

31 October 2018

QUARTERLY ACTIVITIES REPORT FOR SEPTEMBER 2018 QUARTER

CORPORATE

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.

TENEMENTS

Following review of tenements held, the Company relinquished 48 sub-blocks on 17 July 2018 and retained 47 sub-blocks of EPM 15136.

Tenement schedule as at 30 September 2018

Tenure No/Location	Prospect	Holder	Ownership	Area (blocks)	Grant date	Expiry date
EPM 15136	Cliffdale Creek	RMA Energy Ltd	Granted (Renewal lodged ¹)	47	22/07/2009	21/07/2020
EPM 19736	Macauley	RMA Energy Ltd	100%	17	20/10/2015	19/10/2020

¹On 3 October 2018, the Company received confirmation from the Queensland Department of Natural Resources, Mines and Energy that its renewal application for EPM 15136 has been approved. The permit has been renewed for over 47 sub-blocks for a term of 3 years expiring on 21 July 2020.

For more information please contact:

TJ Spooner
Joint Company Secretary
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About RMA Energy Limited

RMA Energy Limited ("RMA") listed on the Australian Securities Exchange in June 2007, with a suite of tenements in Queensland, Australia that are prospective for coal, gold and base metals.

RMA is 51.34% owned by CREC Resources (Aust) Pty Ltd, a wholly owned subsidiary of China Rail Group Limited, a PRC incorporated company listed on Hong Kong and Shanghai Stock Exchanges.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

RMA Energy Limited

ABN

79 123 776 652

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(15)	(32)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(53)	(118)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
GST Refund	-	1
Bond Refund	22	22
1.9 Net cash from / (used in) operating activities	(46)	(127)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Loan received	40	80
3.10	Net cash from / (used in) financing activities	40	80

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	32	73
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(46)	(127)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	40	80

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	26	26

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	26	32
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	26	32

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

18

-

Payment for director's fees, accounting fees and company secretarial services to Nexia Perth.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

Nil

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	200	80
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The Company had a \$410,500 loan with CREC Resources (Aust) Pty Ltd ('CREC') which was drawn down on 27 November 2014. This loan expires on 27 November 2019. The loan is unsecured and is repayable within 5 years from the dates of draw down. Interest accrues on the loan at the rate of 6.30%.

On 31 March 2016 the Company received further loan funds of \$200,000 from CREC to assist with working capital requirements. The loan term is for 3 years and attracts an interest rate of 4.75% per annum. Interest rate is based on RMB benchmark lending rate as announced by the Bank of China corresponding to term of borrowing on the borrowing date until maturity date.

In September 2017, CREC, who previously provided a letter of financial support to the Company, indicated that it will not be extending its current ongoing financial support to fund the Company's day-to-day operations. CREC also confirmed that it will support the Company by not requesting repayment of its loans (A\$610,500 plus interest) within the next 12 month period. At the same time, the Company secured the agreement of LC Alliance Pty Ltd to provide ongoing financial support to the Company for day-to-day operations up to at least 14 September 2018.


On 27 March 2018, the Company entered into a loan agreement of A\$200,000 with CREC to assist with working capital requirements. The loan is unsecured and the loan term is for 12 months. Interest rate is based on RMB benchmark lending rate as announced by the Bank of China corresponding to term of borrowing on the borrowing date until maturity date. 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 30 June 2018 Half Year Report. 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 30 June 2018 financial statements, unless RMA Energy Limited is in the position to repay the loan.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	10
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	40
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	50

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EPM 15136 (renewal granted on 3 October 2018)	Relinquishment of 50% of sub-blocks	100%	100%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Joint Company Secretary)

Date: 31 October 2018

Print name: TJ Spooner

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.