan will not be called upon for repayment within 12 months and that no amount of principal is repayable within 12 months of signing the 31 December 2017 financial report, unless RMA Energy Limited is in the position to repay the loan.

	Dec-2017 $	Dec-2016 $
15. Contributed equity		
(a) Share Capital		
Ordinary shares at end of year 2,100,235,625 (31 December 2016: 1,826,291,848)	24,443,186	24,362,841

(b) Movement in ordinary shares capital		No of shares	$
1 January 2017	Opening balance	1,826,291,848	24,362,841
14 November 2017	Issue of placement shares to sophisticated investors at $0.0003 per share	273,943,777	82,183
Less: Share issue costs		-	(1,838)
31 December 2017	Closing balance	2,100,235,625	24,443,186

16. Key management personnel

(a) Details of key management personnel

The key management personnel (KMP) of RMA Energy Limited during the period were:

Mr Ying Liu	Chairman and Non-Executive Director (Appointed 12 December 2017)
Mr Jun Lyu	Non-Executive Director (Appointed 12 December 2017)
Mr Gang Xu	Non-Executive Director (Appointed 15 September 2017)
Mr Theuns Klopper	Non-Executive Director (Appointed 19 January 2017)
Mr Debao Mao	Chairman and Non-Executive Director (Appointed 15 April 2010; Resigned as Chairman on 12 December 2017 and as Non-Executive Director on 20 December 2017)
Mr Qin Weihong	Non-Executive Director (Appointed 28 August 2012; Resigned 12 December 2017)
Mr Leonard Math	Non-Executive Director (Appointed 24 May 2013; Resigned 19 January 2017)

(b) Compensation for key management personnel	Dec-2017 $	Dec-2016 $
Short term employee benefits	12,000	12,000
Additional fees	14,000	-
Post-employment benefits	-	-
Total compensation	26,000	12,000

17. Financial instruments

Overview – risk management

This note presents information about the Company's exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk and the management of capital.

The Company does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The board of directors of the Company has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company and the Company through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities. At 31 December 2017 there were no significant concentrations of credit risk.

Cash and cash equivalents
The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Trade and other receivables
As the Company operates primarily in exploration activities, it will only have insignificant trade receivables and therefore is not exposed to significant credit risk in relation to trade receivables. The Company where necessary establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments.

The Company where necessary establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

Exposure to credit risk
The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Note	**Dec-2017** **$**	**Dec-2016** **$**
Other current assets	11	-	29,985
Cash and cash equivalents	9	72,578	155,141

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Impairment losses
None of the Company's other receivables are past due (2016: Nil).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual flows. The Company does not have any external borrowings.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2017

	Note	**Effective interest rate**	**Carrying amount**	**Less than 6 months**	**2-5 years**
Trade and other payables	13	-	64,277	64,277	-
Loan from parent entity	14	6.30%	495,876	-	495,876
Loan from parent entity	14	4.75%	217,440	-	217,440
			777,593	64,277	713,316

31 December 2016					
Trade and other payables	13	-	48,809	48,809	-
Loan from parent entity	14	6.30%	463,930	-	463,930
Loan from parent entity	14	4.75%	207,579	-	207,579
			720,318	48,809	671,509

Disclosure of the Company's capital commitments are disclosed in Note 18.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Company has no exposure to currency risk at 31 December 2017 and 31 December 2016.

Interest rate risk

The Company is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Company does not use derivatives to mitigate these exposures.

The Company adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents on short term deposit at interest rates maturing over 90 day rolling periods.

Profile
At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	Dec-2017 $	Dec-2016 $
Fixed rate instruments		
Financial assets – cash and cash equivalents	-	-
Variable rate instruments		
Financial assets – cash and cash equivalents	72,578	155,141

Fair value sensitivity analysis for fixed rate instruments
The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss or through equity.

Cash flow sensitivity analysis for variable rate instruments
A change of ±1.5% in interest rates, being the amount official interest rates increased during the financial period, at the reporting date and assuming all other variables held constant, would have increased (decreased) equity and profit or loss by $41 (2016: $52).

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt. The Company's focus has been to raise sufficient funds through equity and/or parent Company borrowings to fund exploration and evaluation activities. The Company monitors capital on the basis of the gearing ratio; however there were no external borrowings from unrelated parties as at balance date and the Company is not subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period. Risk management policies and procedures are established with regular monitoring and reporting.

18. Commitments

(a) Capital and leasing commitments

The following expenditure is required to maintain the exploration permits in which the Company has an interest:

Exploration permits

Tenure No.	Holder	Area (blocks)	Grant date	Expiry date	Minimum expenditure per annum ($)
EPMs					
EPM 15136	RMA Energy Limited	95	Renewal lodged	n/a	154,000
EPM 19736	RMA Energy Limited	17	20/10/2015	19/10/2020	38,750
EPCs					
EPC 1946	RMA Energy Limited	37	19/06/2013	18/06/2018	90,000
Total					282,750

19. Related party disclosure

The Australian parent entity is CREC Resources (Aust) Pty Ltd, which, 31 December 2017, owned 51.34% (2016: 59.04%) of the issued ordinary shares of RMA Energy Limited. Please refer to Note 14 for the loan balances with the parent entity.

The ultimate parent entity is China Rail Resource Co., Ltd (incorporated in the People's Republic of China) which, at 31 December 2017, owned 100% of the issued ordinary shares of CREC Resources (Aust) Pty Ltd.

Director related entities

The Company paid $12,000 (2016: $12,000) to Nexia Perth for the service of Mr Leonard Math (till his resignation on 19 January 2017) and Mr Theuns Klopper (from his appointment on 19 January 2017) as Non-executive Director and $39,350 (2016: $36,850) to Nexia Perth for accounting, taxation and Company secretarial services to the Company. Mr Math was a former employee of Nexia Perth.

During the year, the Company paid $14,000 in fees to Xu and Liu Pty Ltd (a related entity of Mr Gang Xu) for technical services provided by Mr Xu.

20. Events after the balance sheet date

On 27 March 2018, the Company received further loan funds of AUD$200,000 from its major shareholder, CREC Resources (Australia) Pty Ltd ("CREC") to assist with working capital requirements. The loan term is for 3 years and attracts a fixed interest rate of based on the RMB benchmark lending rate announced by the Peoples Republic of China corresponding to term of borrowing on the borrowing date until maturity date.

At the same time, CREC signed a financial support letter to confirm that they will continue to provide financial support to enable RMA Energy to meet its working capital and existing exploration commitments as and when they fall due for a period no less than 12 months from the date of signing the 31 December 2017 financial statements.

There have been no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

(i) the Company's operations in future years; or

(ii) the results of those operations in future years; or

(iii) the Company's state of affairs in future years.

21. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2017 and 31 December 2016.

22. Auditor's remuneration

	Dec-2017 $	Dec-2016 $
Audit services		
Audit and review of financial reports		
Deloitte Touche Tohmatsu	-	1,500
Bentleys Audit & Corporate (WA) Pty Ltd	24,428	21,203
Total remuneration for audit services	24,428	22,703

Directors' declaration

The directors of the Company declare that:

1. In the directors' opinion 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. In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2(a) to the Financial Statements.

3. In the director's opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

4. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act.

This declaration is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:

Mr Theuns Klopper
Non-Executive Director

Perth, Western Australia
29 March 2018

Independent Auditor's Report

To the Members of RMA Energy Limited

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RMA Energy Limited ("the Company") which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Key audit matter	How our audit addressed the key audit matter
Loans - $713,316 (Refer to Note 14) This is the largest item on the statement of financial position pertaining to a loan payable to a major shareholder. The specific risks we identified surrounding the loan relate to the rights & obligations of the Company in repaying the loan, whether the loan payable has been accurately stated at year end based on the terms of the Shareholder Loan Agreements. Furthermore as disclosed in Note 2(d) and Note 20, the Company has received further loan funds of $200,000 subsequent to year end.	We reviewed the terms of the Shareholder Loan Agreements and determined whether they have been factored in correctly when calculating the interest accumulated during the year. We performed mathematical checks on the calculated interest expense to ensure it was accurately recorded. We agreed receipt of funds to bank statements subsequent to year end. We obtained a letter from the Shareholder confirming the amount repayable as at 31 December 2017. Furthermore, the Shareholder confirmed that they will continue to provide financial support as is necessary to enable the Company to meet its working capital and existing exploration commitments as and when they fall due for a period of no less than 12 months from the date of this financial report. We assessed the adequacy of the disclosure in Note 14.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 Note 2, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2017. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion, the Remuneration Report of RMA Energy Limited, for the year ended 31 December 2017, complies with section 300A of the Corporations Act 2001.

Bentleys

BENTLEYS
Chartered Accountants

Chris Nicoloff

CHRIS NICOLOFF CA
Director

Dated at Perth this 29th day of March 2018

Board of directors and corporate governance
The board of directors of RMA Energy Limited (RMA Energy or Company) is responsible for the corporate governance of the Company and is committed to applying the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles). The board guides and monitors the business and affairs of RMA Energy on behalf of the shareholders by whom they are elected and to whom they are responsible.

In establishing this framework, the Board has considered and reports against the Corporate Governance Principles and Recommendations (3rd Edition) as published by the ASX Corporate Governance Council (ASX Corporate Governance Principles).

This Corporate Governance Statement has been approved by the RMA Energy Board and summarises the corporate governance practices and procedures the Company on 29 March 2018.

The ASX Corporate Governance Principles are not prescriptive and if a Company considers that a recommendation is inappropriate having regard to its particular circumstances, the Company has the flexibility not to adopt it. Where EGS considered it was not appropriate to presently comply with a particular recommendation, the reasons are set out in the relevant section of this Corporate Governance Statement.

With the exception of the departures detailed in this Corporate Governance Statement, the corporate governance practices of the Company are compliant with the ASX Corporate Governance Principles (3rd Edition).

To ensure the board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the board.

Composition of the board
The composition of the board is determined in accordance with the following principles and guidelines:

- the board should comprise at least three directors;
- a majority of non-executive directors with at least one being independent;
- the board should comprise directors with an appropriate range of qualifications and expertise.

The directors in office at the date of this statement are:

Name	Role	Non-executive	Independent	Date of Appointment
Mr Liu Ying	Non-Executive Chairman	Yes	No	12 December 2017
Mr Jun Lyu	Non-Executive director	Yes	No	12 December 2017
Mr Gang Xu	Non-Executive director	Yes	Yes	15 September 2017
Mr Theuns Klopper	Non-Executive director	Yes	Yes	19 January 2017

Board responsibilities
As the board acts on behalf of and is accountable to the shareholders, the board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The board seeks to discharge these responsibilities in a number of ways.

The responsibility for the operation and administration of the Company is delegated by the board to the executive directors and the key management team. The board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the executive directors and the key management team.

The board is responsible for ensuring the management's objectives and activities are aligned with the expectations and risks identified by the board. The board has a number of mechanisms in place to ensure this is achieved. In addition to the establishment of the committees referred to above, these mechanisms include the following:

- Contributing to the development of and approving corporate strategy;
- Appointing, assessing the performance of and, if necessary removing the managing director/CEO;
- Contributing to the performance assessment of members of the senior management team;

- Reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- Overseeing and monitoring:
  - Organisational performance and the achievement of strategic goals and objectives;
  - Compliance with the Company's code of conduct;
  - Progress of major capital expenditures and other corporate projects including acquisitions, mergers and divestments;
  - Monitoring financial performance including approval of the annual, half yearly and quarterly reports and liaison with the auditor;
  - Ensuring there are effective management processes in place, including reviewing and ratifying systems of risk identification and management, ensuring appropriate and adequate internal control processes, and that monitoring and reporting procedures for these systems are effective;
  - Enhancing and protecting the Company's reputation;
  - Approving, major capital expenditure, capital management, acquisitions and divestments;
  - Reporting to shareholders;
  - Appointment of directors; and
  - Any other matter considered desirable and in the interest of the shareholders.

1. Lay solid foundations for management and oversight

The ASX Corporate Governance Council states a Company should "Recognise and publish the respective roles and responsibilities of board and management". The board has adopted a formal charter which sets out the responsibilities reserved by the board and those delegated to the executive officers.

The charter is reviewed regularly to ensure it remains consistent with accepted practice in the context of the board's objective and responsibilities. Specifically, the board is charged with: setting the strategic direction of the RMA and monitoring management's performance within the framework.

RMA objectives; appointing and removing executives and overseeing succession plans for the Key Management team; approving and monitoring financial reporting and capital management; approving and monitoring the progress of business objectives; assessing the risk management framework and whether appropriate procedures are being followed; ensuring RMA has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate and social responsibility; and monitoring whether the board is appropriately skilled to meet the changing needs of the Company.

The chairman is responsible for leading the board in its duties, facilitating effective discussions at board meetings, ensuring procedures are in place to evaluate board performance and overseeing shareholder communications. The executive directors are responsible for the efficient and effective operation of RMA, and for bringing material and other relevant matters to the attention of the board in an accurate and timely manner.

Before appointing a new Director, the Company will undertake appropriate checks such as a character reference, police clearance certificate, bankruptcy check and any other check it deems appropriate. Where a Director is to be re-elected or a candidate is put up for election to shareholders, all material information will be provided to shareholders for consideration.

<u>Company Secretary</u>
The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

<u>Diversity Policy</u>
RMA is committed to actively manage diversity as a means of enhancing the Company's performance and maximising its corporate goals by recognising the contributions of diverse skills and talent from its employees.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

It is the Board's responsibility and objective to embrace diversity when determining the composition of the Board, senior management and employees. This will allow the Company to draw on a variety of qualifications, skills, experience and diversity of gender to maximise the Company's performance.

To assist with gender diversity, the Board's objectives include:

a) Ensuring that there is an appropriate selection criteria when employing new members of staff based on diverse skills and experience. Direct and inferred discrimination will not be utilised and tolerated.
b) Professional development programs that are targeted at helping women and men develop skills and experience for advancement to senior management positions.
c) Fostering a corporate environment that embraces and values diversity where individual differences are respected and employment opportunities are based on merit, and where inappropriate attitudes and behaviour are not tolerated.
d) Management supporting the promotion of talented women and men into leadership roles.

Gender Diversity
The Company is committed to gender diversity at all levels of the organisation. The Board is responsible for establishing and monitoring on an annual basis the achievement against gender diversity objectives and strategies, including the representation of women at all levels of the organisation. The proportion of women within the whole organisation as at the date of this report is as follows:

Women employees in the whole organisation	0%
Women in Senior Executive positions	0%
Women on the Board of Directors	0%

All decisions relating to employees will be based strictly on merit, without regard to gender, ethnicity, age, relationship status or any other irrelevant factor not applicable to the position.

The Board acknowledges the absence of female participation on the Board of Directors. The Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

Due to the small size of the organization and its current stage of operations, the introduction of specific measurable objectives at this stage has not been implemented.

Whilst the Board of the Company strongly endorses the concept of gender diversity, until the Company's human resource base has grown to a point where fully implementing specific measurable objectives will become more meaningful, the Company will, in accordance with its policy, continue to recruit the best person for each role, regardless of gender, ethnicity, age, relationship status or any other irrelevant factor not applicable to the position.

2. Structure the board to add value

The ASX Corporate Governance Council states a Company should "Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties".

Skills
A requirement for the RMA directors is an understanding of exploration in the mining sector. All directors meet this threshold requirement. They also bring a diverse range of skills, and backgrounds including mining engineering, financial regulation, law and public policy as well as international business skills. The board currently consists of three directors. The experience and qualification of each director and their terms of office are further discussed in the Directors' Report.

Experience
The directors have an appropriate mix of tenure, blending experience with new membership. The board considers this mix invaluable. Given the nature of RMA's business, longstanding involvement and experience in the resources sector is highly desirable to bring the skills, experience and judgement required for effective decision-making. The board considers the directors exercise independent judgement in the task of enhancing shareholder value.

Appointment and removal
Board succession planning is considered an important part of the governance process. Progressive and orderly renewal of board membership is important. The appointment of directors is governed by the RMA board and the Appointment of Non-executive Directors Policy set out the procedures followed when considering the appointment of new directors.

Stakeholder perspectives
An important function of directors is to bring the perspective of stakeholders to the oversight of a Company. RMA directors bring many perspectives to the board's deliberations including those of members of the investment community and the views and interests of employees.

Independence
The board considered given the Company's stage of development and resources available it was appropriate at this time to have at least one independent non-executive director on the board, in the interests of maximising efficiency of the board and developing the Company's business.

An independent director is a non-executive director and:

- is not a substantial shareholder of the Company or an officer of, or directly or indirectly associated with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee material associated with the service provided;
- is not a material contractual relationship with the Company or another group member other than as a director of the Company;
- has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interest of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

The Company has not considered the Company's materiality thresholds for assessing independence on the basis of the Company's stage of development.

As circumstances change directors table any change in outside interests at a meeting of the board.

Where it is considered a director had a material potential conflict, it is noted and where appropriate the relevant director absents him or herself for the specific item of business. This process is appropriately minuted.

Monitoring of the board's performance and communication to shareholders
In order to ensure that the board continues to discharge its responsibilities in an appropriate manner, the performance of all directors is reviewed annually by the chairperson. Directors whose performance is unsatisfactory are asked to retire.

During the year, performance evaluation of the Board was not undertaken.

The board recognises the importance of a formal performance evaluation but as because of the size and nature of the Company, the board believes that a formal performance evaluation is not required at this point in time. As the Company grows and develops it will continue to consider the efficiencies and merits of a formal performance evaluation of the board, its committees and individual directors.

<u>Independent advice</u>
RMA directors may seek external professional advice at the expense of the Company on matters relating to their role as directors of RMA. However, they must first request approval from the chairman, which must not unreasonably be withheld. If permission is withheld the matter may be referred to the whole board.

3. *Act ethically and responsibly*

The ASX Corporate Governance Council states a Company should "Actively promote ethical and responsible decision-making".

Code of Ethics and Conduct
RMA has formally adopted a Code of Ethics and Conduct, which promotes ethical and responsible decision-making by directors and employees. The Code requires high standards of honesty, integrity, fairness and equity in all aspects of employment with RMA. The Code also sets the task for management of delivering shareholder value, with the oversight of the board, through the sustainable and efficient operation of the Company.

Education
The executive directors of RMA and Company secretary ensure directors and employees of the RMA are informed with respect to corporate governance.

4. *Safeguard integrity in corporate reporting*

The ASX Corporate Governance Council states a Company should "Have a structure to independently verify and safeguard the integrity of the Company's financial reporting".

RMA believes its practices satisfy this principle.

RMA has a structured six-monthly reporting process, culminating in board sign-off and release of financial results to the market. The chief executive officer and chief financial officer provide letters of assurance to the board for each quarterly cashflow statements, half-year and full-year result.

No director has any association, past or present, with RMA's external auditor.

RMA is required to undergo regulatory audits each year in order to provide assurances to the market regulators and RMA shareholders regarding the operational integrity of RMA systems and processes.

Audit committee
The board considers that the Company is not currently of a size, nor its affairs of such complexity, to justify the formation of a separate audit committee, preferring at this stage to manage the Company through the full board of directors to verify and safeguard the integrity of the Company's financial reporting and to ensure the independence and competence of the Company's external auditor.

The board requires the chief executive officer and chief financial officer to state in writing on an annual basis that the Company's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company.

The Company's auditor is required to attend the Company's AGM and be available to answer shareholder questions.

5. *Make timely and balanced disclosure*

The ASX Corporate Governance Council states a Company should "Promote timely and balanced disclosure of all material matters concerning the Company".

RMA fulfils its disclosure responsibilities absolutely.

Responsibility for supervision of RMA's compliance with continuous disclosure lies with the board.

The executive director responsible for Investor relations has the authority and responsibility for approving market disclosure, which in practice is exercised in consultation with the Company secretary. The board reviews announcements made each month, and considers disclosure obligation in the context of each item of business which comes before it.

RMA considers its disclosed discussion of financial results meets the standards outlines in the ASX Guidelines. This disclosure includes availability of materials on the RMA website and provision of all information necessary for investors to make informed decisions about an investment in RMA Energy Limited's securities.

6. Respect the rights of shareholders

The ASX Corporate Governance Council states a Company should "Respect the rights of shareholders and facilitate the effective exercise of those rights".

RMA aims to provide good quality, clear communication with shareholders, using available methods and technologies.

RMA views shareholder meetings as an opportunity for shareholders to meet with and question the board and management of RMA. RMA's external auditor attends the annual general meeting and is available to answer shareholder questions.

RMA's website is a source of information for RMA shareholders and prospective shareholders.

Further communication with shareholders occurs with the distribution of the annual report (unless shareholders have chosen not to receive these). Email is also an important method of communication for investors. Key announcements and updates can be received by email where shareholders provide their details to the appointed share registrar.

7. Recognise and manage risk

The ASX Corporate Governance Council states a Company should "Establish a sound system of risk and oversight management and internal control".

RMA takes this responsibility seriously and has put in place appropriate procedures for risk management.

The board has responsibility for reviewing the risk management framework and policies within RMA. It receives information from the executive directors on risks and risk containment measures adopted.

Risk is broadly considered as anything which may impede the achievement of effective operation of its business and RMA's strategic goals.

Risk Committee
Due to the size and scale of the Company, during the year the Board has not established a sub-committee to undertake the responsibilities normally undertaken by a Risk Committee.

The Board is responsible for ensuring that risks, as well as opportunities are identified on a timely basis and receive an appropriate and measured response, recognising however that no cost effective internal control system will preclude all errors and irregularities.

The Company currently is not subject to any material exposure to environmental and social sustainability risks. The principal areas of risk for the Company are in:-

- occupational health and safety and work related safety risks; and
- financial risk in the areas of maintaining sufficient funding for the continuation of operations and risks related to fraud, misappropriation and errors.

The Board will review the effectiveness of implementation of the risk management system and internal control system at least annually. When reviewing risk management policies and internal control system the Board should take into account the Company's legal obligations and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

Internal Audit
The Company does not currently have an internal audit function. Once the Company is at a size and scale that warrants an internal auditor or nears production status, the Board will be responsible for the appointment and overseeing of the internal auditor.

RMA has adopted a policy requiring the chief executive officer and chief financial officer to state to the board in writing to the best of their knowledge the integrity of the financial statement is founded on a sound system of risk management and internal compliance and control which operates efficiently and effectively in all material respects.

8. Remunerate fairly and responsibly

The ASX Corporate Governance Council states a Company should "Ensure the level and composition of remuneration is sufficient and reasonable and its relationship to corporate and individual performance is defined".

The board has put in place a number of measures to implement this principle.

Discussion on the Company's remuneration policies of non-executive directors, the executive directors and senior executives of the Company and the relationship between such policy and the Company's performance is provided in the directors' report.

Nomination committee
The board of directors believe that the Company is not of the size to warrant a nomination committee and therefore allocate the appropriate time as required at their monthly general meetings.

Remuneration committee
The board is responsible for determining and reviewing compensation arrangements for the executive directors and the key management team. The board has not established a remuneration committee as the Company is not of the size to warrant a remuneration committee. The board allocates the required time at board meetings.

The RMA Energy website – corporate governance
RMA Energy publishes on its website at www.rmaenergy.com.au information relating to the Company's corporate governance policies and practices.

The shareholder information set out below was applicable as at 16 March 2018.

20 largest shareholdings – ordinary shares

The 20 largest registered holders of quoted ordinary shares were:

	Name	Number of Shares	%
1.	CREC RESOURCES (AUST) PTY LTD	1,078,173,341	51.34
2.	GOLDEN CONTINENT LIMITED	225,073,342	10.72
3.	CITICORP NOMINEES PTY LIMITED	179,777,136	8.56
4.	MS MIN HAO + MR GUOLIANG YANG	141,440,000	6.73
5.	XUEFEN SHENG	93,943,777	4.47
6.	MR JOEL PETER FISHLOCK <IVANHOE INVESTMENTS A/C>	90,000,000	4.29
7.	TANG CHENGHUA	80,929,637	3.85
8.	DURET HOLDINGS PTY LTD	45,000,000	2.14
9.	SILKTREE INVESTMENTS PTY LTD <PETER VASSILEFF SUPER A/C>	45,000,000	2.14
10.	MR LI HAIDONG	42,000,000	2.00
11.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,623,526	0.74
12.	MR JULIAN PETER SISSON + M/S JULIE MAREE WHITE	10,400,000	0.50
13.	MR WEIRAN ZHU	7,554,327	0.36
14.	MS JING HAN	3,776,360	0.18
15.	MRS SYLVIA MARY MACWHIRTER <NO 2 A/C>	3,500,000	0.17
16.	MRS ELIZABETH MCCORMICK	3,376,000	0.16
17.	MS HUI CHEN	3,250,000	0.15
18.	MR ZHIHONG JACK CHEN	1,468,636	0.07
19.	MR ZHI MING CAI	1,177,250	0.06
20.	GA & AM LEAVER INVESTMENTS PTY LTD <GA & AM LEAVER S/FUND A/C>	1,127,333	0.05
		2,072,590,665	**98.68**

Distribution of Ordinary Shareholders

Shares Range	Holders	Units	%
1 - 1,000	6	2,488	0.00
1,001 - 5,000	36	105,126	0.01
5,001 - 10,000	33	276,550	0.01
10,001 - 100,000	122	4,754,385	0.23
100,001 Over	81	2,095,097,076	99.76
Rounding			-0.01
Total	**278**	**2,100,235,625**	**100.00**

The number of shareholders holding less than a marketable parcel of shares are:

Holders	Units
205	6,148,752

Voting rights – ordinary shares

The voting rights attaching to ordinary shares are:

On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Substantial shareholders

The names of substantial shareholders in accordance with section 671B of the *Corporations Act 2001* are:

	Name	Number of Shares	%
1.	CREC RESOURCES (AUST) PTY LTD	1,078,173,341	51.34
2.	GOLDEN CONTINENT LIMITED	225,073,342	10.72
3.	CITICORP NOMINEES PTY LIMITED	179,777,136	8.56
4.	MS MIN HAO + MR GUOLIANG YANG	141,440,000	6.73

Restricted securities

The Company currently has no restricted securities on issue.

Company's interests in mining tenements

Tenure No.	Holders	Location	Grant Date	Interest Held
EPMs				
EPM 15136	RMA Energy Limited	250km NNW of Mt Isa, Qld.	Renewal lodged	n/a
EPM 19736	RMA Energy Limited	100km NE of Townsville, Qld	20/10/15	100%
EPCs				
EPC 1946	RMA Energy Limited	250km WSW of Brisbane, Qld.	19/06/13	100%