



# **ANNUAL REPORT 2015**

## **RESOURCE MINING CORPORATION LIMITED**

**ABN 97 008 045 083**

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## COMPANY INFORMATION



<b>ABN</b>	97 008 045 083
<b>Directors</b>	William (Bill) Mackenzie (Non-Executive Chairman) Warwick Davies (Managing Director) Zhang Chi (Andy) (Non-Executive Director)
<b>Company Secretary</b>	Ann Hadden
<b>Registered Office</b>	702 Murray Street WEST PERTH, WESTERN AUSTRALIA 6005
<b>Principal Place of Business</b>	702 Murray Street WEST PERTH, WESTERN AUSTRALIA 6005  Telephone: +61 8 9213 9400 Facsimile: +61 8 9213 9444 Website: <a href="http://www.resmin.com.au">www.resmin.com.au</a>
<b>Share Registry</b>	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace PERTH, WESTERN AUSTRALIA 6000  Telephone Within Australia: 1300 850 505 Outside Australia: +61 3 9415 4000 <a href="http://www.investorcentre.com/contact">www.investorcentre.com/contact</a>
<b>Auditor</b>	BDO Audit (WA) Pty Ltd 38 Station Street SUBIACO, WESTERN AUSTRALIA 6008  Telephone: +61 8 6382 4600 Facsimile: +61 8 6382 6401
<b>Bankers</b>	Westpac Bank 116 James Street NORTHBRIDGE, WESTERN AUSTRALIA 6000
<b>Securities Exchange Listing</b>	Resource Mining Corporation Limited shares are listed on the Australian Securities Exchange (Home Exchange – Perth) ASX Code: Shares RMI

## CHAIRMAN'S LETTER



Dear Shareholder

On behalf of the Board of Directors, it is with pleasure that I present Resource Mining Corporation Limited's (RMC's) Annual Report for the year ended 30 June 2015.

The beginning of the 2014/15 financial year was one of optimism, buoyed by a strong nickel price and a firm outlook for nickel laterite development opportunities. The Chinese economy was strong, base metal prices had not suffered the same price declines as iron ore and coal and the general outlook for nickel was positive.

This background was directly linked to fundamental changes currently underway particularly in the Chinese nickel and stainless steel industries. The market growth in production of nickel pig iron, now the key raw material for stainless steel in China, has been dramatic. Information provided in RMC's regular reports to the ASX during the year, have provided specific details.

The minerals export ban by the Indonesian Government which took effect on 12 January 2014, was the most significant event in the change to the nickel market. By implementing this ban, many Chinese nickel pig iron producers faced an uncertain future with regards to access to high grade nickel laterite ore. (Indonesia was THE main source of nickel laterite with Ni content +1.6%).

The effect of the Indonesian Government's minerals export ban has been to fundamentally change the availability of Direct Shipping nickel laterite ore available for export to China. The Directors viewed this event as a trigger for future development of the Wowo Gap Nickel Laterite Project.

As announced to the ASX, 24 June 2014, RMC has identified significant high grade direct shipping ore (DSO) exploration targets at the Wowo Gap Nickel Laterite Project.

The plan for 2014/15 was to complete a diamond drilling exploration program to determine the viability of the exploration target.

The dramatic decline in metals prices, the overall decline in worldwide economic activity coupled with an unprecedented reduction in the availability of risk capital for greenfields exploration, resulted in a severe slowdown of the exploration program.

Of the five target zones identified, diamond drilling has only been completed on one. Whilst overall assay results are encouraging, the full program needs to be completed before definite conclusions can be drawn as to the overall quantity of high and medium grade laterite ore.

Despite the slowdown of exploration, valuable lessons have been learnt, and other activities relating to preparation for an eventual mining lease application have continued and the tenement is in good standing with all obligations met to date.

On behalf of the Board, I thank the RMC team for their commitment during the year and my fellow directors for their support. Most importantly, I thank you, the shareholders, for your continued support.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'W. Mackenzie', written in a cursive style.

William Mackenzie  
Chairman

Resource Mining Corporation Limited (ASX: RMI) (**Resource Mining, RMC or the Company**) is an innovative, Perth-based, mineral exploration company with a significant mineral deposit in Papua New Guinea (**PNG**).

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

### **PAPUA NEW GUINEA - WOWO GAP NICKEL LATERITE PROJECT (the Project): EL1165 and EL1980 (RMC 100 per cent interest)**

#### **PROJECT OVERVIEW**

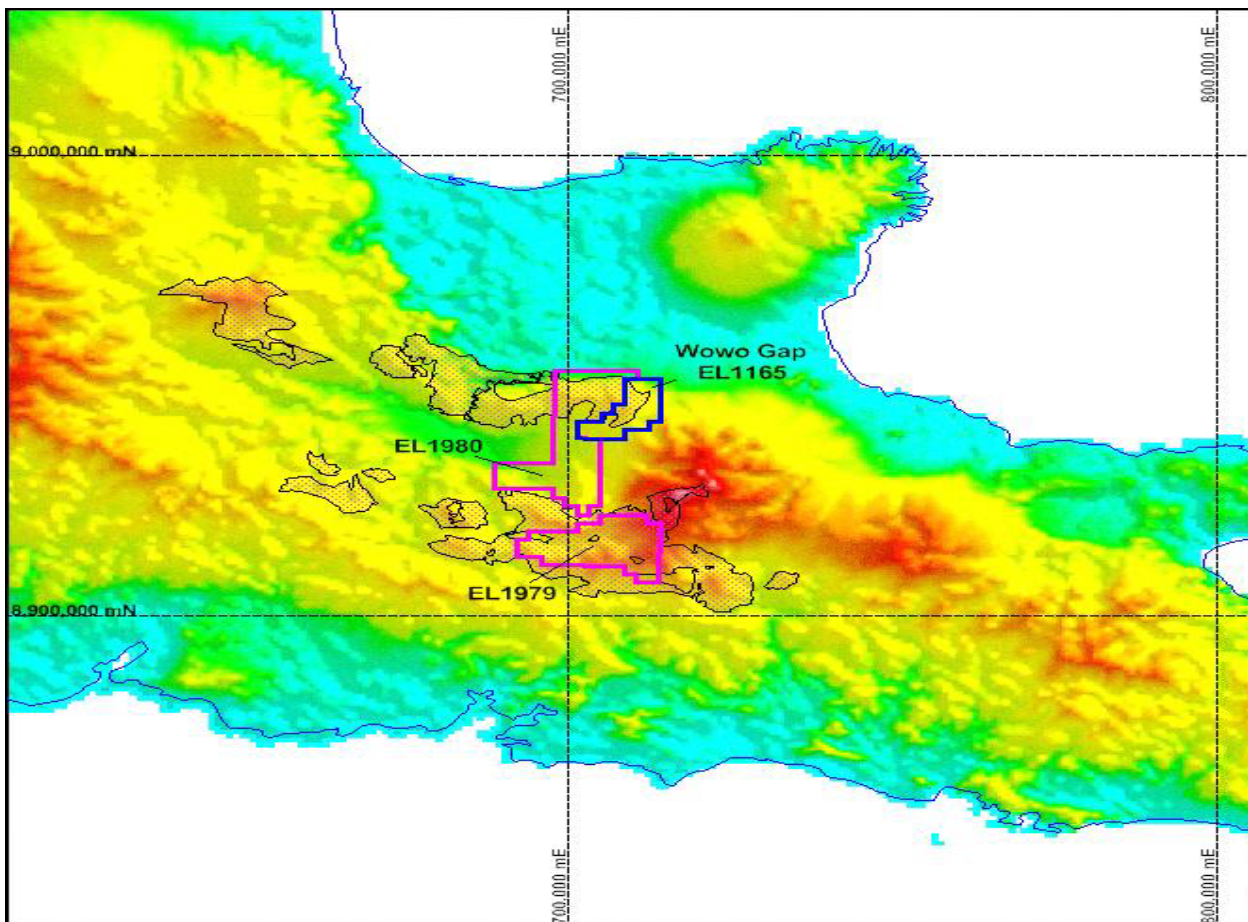
The Project is located 200 kilometres east of the PNG capital Port Moresby and approximately 35 kilometres from the town of Wanigela situated on Collingwood Bay. The Project hosts significant nickel-cobalt mineralisation within the laterite profile overlying an ultramafic plateau.

Drilling to date has outlined mineralisation along the 12 kilometre strike length resulting in a total Indicated and Inferred Mineral Resource Estimate of 125 million tonnes at 1.06 per cent Nickel (Ni), 0.07 per cent Cobalt (Co), see Table 1 on page 4 for further details.

#### **Tenement Renewal**

Niugini Nickel Limited (**Niugini Nickel**), a 100 per cent owned subsidiary of Resource Mining, is the sole owner of Exploration Licence 1165, which covers an area of 95 square kilometres. The Exploration Licence consists of 28 sub-blocks with an area of 94.40 square kilometres. In addition to EL1165, Niugini Nickel also owns an adjacent tenement: EL1980 which hosts potential extensions of the nickel bearing ultramafic unit extending from EL1165. The Exploration Licence for EL1165 has been renewed for a period of two years until 28 February 2016. A condition of the renewal is the completion of a feasibility study.

During the last year, a decision was made to relinquish tenement EL1979 on the basis that ground access was topographically challenging as well as poor indications of the extension of laterite mineralisation onto this tenement.



**Figure 1: Location of the Wowo Gap Nickel Laterite Project Exploration Licences**

## Geology

Wowo Gap is located at the south eastern end of the Papuan Ultramafic Belt, a complex of peridotite, pyroxenite and gabbro which form the prominent east-west trending Didana Range.

The most prominent rock types are of the Papuan Ultramafic Belt, which occur as an east trending block through the Didana Range and are bounded to the east and southeast by the Bereruma Fault. The Bereruma Creek is controlled by this fault and is positioned in Wowo Gap between the Didana Range to the west and the Goropu Mountains to the east. In the Didana Range the ultramafic rocks consist of tectonite ultramafics, cumulate ultramafics and gabbro and granular gabbro.

The tectonite ultramafics crop out at the eastern end of the Didana Range adjacent to and within the western section of the Wowo Gap Nickel Laterite Project. The Sivai Breccia, co-host of the Wowo Gap mineralisation, flanks the tectonite ultramafic at the eastern end of the Didana Range adjacent to the Bereruma Fault.

The ultramafic rocks are flanked by younger clastic sediments and basaltic volcanics of the Pliocene Domara River Conglomerate, the Musa Volcanics and the Silimidi Conglomerate. In the northern foothills of the Didana Range the Bonua Porphyry is associated with the Musa Volcanics.

The Project area lies within an erosional regime of an east dipping lateritic profile developed over the underlying ultramafics. The Project area is the physiographic expression of the northeast trending Bereruma Fault.

A complete lateritic profile is preserved, with partial truncation associated with recent drainage systems. The depth of weathering varies according to rock type and the degree of brecciation. The lateritic profile is typically 10 to 15 metres thick, occasionally more than 20 metres proximal to the Sivai Breccia.

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

**Table 1: Primary Lithology Units**

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

## Direct Shipped Nickel Laterite

### Background

At the beginning of the financial year, the demand for nickel laterite ore for both the Chinese nickel pig iron (**NPI**) industries and the Japanese nickel manufacturers was buoyant. The ban on mineral exports introduced by the Indonesian Government in January 2014 resulted in significant draw-down of China based port stockpiles of high grade nickel laterite.

Chinese interest in sourcing nickel laterite from the Philippines escalated and alternate laterite sources were sought by Chinese NPI producers.

Against this background, RMC initiated exploration into the potential high grade DSO exploration targets at Wowo Gap as announced to the ASX on 24 June 2014.

The exploration program comprised a variety of sequential activities including:

- Exploration line clearing;
- Ground penetrating radar (GPR) across high grade target areas;
- Follow-up diamond core drilling over an initial high grade target zone; and
- Follow-up and scout auger drilling over high grade target zones.

### The Project's Direct Shipping Ore Potential

A total of 65 line kilometres of GPR measurement was carried out on 100 metre line spacings. The GPR survey provided the Company with a profile showing the relative depths of ash, limonite and saprolite. The GPR profile demonstrated variable thickness of each material across the areas tested. See Figure 2 and 3.



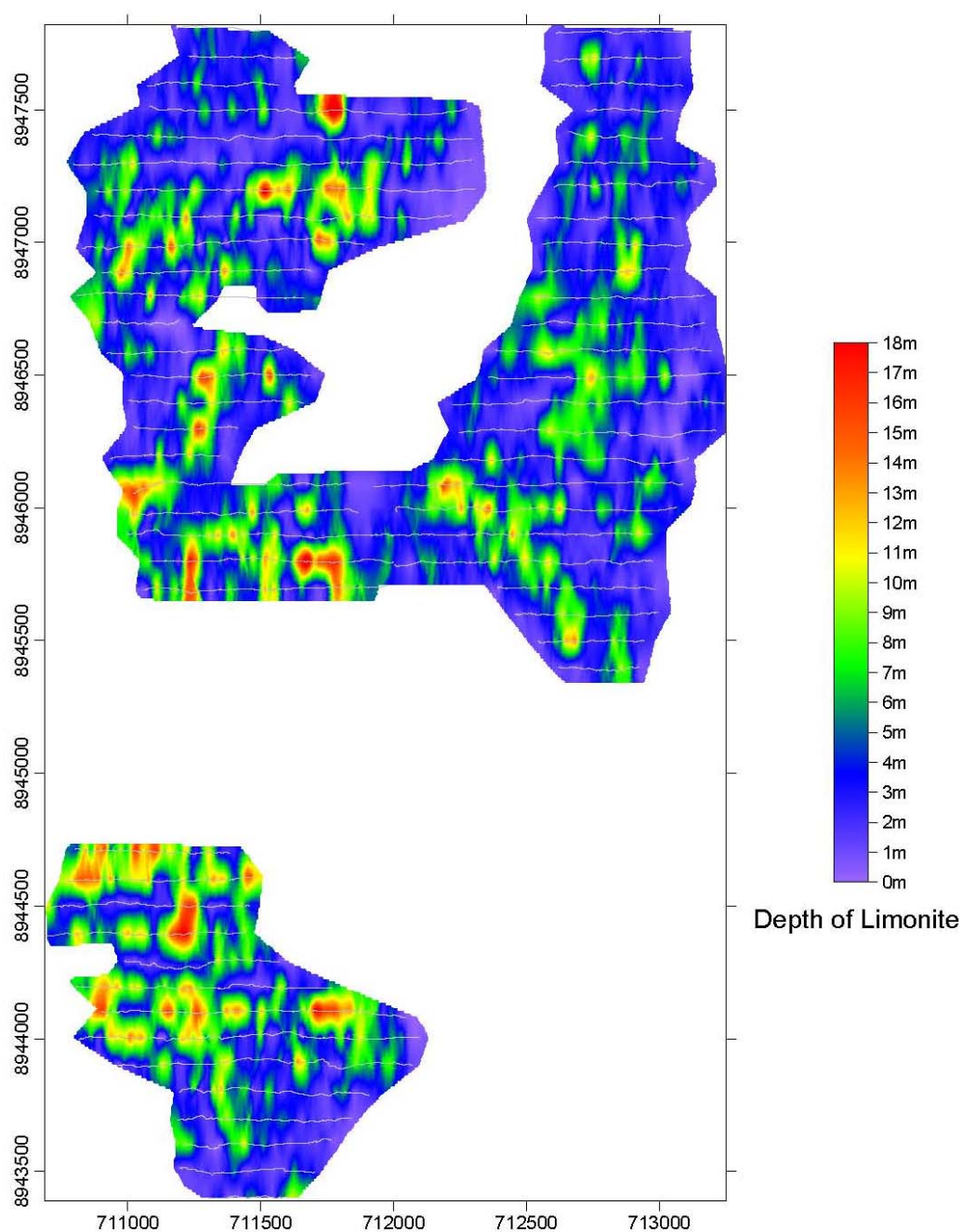
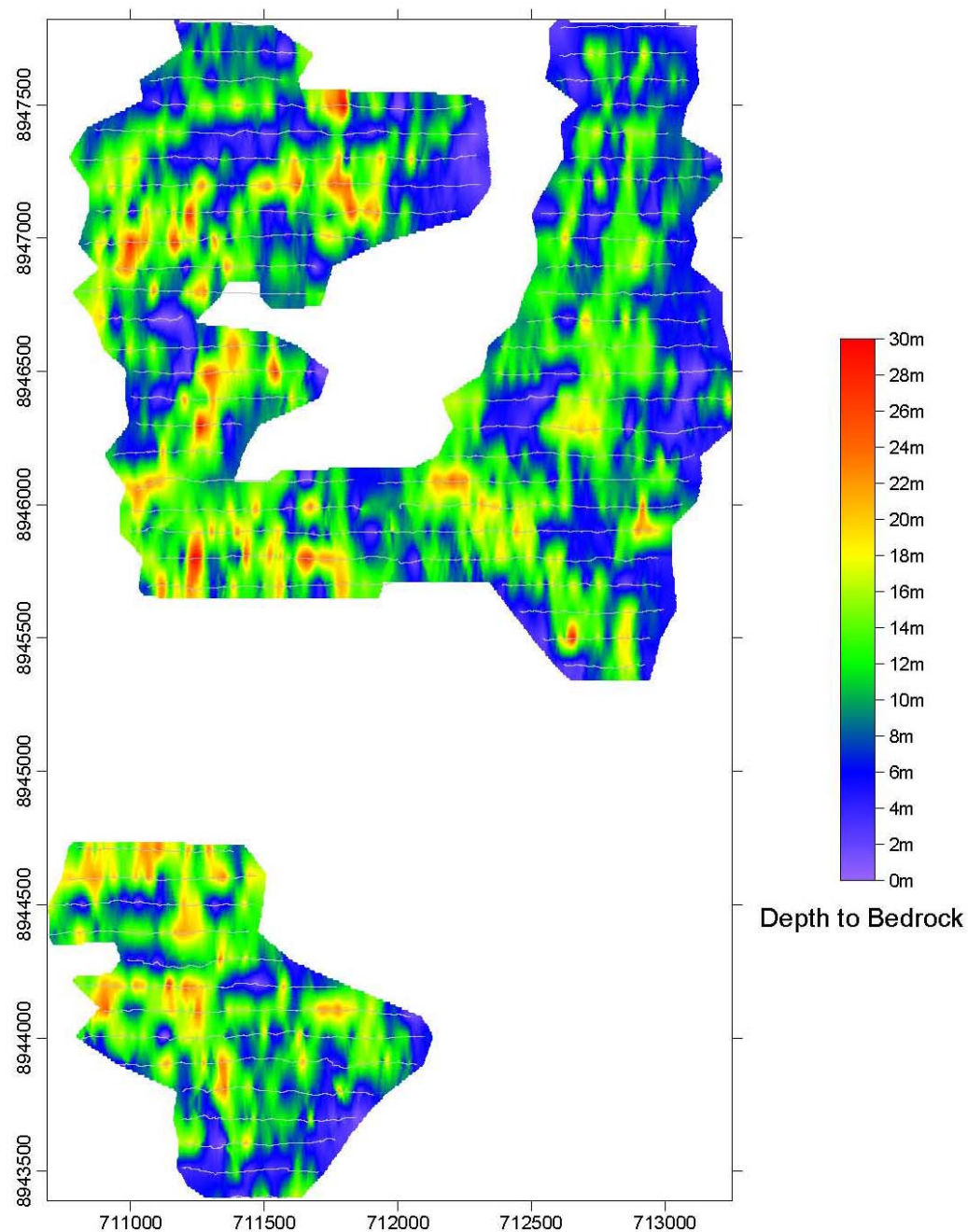


Figure 2: GPR defined depth to base of clay zone over DSO target areas.



**Figure 3: GPR defined depth to base of rocky saprolite over DSO target areas.**

The information provided from the GPR activity was used in conjunction with results from previous core and diamond drilling, to plan the location of new diamond and core holes.



Figure 4 below provides an outline of the DSO Target areas with new GPR lines and existing drill hole locations.

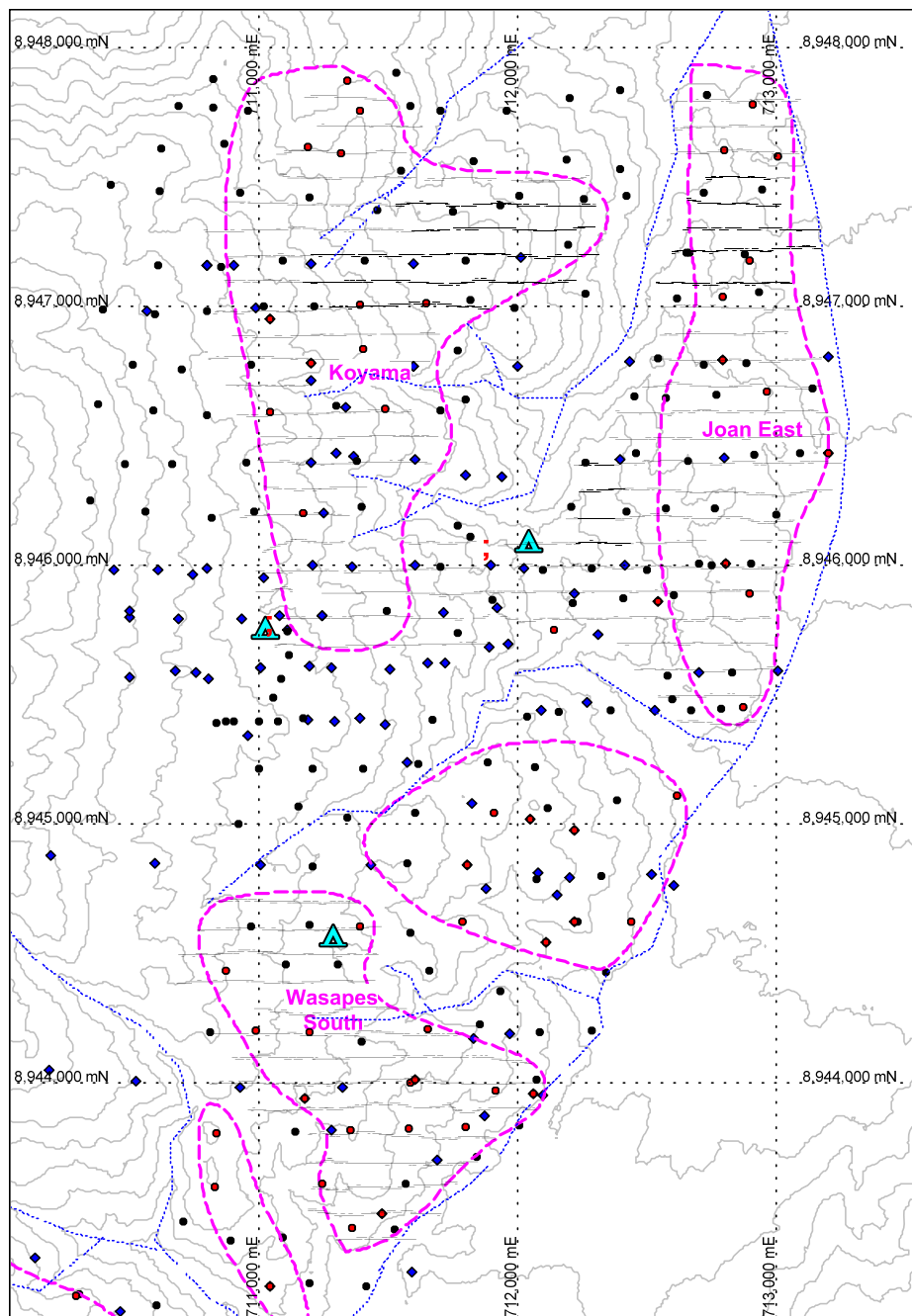


Figure 4

After consideration of costs of owner drilling versus contractor drilling, the Company opted to conduct the diamond and auger drilling programs utilising its own equipment and personnel. Purpose built man-portable rigs were fabricated in Perth and transported to PNG during December 2014 for an early 2015 commencement of the drilling program.

Despite some teething problems associated with drill pad preparation, the diamond drilling program achieved budget productivity within two weeks of operations commencing.



The auger core drilling program commenced in November 2014 and was temporarily shut down over the Christmas/New Year break and was completed in April 2015. The completion of the auger program coincided with the completion of the diamond drilling program.

The objective of the diamond drilling program was to identify high grade saprolite beneath the base of the previous auger program. The success of the program was mixed, with non-continuous areas of high grade nickel being identified.

A total of 40 diamond holes were drilled on the Koyama prospect on a 100 metres by 100 metres drill spacing for a total of 605 metres (average depth of 15.13 metres per hole).

125 auger holes were drilled on a 100 metres by 100 metres line spacing on Koyama and Joan East prospects, typically targeting areas where the GPR profile indicated thick clay intercepts.

Preliminary geological assessment has concluded that additional drilling is required before firm conclusions can be made.

The rapid decline in the nickel price with the general economic slowdown in China, and subsequently across the world, meant that RMC was faced with significant funding challenges to continue exploring the remaining potential high grade zones at Wowo Gap,

A decision was made to slowdown active exploration and focus on meeting the objectives of the tenement renewal conditions.

### Other Activities

#### Environmental

Water quality monitoring activities continue as a priority task as detailed data is accumulated for water quality of creeks and rivers across EL1165. As the year progressed, drought conditions became more pronounced in the tenement area resulting in the “drying up” of several small creeks with significant downstream effects on river depths and river flows. Water supply to the exploration camps, while diminished, remains adequate.

Forest and vegetation monitoring particularly in drought conditions is being undertaken.

#### Social

Social mapping and the maintenance of an active social engagement policy continue. Airstrip, village storage, aid post and school room maintenance and construction have all continued during the year.

The Company continues to assist local schools in Embessa and Obea with funding of teaching assistants as well as providing specialist construction personnel for building construction and maintenance.

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

In support of the delivery and consumption of fresh food, the Company has implemented a program for training local personnel to become cooks. This program has been a significant success with sufficient local personnel fully trained.

During and immediately after completion of the core and diamond drilling campaigns, significant emphasis was placed on training and the up-skilling of the Company's local work force. The result of this activity is a pool of trained, multi skilled and motivated local people; which reduces the need for the employment of specialist personnel from other PNG locations on a fly-in fly-out basis. Locally based employees walk-in and walk-out.

### **WA Tenements**

All West Australian tenements have been relinquished. The Company no longer holds any exploration tenements outside of PNG.

## DIRECTORS' REPORT



Your Directors present their report on the Consolidated Entity consisting of Resource Mining Corporation Limited and its controlled entities for the financial year ended 30 June 2015.

### PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the year was mineral exploration in Papua New Guinea.

### DIRECTORS

The following persons were Directors of Resource Mining Corporation Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

William Mackenzie	Chairman (Non-Executive)
Warwick Davies	Managing Director (Executive Director)
Zhang Chi	Director (Non-Executive)

### PARTICULARS OF DIRECTORS AND COMPANY SECRETARY

#### **William (Bill) Mackenzie** **Chairman (Non-Executive)**

**Qualifications:** Bachelor of Engineering (Mining); MBA; M AusIMM; MAICD

**Term:** Chairman and Director since December 2008

**Experience:** Mr Mackenzie is a mining engineer with over 30 years of experience in the resources sector with involvement in the assessment, development and operation of mineral projects both within Australia and overseas. Mr Mackenzie's experience has included direct operating, senior project management and executive roles with responsibility for business development, project and business unit management of various Australian and offshore ventures and from 2001 was Principal of a consulting group that provided specialised, independent technical and commercial advice to boards, banks and investors involved in the development of resources, energy and infrastructure projects worldwide. He served as a non-executive Director of ASX listed OM Holdings Limited from 2005 till 2007 and as Managing Director of a privately owned diversified Australian resource development company from 2007 till 2013.

**Interest in Shares in Resource Mining Corporation Limited:** 20,928,470 ordinary shares

**Special Responsibilities:** Mr Mackenzie is a Non-Executive Chairman, and Chairman of the Audit Committee.

**Directorships held in other listed entities current or last 3 years:** None.

#### **Zhang Chi (Andy)** **Director (Non-Executive)**

**Qualifications:** Mr Zhang has an economics degree from Renmin University in China.

**Term:** Director since April 2006

**Experience:** Mr Zhang is Managing Director of Sinom (Hong Kong) Limited and has very extensive experience in the Iron and Steel Industry in China. Prior to becoming involved in Sinom (Hong Kong) Limited, Mr Zhang held several positions with the BaoSteel Group, (China's largest steel maker).

**Interest in Shares and Options in Resource Mining Corporation Limited:** 1,377,937,692 ordinary shares held by Sinom (Hong Kong) Limited of which Mr Zhang is a Director and controlling shareholder.

**Special Responsibilities:** Mr Zhang is a Non-Executive Director and member of the Audit Committee.

**Directorships held in other listed entities current or last 3 years:** None.



## DIRECTORS' REPORT (continued)



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

**Qualifications:** Bachelor of Arts (Economics) and has a Certificate of Chemistry.

**Term:** Director since August 2004

**Experience:** Mr Davies has over fifty years' industry experience in the mining, exploration and manufacturing industries. He has held a variety of leadership roles in both technical and commercial positions during his extensive career with BHP, Hamersley Iron, Robe River Mining Co and RMC.

As an independent mining industry consultant since 2001, Mr Davies has worked on a wide variety of assignments particularly in the Iron Ore Industry with specific emphasis on China. He brings to the Company, a wealth of practical and international experience, a strong technical background and an extensive potential customer contact network. Over the past 6 years, Mr Davies has developed detailed knowledge of the conduct of business in Papua New Guinea as well as the broad Nickel industry.

**Interest in Shares and Options in Resource Mining Corporation Limited:** 16,794,375 ordinary shares held directly and 26,559,458 ordinary shares held by related parties.

**Special Responsibilities:** Mr Davies is responsible for the day-to-day operations of the Consolidated Entity and in particular Metallurgy, Marketing and Infrastructure and is a member of the Audit Committee.

**Directorships held in other listed entities current or last 3 years:** None

### **Ann Hadden** **Company Secretary**

**Qualifications:** BA, GradDip Sec St, Dip Law, GradDip ACG

**Term:** Company Secretary since October 2011

**Experience:** Ms Hadden was appointed as Company Secretary October 2011 and is a qualified lawyer and Company Secretary with more than 20 years corporate experience. She has acted as Company Secretary, corporate lawyer and compliance manager for public listed and unlisted private companies and entities.

## **LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

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

For further details refer to Review of Strategic Intent on page 3.

## **DIVIDENDS**

The Consolidated Entity did not pay nor declare dividends in the last financial year.

## **ENVIRONMENTAL REGULATIONS**

The Consolidated Entity has conducted exploration activities on mineral tenements. The right to conduct these activities is granted subject to environmental conditions and requirements. The Consolidated Entity aims to ensure a high standard of environmental care is achieved and, as a minimum, to comply with relevant environmental regulations. There have been no known breaches of any of the environmental conditions.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2014 to 30 June 2015, the Directors have assessed that there are no current reporting requirements, but there may be in the future.

## **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

All West Australian tenements have been relinquished. The Company no longer holds any exploration tenements outside of PNG.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review not otherwise disclosed in this report or in the consolidated accounts.



## **MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR**

Subsequent to year end, on 29 September 2015, the Company announced it had entered into an amendment to the Funding Agreement ("Agreement") dated 9 June 2015, with the Company's largest shareholder, Sinom (Hong Kong) Limited ("**Sinom**") who currently holds 46.5% of the issued shares in the Company. Mr Zhang Chi (Andy) is a Non-Executive director of the Company and is a director and controlling shareholder of Sinom. Under the terms of the amendment to the Agreement, Sinom has agreed to provide the Company an additional \$400,000, taking the total of the loan to \$900,000, for general working capital purposes as an unsecured loan on the same terms and conditions as the initial loan and as disclosed in Note 13. Furthermore Sinom has extended the final repayment date from 31 October 2015 to 31 October 2016. On 1 July 2015, the Company drew down \$200,000 on the initial loan, with a further \$220,000 being drawn down on the amended Agreement immediately.

Since the end of the financial year under review and the date of this report, other than the above-mentioned matters, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Consolidated Entity, in subsequent financial years.

## **OPERATING AND FINANCIAL REVIEW**

### **Review of Operations**

#### **Wowo Gap**

The major focus of the Company remains on the development of its wholly owned Wowo Gap Nickel Laterite Project located 200 kilometres from the PNG capital of Port Moresby. The nickel industry's desire to develop alternative supplies of DSO nickel laterite ore remains solid as the effects of the Indonesian government's ore export ban continue to impact supply sources.

Activity at Wowo Gap has been focussed on the identification of potential high grade nickel locations across the tenement. Work performed included:

- GPR survey and results received which identified material type profiles within DSO target areas.
- Construction of man-portable diamond drill rig completed and delivered to PNG.
- Auger core drilling commenced in November and was completed in April 2015.
- Diamond drilling commenced in January and was completed in April 2015.

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

## **MEETINGS OF DIRECTORS**

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2015, and the number of meetings attended by each Director.

	<b>Board</b>		<b>Audit Committee</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>	<b>Number eligible to attend</b>	<b>Number attended</b>
Warwick Davies	4	4	2	2
William Mackenzie	4	4	2	2
Zhang Chi	3 <sup>1</sup>	1	2	-

1. Mr Zhang Chi was not eligible to attend one of the Board meetings due to a conflict of interest.

### REMUNERATION REPORT (Audited)

The directors are pleased to present your Consolidated Entity's remuneration report which summarises remuneration arrangements for the reporting period 1 July 2014 to 30 June 2015 for the directors and executives of Resource Mining Corporation Limited and its subsidiaries.

#### Details of Directors and Key Management Personnel disclosed in this report

There are no other Key Management Personnel other than the directors who are:

William (Bill) Mackenzie	Chairman (Non-Executive Director)
Warwick Davies	Managing Director (Executive Director)
Zhang Chi (Andy)	Director (Non-Executive Director)

#### Remuneration governance

The Board's policy is to remunerate Directors, officers and employees at market rates for companies of similar size and industry, for time, commitment and responsibilities. The Board determines payment to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of Directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for Non-Executive Directors are not linked to the performance of the Consolidated Entity. However, to align Directors' interests with shareholders' interests, the Directors are encouraged to hold securities in the Company.

The remuneration of Non-Executive Directors is set by reference to payments made by other companies of similar size and industry, and by reference to the Director's skills and experience, and for the Reporting Period included a consideration of the financial restrictions in place on the Company.

#### Use of remuneration consultants

The Consolidated Entity did not use remuneration consultants during the year.

#### Remuneration Report approval at the 2014 Annual General Meeting (AGM)

It was resolved by a show of hands that the Remuneration Report as set out in the Company's Annual Report for the year ended 30 June 2014 be adopted.

#### Remuneration policy and framework

The Company's policy on remuneration clearly distinguishes the structure of Non-Executive Directors' remuneration from that of executive Directors and senior executives. The remuneration of Non-Executive Directors is set by reference to payments made by other companies of similar size and industry, and by reference to the Director's skills and experience, and for the Reporting Period included a consideration of the financial restrictions in place on the Company. Given the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options to Non-Executive Directors, subject to obtaining the relevant approvals. The Remuneration Policy is subject to annual review. All of the Directors' option holdings are fully disclosed. The maximum aggregate amount of fees (including superannuation payments) that can be paid to Non-Executive Directors is subject to approval by shareholders at general meeting. The maximum aggregate Directors' fees payable to non-executive Directors was increased from \$100,000 per annum to \$250,000 per annum as approved by the shareholders at the 2014 AGM on 26 November 2014.

Executive pay and rewards may consist of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed to ensure market competitiveness.

There are no termination or retirement benefits for Non-Executive Directors (other than for superannuation).

#### Relationship between remuneration and the Consolidated Entity's performance

The Company does not pay any performance-based component of salaries.

#### Non-Executive Directors' Remuneration

Non-Executive Directors' remuneration consists of base fees (inclusive of superannuation) and is currently set at \$50,000 per annum. In the prior year no fees, salaries, commissions, bonuses or superannuation were paid or payable to Non-Executive Directors. The Directors are entitled to reimbursement of out-of-pocket expenses incurred whilst on Company business.

## DIRECTORS' REPORT (continued)



### Details of Remuneration

The total remuneration paid to Key Management Personnel is summarised below:

2015	Short-term benefit			Post-employment Benefits	Share-based payments		% of Remuneration to Total	
Name	Salary and Fees	Cash Bonus	Non-Monetary Benefit	Super-annuation	Options	Total	Options	Bonus
	\$	\$	\$	\$	\$	\$	%	%
W Davies <sup>1</sup>	170,395	-	-	-	-	170,395	-	-
W Mackenzie <sup>2</sup>	45,662	-	-	4,338	-	50,000	-	-
Zhang C <sup>3</sup>	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>216,057</b>	<b>-</b>	<b>-</b>	<b>4,338</b>	<b>-</b>	<b>220,395</b>		

1. Mr Davies' services as Managing Director were provided by Fairstone Holdings Pty Ltd (**Fairstone**) for which the Company was charged \$170,395 (ex GST). Mr Davies is a Director and shareholder of Fairstone. During the year, as approved by the shareholders on 26 November 2014, a portion of fees owing to Fairstone amounting to \$57,139 was settled by the issue of 19,106,333 ordinary shares.
2. Mr Mackenzie elected to receive his Director's Fees in shares for the financial year, as approved by the shareholders on 26 November 2014.
3. Mr Zhang Chi elected not to receive his Director's fees effective 1 July 2014.

2014	Short-term benefit			Post-employment Benefits	Share-based payments		% of Remuneration to Total	
Name	Salary and Fees	Cash Bonus	Non-Monetary Benefit	Super-annuation	Options	Total	Options	Bonus
	\$	\$	\$	\$	\$	\$	%	%
W Davies <sup>1</sup>	183,469	-	-	-	-	183,469	-	-
W Mackenzie <sup>2</sup>	-	-	-	-	-	-	-	-
Zhang C <sup>2</sup>	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>183,469</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>183,469</b>		

1. Mr Davies' services as Managing Director were provided by Fairstone for which the Company was charged \$183,469 (ex GST). Mr Davies is a Director and shareholder of Fairstone.
2. No non-executive director fees were payable for the year ended 30 June 2014.

Long term benefits and termination benefits for the year were nil (2014: nil).

### Service Agreements

#### Warwick Davies

Mr Davies is an Executive Director and as Managing Director, is responsible for the day-to-day operations of the Consolidated Entity. The Consolidated Entity has an agreement with Fairstone Holdings Pty Ltd\* to provide the management services of Mr Davies to the Company in relation to its corporate activities on normal commercial terms and conditions, which are detailed as follows:

Terms of Agreement	Remuneration excluding GST	Termination benefit
Agreement commenced 31 August 2011 for 3 years, extended to 31 March 2016	\$172,800 for 216 business days, per annum plus \$100 per hour there-after.	3 months notice

\*Mr Davies is a Director and shareholder of Fairstone Holdings Pty Ltd

During the year, the service agreement was extended to 31 March 2016. All other term and conditions contained in the service agreement were unchanged. No superannuation or annual leave is payable.

### Details of share based compensation and bonuses

During the year ended 30 June 2015, no remuneration options or incentive options were granted, vested, exercised or lapsed. For the year ending 30 June 2015, the Company had no remuneration options or incentive options.

During the year ended 30 June 2014, no remuneration options or incentive options were granted, vested, exercised or lapsed. For the year ending 30 June 2014, the Company had no remuneration options or incentive options.

## DIRECTORS' REPORT (continued)



### Additional disclosures relating to options and shares

#### Option holdings of key management personnel <sup>1</sup>

30 June 2015	Balance 1 July 2014	Balance at date of appointment	Received as remuneration	Options exercised	Net change other	Balance 30 June 2015
<b>Directors</b>						
W Davies	1,912,969	-	-	(1,291,875)	(621,094)	-
W Mackenzie	-	-	-	-	-	-
Zhang C	206,910,706	-	-	(206,910,706)	-	-
<b>Totals</b>	<b>208,823,675</b>	<b>-</b>	<b>-</b>	<b>(208,202,581)</b>	<b>(621,094)</b>	<b>-</b>

Note 1: Includes options held directly, indirectly and beneficially by key management personnel.

#### Share holdings of key management personnel <sup>1</sup>

30 June 2015	Balance 1 July 2014	Balance at date of appointment	Received as remuneration	Options exercised	Net change other	Balance 30 June 2015
<b>Directors</b>						
W Davies	22,955,625	-	19,106,333	1,291,875	-	43,353,833
W Mackenzie	-	-	15,220,705	-	-	15,220,705
Zhang C	1,171,026,986	-	-	206,910,706	-	1,377,937,692
<b>Totals</b>	<b>1,193,982,611</b>	<b>-</b>	<b>34,327,038</b>	<b>208,202,581</b>	<b>-</b>	<b>1,436,512,230</b>

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

### Loans to key management personnel or Directors

There were no loans to key management personnel or Directors in either the years ending 30 June 2014 or 30 June 2015.

### Other transactions with key management personnel or Directors

Non-Executive Director Mr Zhang is the Managing Director of Sinom (Hong Kong) Limited (**Sinom**). The following transactions took place with Sinom during the year:

#### Unsecured loan

On 31 July 2014, the Company entered into a Funding Agreement with Sinom for an amount of \$500,000. This loan was interest free and unsecured and was repaid in full on 18 February 2015.

On 4 June 2015, the Company entered into a Funding Agreement with Sinom for an amount of \$500,000. This loan was interest free and unsecured and is repayable on or before 31 October 2015. The Company drew down \$300,000 on 4 June 2015, with a further draw down of \$200,000 subsequent to year end on 1 July 2015.

#### Convertible notes

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

The key terms of the Convertible Notes are:

- a conversion price of \$0.02;
- the Convertible Note is interest free and unsecured; and
- a maturity date of 2 years after the date of the Deed i.e. 14 October 2016.

RMC shareholders approved the issue of the Convertible Notes at the Annual General Meeting on 26 November 2014 and the Convertible Notes were subscribed for during the period.

At the end of the reporting period, the following aggregate amounts were recognised in relation to the above transactions:

	2015 \$	2014 \$
Current liabilities – unsecured loan	300,000	-
Non current liabilities – convertible notes	1,571,263	-

## DIRECTORS' REPORT (continued)



Other than what is detailed in the remuneration report, there were no other transactions with key management personnel or Directors in either the years ending 30 June 2014 or 30 June 2015.

*This is the end of audited remuneration report.*

### SHARE OPTIONS

#### Listed and Unlisted Options

As at the date of this report, there are no listed or unlisted options over unissued ordinary shares in the Resource Mining Corporation Limited.

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

During the financial year, the Company has given an indemnity or entered into an agreement to indemnify or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. In accordance with the confidentially clause under the insurance policy, the amount of the premium paid to the insurers and the limit of indemnity has not been disclosed. This is permitted under section 300(a) of the *Corporations Act 2001*.

### INDEMNIFICATION OF AUDITORS

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

### PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of the Court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

### AUDITOR

BDO Audit (WA) Pty Ltd was appointed auditors in November 2012 in accordance with section 327 of the *Corporations Act 2001*.

### NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no fees for non-audit services paid/payable to the external auditors during the year ended 30 June 2015.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration has been received for the year ended 30 June 2015 and commences on page 56.

Signed in accordance with a resolution of the Directors' and on behalf of the Directors

A handwritten signature in black ink, appearing to read 'Warwick Davies'.

Warwick Davies  
Managing Director  
Dated at Perth 29<sup>th</sup> day of September 2015.



## APPROACH TO CORPORATE GOVERNANCE

Resource Mining Corporation Limited (**Company**) is committed to conducting its business in accordance with corporate governance standards. The Board has established a corporate governance framework, including corporate governance policies, procedures and charters to support this commitment. The framework is reviewed and revised, where necessary, in response to changes in law, corporate governance developments or the Company's operations to ensure that the Company continues to develop, maintain and improve its governance practices.

As a listed entity, the Company must comply with the Corporations Act 2001 (Cth) (**Corporations Act**) and the Australian Securities Exchange Listing Rules (**ASX Listing Rules**) and report against the ASX Corporate Governance Council's Principles and Recommendations 3<sup>rd</sup> Edition (**ASX Principles**).

This Corporate Governance Statement aims to disclose, in summary form, as required by the ASX Listing Rules, the extent to which the Company has followed the ASX Principles during the year ended 30 June 2015 (**Reporting Period**).

The Company's corporate governance principles and policies are therefore structured as follows:

1. Lay solid foundations for management and oversight;
2. Structure the Board to add value;
3. Act ethically and responsibly;
4. Safeguard integrity in corporate reporting;
5. Make timely and balanced disclosure;
6. Respect the rights of security holders;
7. Recognise and manage risk; and
8. Remunerate fairly

## COMPLIANCE WITH THE ASX PRINCIPLES

Details of the Company's compliance with the ASX Principles are set out below.

The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark, and relevant in the context of its business activities, operations, size and stage of development as a listed exploration company, for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at <http://www.resmin.com.au/investors/corporate-governance>, under the section marked "Investors", "Corporate Governance":

### Charters

- Board
- Audit Committee
- Nomination Committee
- Remuneration Committee

### Policies and Procedures

- Policy and Procedure for Selection and (Re)Appointment of Directors
- Process for Performance Evaluation
- Policy on Assessing the Independence of Directors
- Diversity Policy
- Policy for Trading in Company Securities
- Code of Conduct (summary)
- Whistleblower Policy (summary)
- Policy on Continuous Disclosure (summary)
- Compliance Procedures (summary)
- Procedure for the Selection, Appointment and Rotation of External Auditor
- Shareholder Communication Policy
- Risk Management Policy (summary)

### RESPONSIBILITIES OF THE BOARD

The Company has established the functions reserved to the Board, and those delegated to Senior Management and has set out these functions in its Board Charter, which is disclosed on the Company's website.

The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, including approving the annual budget, engaging appropriate management personnel commensurate with the Company's structure and objectives, monitoring, reviewing the development and implementation of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

Responsibility for management of the Company's operations and activities and ensuring the implementation of policies and strategy set by the Board, is delegated to the Managing Director. This responsibility is subject to a delegation of authority, and matters beyond the scope of the delegation of authority require Board approval.

Senior Management are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board. Senior Management are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, directly to the Chairman or the lead independent director, as appropriate.

The Board's composition and size, combined with the small number of Company personnel enables frequent and dynamic engagement and information transfer between the Managing Director and directors, and between directors. These channels of communication ensure that the Board has or is able to readily access information to enable it to efficiently address issues and matters that in other organisations due to their size and structure may be delegated to committees.

The Board has sufficient understanding of the Company's operations to enable it to provide input into material decisions to ensure compliance with the principles of good corporate governance.

### APPOINTMENT OF DIRECTORS

The Company's policy is that full checks should be conducted on all potential directors. These include a check on the person's character, experience, education, criminal record and bankruptcy history. All potential directors are required to provide their consent to such checks being performed. No new directors were appointed to the Board during this Reporting Period.

Biographical details, including relevant qualifications and experience and the skills each director brings to the Board are detailed on the Company's website and on page 10-11 of this report.

Directors and senior executives are aware of their roles and responsibilities and the Company's expectations of them. The Board provides a letter of appointment that contains the terms on which each Non-Executive director is appointed, their role and responsibilities including the basis on which they will be indemnified. Upon commencement with the Company senior executives are required to enter into a written agreement with the Company by way of either a letter of appointment or a service contract.

The appointment and removal of the Company Secretary is a decision of the Board. The Company Secretary is responsible and accountable to the Board, through the Chairman on all matters to do with the proper functioning of the Board. This is reflected in the Company's Secretary's letter of appointment and their reporting lines. There is communication between the Chairman, Managing Director and the Company Secretary on corporate governance matters.

### DIVERSITY

The Company has a Diversity Policy. The Diversity Policy provides that the Board may establish measurable objectives for achieving gender diversity. If established, the Board will assess annually both the objectives and progress towards achieving them. The Board has not set measurable objectives for achieving gender diversity. The Board is committed to actively supporting and managing diversity as a means of enhancing the Company's performance by recognising and utilising the contribution of diverse skills and talent from its Directors, officers, employees and consultants. However, at this stage of the Company's operations and the Company's small number of employees, the Board has determined that no specific measurable objectives will be established. The Board will review this position as the Company's circumstances change.

## CORPORATE GOVERNANCE STATEMENT (continued)



The proportion of women employees in the whole organisation, women in senior executive positions in the Company and women on the Board as at 30 June 2015 are set out in the following table:

	Female		Male	
	No.	%	No.	%
Employees in whole organisation	2	100%	-	-
Senior Executive positions	2	50%	2	50%
Board *	-	-	3	100%

The Managing Director has been included in the Board category and the senior executive category. Senior executives are defined as those whose role has a professional and educational speciality and associated requirements.

The Company's Diversity Policy is disclosed on the Company's website.

### REVIEW OF BOARD PERFORMANCE

The Chairman is responsible for the evaluation of the Board and, when deemed appropriate, individual directors. The evaluation of the Board and individual directors comprise informal discussions on an ongoing basis with the Chairman.

During the Reporting Period an evaluation of the Board and individual Directors took place in accordance with the process disclosed.

The Company's Process for Performance Evaluation is disclosed on the Company's website.

### EVALUATION OF PERFORMANCE OF MANAGING DIRECTOR AND SENIOR EXECUTIVES

The Managing Director is responsible for evaluating the performance of all personnel, including senior management. The evaluation of senior executives comprises an interview process, on either a formal or informal basis, which occurs annually or more frequently, as required and may take place as part of the annual salary review under those senior executives' employment or service contracts. A review of senior executives occurred during the Reporting Period in accordance with the process disclosed.

The Chairman is responsible for evaluating the Managing Director. The evaluation of the Managing Director comprises an informal interview process with the Chairman which occurs annually, or more frequently at the Chairman's discretion. The Managing Director's performance is reviewed against his role description and responsibilities as set out in his service contract with the Company.

During the Reporting Period, an evaluation of the Managing Director took place in accordance with process disclosed.

### STRUCTURE THE BOARD TO ADD VALUE

The Board comprises three members, William Mackenzie, Zhang Chi and Warwick Davies. William Mackenzie is the independent Chairman of the Board.

The Board considers the existing structure remains appropriate for the Company, in its current circumstance, stage of development and operations.

### NOMINATION COMMITTEE

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.

The Board has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Nomination Committee.

The Board did not officially convene as a Nomination Committee during the Reporting Period, however nomination related matters were discussed and addressed by the directors from time to time during each year, as required.

The Company's Nomination Committee Charter is disclosed on the Company's website.

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent Directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. An election of Directors is held each year. Each Director other than the Managing Director, must not hold office (without re-election) past the third Annual General Meeting (**AGM**) of the Company following the Director's appointment or three years following that Director's last election or appointment (whichever is the longer). However, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next AGM of the Company. At each AGM a minimum of one Director or one third of the total number of Directors must resign. A Director who retires at an AGM is eligible for re-election at that meeting. Re-appointment of Directors is not automatic.

The Company's Policy and Procedure for the Selection and (Re)Appointment of Directors is disclosed on the Company's website.

## SKILLS, EXPERIENCE AND EXPERTISE OF DIRECTORS

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report on pages 10-11.

The Company recently formalised a process to assist in identifying areas of focus and with the aim of mapping an appropriate mix of skills, experience and expertise which in the Board's opinion should be represented on the Board to enable it to continue to effectively meet the Company's strategic needs.

The mix of skills and diversity for which the Board is looking to achieve in membership of the Board is a majority of independent directors, with resources industry experience, and in particular operational processing and management experience in foreign jurisdictions, general corporate and commercial, marketing and investor relations experience, and a level of expertise and experience in industrial, regulatory and governmental relations both in Australia and in Papua New Guinea. The qualifications and experience the Board continues to consider to be particularly relevant to the Company are in the areas of legal, finance (i.e. audit, taxation), mining exploration and overseas operations, investor relations, regulatory affairs, business development, human resources, technology and environment and sustainability.

The table below details the collective skills of the current Board and will be utilised in the selection process for nominees for any future candidates for the Board and for purposes of Board self- assessment. The current collective experience, skills and attributes of the Board will be reviewed in conjunction with material changes to the Company's operating requirements and strategy.

Summary of collective experience, skills and attributes of the Board
<b>Experience</b>
Resource industry including exploration and mining development and operations
Executive management, strategy and leadership
International global commercial experience
Financial, tax and accounting services experience
Marketing
<b>Skills and attributes</b>
Engineering, project delivery
Community and stakeholder engagement and investor relations
Operational Business Development
Corporate Governance, risk management and regulatory

The Board is of the view that current Board possesses an appropriate mix of skills, experience and knowledge to enable the Board to discharge its responsibilities and deliver on corporate objectives and governance. No new directors were appointed during the Reporting Period.

### INDEPENDENCE

The Board does not have a majority of directors who are independent. The Company has continued to find that given the combination of its current positioning, operations and financial climate it has remained difficult to both attract and to recommend the appointment of additional directors. During the Reporting Period, the Board continued to review its structure and composition, including the balance of independence on the Board and considers that it is appropriately structured to discharge its duties in a manner that achieves the objectives of the Company. The Board remains committed to appointing additional director/s to the Board, when optimal circumstances prevail.

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the ASX Principles and the Company's materiality thresholds. The Board has agreed on the following guidelines, as set out in the Company's Board Charter for assessing the materiality of matters:

- Statement of Financial Position items are material if they have a value of more than 10% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on Statement of Financial Position or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost which triggers any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

The sole independent director of the Company, and independent Chairman of the Board is William Mackenzie. The non-independent directors of the Company are Warwick Davies and Zhang Chi. The Managing Director is Warwick Davies who is not Chairman of the Board.

The Company has at all times maintained a separation between the roles of the Chairman and the Managing Director. The day to day management of the Company is overseen by the Managing Director.

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chairman for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

### PROFESSIONAL DEVELOPMENT AND INDUCTION

The Company does not currently have a program for the induction of new directors. It is envisaged that any induction program developed would cover all aspects of the Company's operations so as to ensure that new directors are able to fulfil their responsibilities and contribute to Board decisions. No new directors were appointed during the Reporting Period.

The Company provides or makes available resources for directors to develop and maintain their skills and knowledge they consider are necessary to perform their role as directors. This includes ongoing in-house briefings on relevant accounting standards, seminar, conference and course attendance and undertaking structured continuing education.

### ETHICAL AND RESPONSIBLE DECISION MAKING

The Company's governance policies and procedures incorporate all the recommendations in relation to this principle.

Directors, officers and employees in addition to their legal obligations must maintain high ethical standards in their dealings with the public and other members of the industry.

### CODE OF CONDUCT

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.



The Board has also adopted a Whistleblower Policy. The aim of the policy is to ensure that directors, officers and employees comply with the Company's Code of Conduct. The policy encourages reporting of violations (or suspected violations) and provides effective protection to those reporting by implementing systems for confidentiality and report handling.

A summary of the Company's Code of Conduct and Whistleblower Policy are disclosed on the Company's website.

### AUDIT COMMITTEE

The Board has not established a separate Audit Committee and accordingly, does not meet the requirements of ASX Principle Recommendation 4.1. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee. Accordingly, the Board performs the role of Audit Committee. The Company has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Board in its capacity as the Audit Committee. When the Board convenes as the Audit Committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit Committee by ensuring that any director with conflicting interests is not party to the relevant discussions.

The Board in its capacity as the Audit Committee held two meetings during the Reporting Period. Details of attendance at the Audit Committee meetings are set out in the Directors report on page 12.

Details of each of the director's qualifications are set out in the Directors' Report on pages 10-11. All of the directors consider themselves to be financially literate and have relevant industry experience or exposure. Mr Zhang has a degree in economics and has worked in accounting and finance.

The Company has established a Procedure for the Selection, Appointment and Rotation of External Auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) with particular emphasis on the scope and quality of the audit and any recommendations are made to the Board.

The Company's Audit Committee Charter and Procedure for Selection, Appointment and Rotation of External Auditor are disclosed on the Company's website.

### s295A Corporations Act Declaration

The Managing Director and Manager-Corporate are required to make and provide a declaration to the Board in accordance with section 295A of the Corporations Act that, in their opinion, the financial records of the Company have been properly maintained and that the Company's financial reports comply with the appropriate accounting standards and present a true and fair view of the Company's financial position and performance and provide assurance to the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

These declarations have been provided in relation to the Company's Financial Statements for the year ended 30 June 2015.

### External Auditor's Attendance at the AGM

The Board takes measures to ensure that a representative of the external auditor of the Company attends the AGM to enable shareholders to ask them any questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

The Board is aware of its obligations to ensure the appropriate selection and rotation of external auditors and the external audit engagement partners and monitors and reviews the engagement of the Company's external auditors.

### TIMELY AND BALANCED DISCLOSURE

#### Continuous Disclosure

The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rules disclosure requirements and accountability at a senior executive level for that compliance.

The Board remains conscious of the Company's disclosure obligations under the Corporations Act, ASX Listing Rules and the ASIC Guidance Principles.

A summary of the Company's Policy on Continuous Disclosure and Compliance Procedures are disclosed on the Company's website.

### Shareholder Communication

The Company communicates with shareholders via a variety of ways, and endeavours to ensure that they are provided with sufficient information to assess the activities and performance of the Company to make informed investment decisions. The Company maintains recent ASX announcements and general company information on its website which has a dedicated investor relations section which is accessible to the public.

All security holders have the option to receive communications from, and send communications to, the Company or its registry electronically and are able to register via the website to receive ASX Announcements and official company news direct to their inbox.

The website includes a link to the Company's registry, Computershare via which investors can access their account information, update their details, including their instructions as to how they would like to communicate with us.

Podcasts of presentations made on behalf of the Company at conferences etc. are available for a reasonable period on the website.

Copies of presentations made at the AGM are released to the ASX and posted on the Company's website. A summary of the outcomes of the voting on items of business are released to the ASX and posted to the Company's website as soon as they are available following the completion of the meeting.

The Company is in the process of completing a comprehensive review of its website, which it envisages should be completed by the end of 2015.

### Investor Relations Program

The Company does not have a formalised investor relations program but endeavours to promote effective communication with shareholders and takes appropriate measures to encourage shareholder participation at general meetings. Given the Company's current circumstances, it is considered that this approach remains effective and efficient.

At the AGM senior management, including the Managing Director and Manager–Corporate are present and available to answer questions. The external auditor attends the AGM and is also available to answer questions.

Directors and senior management actively engage with security holders at the AGM and the Managing Director when reasonably requested by a shareholder will meet with or facilitate information sharing by way regular telephone discussions, respond to written requests to assist the shareholders understanding of Company's business or operations or express their thoughts on the Company and its operations.

The Company's Shareholder Communication Policy is disclosed on the Company's website.

### RECOGNISE AND MANAGE RISK

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Pursuant to this policy, the Board is responsible for: approving the Company's policies on risk oversight, and management, and satisfying itself that management has developed and implemented a sound system of risk management and internal control. The Board has not established a separate Risk Committee to oversee risk. Given the current size and composition of the Board and the Company, the Board believes that there would be no efficiencies gain by establishing a separate committee.

The Board delegates day to day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may (with the prior approval of the Board) obtain independent expert advice on any matter they believe appropriate.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and

- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

The Company continually develops and enhances its systems and procedures to manage its business risks. The system includes identification by management of the Company's material business risks and risk management strategies for those risks, and identification of the risk level, their likelihood and their consequences. The process of management of material business risks has been allocated to the Managing Director.

The Board requires management to design, implement and maintain a risk management framework and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed

The risk register is reviewed by the Board annually, and updated as required. During the Reporting Period the Board did not undertake a formal review the risk management framework of the Company. However, during the Reporting Period the Managing Director has provided updates to directors on the material business risks and other risks in accordance with the risk appetite conveyed by the Board. Management has commenced a detailed review of the risk register which is being compiled for presentation to the Board in quarter one 2016. The categories of risks that may be reported on as part of the Company's systems and processes for managing material business risks are: operational; financial reporting; sovereign risk and market-related risks.

A summary of the Company's Risk Management Policy is disclosed on the Company's website.

The Company does not have a formal internal audit function. The Audit Committee monitors the need for an internal audit function having regard to the size, geographic location and complexity of the Company's operations. Management periodically undertakes an internal review of financial transactions, processes and systems.

The Company values economic, environmental and social sustainability within the areas which it operates. In order to mitigate any material exposure to economic, environmental and social sustainability risks, the Board has oversight of risk management.

During the year, the Company identified and addressed the following as material risks relating to economic, environmental and social sustainability:

- Nickel price volatility and currency conversion fluctuations in Australian dollars and Papua New Guinea kina are affected by many factors beyond the control of the Company. Management regularly monitor the movements in the commodities market.
- The Company is committed to maintaining a high standard of health, safety and environmental management and reporting, as well as conducting its business in a manner that prevents injury or illness to employees, contractors and the community within which it operates. The Company has policies, process and procedures in place to mitigate such risk.
- The Company's Wowo Gap Nickel Laterite Project (**Project**) in Papua New Guinea is subject to the risk associated with operating in foreign countries such as economic, social or political change and instability. The Company monitors these ongoing risks, and maintains government and community relations in Papua New Guinea. In addition the Company endeavours to conduct the Project with a view to positively affecting the people, community and environments in which it operates.

## REMUNERATE FAIRLY AND RESPONSIBLY

### Remuneration Committee

The Board has not established a separate Remuneration Committee and accordingly, it is not structured in accordance with ASX Principle Recommendation 8.1. Given the current size and composition of the Company and operation and financial affairs, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated to it in the Company's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles. The Managing Director is responsible for management of staff including setting the remuneration and terms of appointment of employees and contractors. Non-Executive remuneration for the Reporting Period was determined following investigation of and analysis of market data on fees paid to directors of companies of similar size and industry, and discussion with director/s.

The Board did not officially meet in its capacity as the Remuneration Committee.

The Board has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Remuneration Committee.

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report and commences on page 13.

The Managing Director is responsible for management of staff including determining the remuneration, appointment of employees and contractors. The Company's policy on remuneration clearly distinguishes the structure of Non-Executive Directors' remuneration from that of executive Directors and senior executives. The remuneration of Non-Executive Directors is set by reference to payments made by other companies of similar size and industry, and by reference to the Director's skills and experience, and for the Reporting Period included a consideration of the financial restrictions place on the Company. Given the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options to Non-Executive Directors, subject to obtaining the relevant approvals. The Remuneration Policy is subject to annual review. All of the Directors' option holdings are fully disclosed. The maximum aggregate amount of fees (including superannuation payments) that can be paid to Non-Executive Directors is subject to approval by shareholders at general meeting.

Executive pay and rewards may consist of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed to ensure market competitiveness.

There are no termination or retirement benefits for Non-Executive Directors (other than for superannuation).

The Company's Remuneration Committee Charter includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

The Company's Remuneration Committee Charter is disclosed on the Company's website.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
for the year ended 30 June 2015**



	<b>Note</b>	<b>Consolidated Entity</b>	
		<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	2	7,613	35,264
Corporate expenses	3(a)	(246,882)	(270,475)
Employee and consulting fees	3(b)	(522,602)	(266,366)
Administration and other expenses	3(c)	(238,585)	(189,883)
Borrowing costs	3(d)	(154,070)	(438)
Depreciation		(6,088)	(6,357)
Exploration expenditure and project costs		(85,876)	(125,218)
Impairment expenses		-	(311,060)
Research and development expenditure		-	(74,576)
<b>LOSS BEFORE INCOME TAX</b>		<b>(1,246,490)</b>	<b>(1,209,109)</b>
<b>INCOME TAX BENEFIT / (EXPENSE)</b>	5	169,498	(287,990)
<b>LOSS AFTER INCOME TAX FOR THE YEAR</b>		<b>(1,076,992)</b>	<b>(1,497,099)</b>
<b>OTHER COMPREHENSIVE PROFIT / (LOSS)</b>			
<i>Items that maybe re-classified to profit and loss</i>			
Exchange translation difference		885,327	(1,167,422)
<b>OTHER COMPREHENSIVE PROFIT / (LOSS)</b>		<b>885,327</b>	<b>(1,167,422)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(191,665)</b>	<b>(2,664,521)</b>
<b>LOSS PER SHARE FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF RESOURCE MINING CORPORATION LIMITED</b>			
Basic and diluted loss per share (cents per share)	4	(0.04)	(0.06)

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



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2015



	Note	Consolidated Entity	
		2015	2014
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	131,447	184,771
Trade and other current assets	7	61,791	72,182
<b>Total Current Assets</b>		<b>193,238</b>	<b>256,953</b>
<b>NON CURRENT ASSETS</b>			
Plant and equipment	8	239,605	52,879
Mineral exploration and evaluation	9	13,637,826	10,419,661
<b>Total Non-Current Assets</b>		<b>13,877,431</b>	<b>10,472,540</b>
<b>TOTAL ASSETS</b>		<b>14,070,669</b>	<b>10,729,493</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	317,745	144,620
Provisions	11	39,613	291,298
Interest bearing liabilities	12	5,016	-
Non-interest bearing liabilities	13	300,000	-
<b>Total Current Liabilities</b>		<b>662,374</b>	<b>435,918</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	14,408	15,689
Non-interest bearing liabilities	13	1,571,263	-
<b>Total Non-Current Liabilities</b>		<b>1,585,671</b>	<b>15,689</b>
<b>TOTAL LIABILITIES</b>		<b>2,248,045</b>	<b>451,607</b>
<b>NET ASSETS</b>		<b>11,822,624</b>	<b>10,277,886</b>
<b>EQUITY</b>			
Issued capital	14	63,283,155	61,942,247
Accumulated losses	15	(53,288,010)	(52,211,018)
Reserves	16	1,827,479	546,657
<b>TOTAL EQUITY</b>		<b>11,822,624</b>	<b>10,277,886</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 June 2015**



Consolidated Entity	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Convertible Notes Reserve	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2015</b>					
Balance at 1 July 2014	61,942,247	(52,211,018)	546,657	-	10,277,886
Loss for the year	-	(1,076,992)	-	-	(1,076,992)
Other comprehensive income for the year	-	-	885,327	-	885,327
<b>Total comprehensive income / (loss) for the year</b>	<b>-</b>	<b>(1,076,992)</b>	<b>885,327</b>	<b>-</b>	<b>(191,665)</b>
<i>Equity component of Convertible Notes</i>	-	-	-	564,993	564,993
<i>Deferred tax on Convertible Notes</i>	-	-	-	(169,498)	(169,498)
<b>Transactions with owners in their capacity as owners</b>					
Shares issued on exercise of options	1,249,522	-	-	-	1,249,522
Shares issued in lieu of directors fees	91,386	-	-	-	91,386
<b>Balance at 30 June 2015</b>	<b>63,283,155</b>	<b>(53,288,010)</b>	<b>1,431,984</b>	<b>395,495</b>	<b>11,822,624</b>

Consolidated Entity	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Convertible Notes Reserve	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2014</b>					
Balance at 1 July 2013	61,942,247	(50,713,919)	1,714,079	-	12,942,407
Loss for the year	-	(1,497,099)	-	-	(1,497,099)
Other comprehensive loss for the year	-	-	(1,167,422)	-	(1,167,422)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(1,497,099)</b>	<b>(1,167,422)</b>	<b>-</b>	<b>(2,664,521)</b>
<b>Transactions with owners in their capacity as owners</b>					
<b>Balance at 30 June 2014</b>	<b>61,942,247</b>	<b>(52,211,018)</b>	<b>546,657</b>	<b>-</b>	<b>10,277,886</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2015



	Note	Consolidated Entity	
		2015	2014
		\$	\$
<b>CASH FLOWS FROM OPERATION ACTIVITIES</b>			
Payments to suppliers and employees		(991,385)	(754,171)
Interest income received		5,755	38,607
Other income received		1,364	4,165
Interest expense paid		-	(438)
Government grant received		-	55,000
Research and development expenditure		-	(120,501)
Research and development tax concession		-	123,599
Tax paid		(150,000)	-
<b>Net Cash Utilised In Operating Activities</b>	22	<b>(1,134,265)</b>	<b>(653,739)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for exploration expenditure		(2,258,917)	(851,918)
Proceeds from sale of tenements		-	10,000
Payment for other fixed assets		(214,526)	(9,447)
Proceeds from sale of other fixed assets		978	-
<b>Net Cash Utilised In Investing Activities</b>		<b>(2,472,465)</b>	<b>(851,365)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share issues		1,249,522	-
Proceeds from borrowings		2,800,000	-
Repayment of borrowings		(500,000)	(16,740)
<b>Net Cash From / (Utilised In) from Financing Activities</b>		<b>3,549,522</b>	<b>(16,740)</b>
Net decrease in cash and cash equivalents		(57,209)	(1,521,844)
Cash and cash equivalents at beginning of the year		184,771	1,730,283
Effect of exchange rate changes on cash and cash equivalents		3,885	(23,668)
<b>Cash and cash equivalents at the end of the year</b>	6	<b>131,447</b>	<b>184,771</b>

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

## **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

These consolidated statements and notes represent those of Resource Mining Corporation Limited ("**Company**") and controlled entities (the "**Consolidated Entity**"). Resource Mining Corporation Limited is a listed public company, incorporated and domiciled in Australia.

The financial report was authorised for issue on 29 September 2015 by the Board of Directors.

### **Basis of Preparation and Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Consolidated Entity is a for profit entity for financial reporting purposes under Australian Accounting Standards. The financial report has also been prepared on a historical cost basis.

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied to all years presented, unless otherwise stated.

The consolidated financial statements are presented in Australian dollars, which is also the Consolidated Entity's functional currency.

### **Statement of Compliance**

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

### **Going Concern**

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

The Consolidated Entity has incurred a net loss after tax of \$1,076,992 (2014: \$1,497,099) and experienced net cash outflows from operations of \$1,134,265 (2014 outflow: \$653,739) for the year ended 30 June 2015.

The Directors are satisfied that the going concern basis of preparation is appropriate. Given the Consolidated Entity's history of successful capital raising to date, the Directors are confident of the Consolidated Entity's ability to raise additional funds as required and to meet the expenditure commitments of tenement leases held.

Notwithstanding the above, the ability of the Consolidated Entity to continue as a going concern is dependent upon the future successful raising of funding through equity or other available forms of funding. However, if the Consolidated Entity is unable to achieve the above, there is material uncertainty that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

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

### **New and Amended Accounting Standards and Interpretations**

From 1 July 2014, the Consolidated Entity has adopted all Standards and Interpretations mandatory for annual periods beginning 1 July 2014. Adoption of these Standards and Interpretations did not have any effect on the financial position or the performance of the Consolidated Entity.

#### ***New Standards issued but not yet effective***

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2015 reporting periods and have not been early adopted by the Consolidated Entity. The Consolidated Entity's assessment of the impact of these new standards and interpretations is set out below.

**NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS (continued)  
for the year ended 30 June 2015**



**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on Group Accounting Policies
AASB 9 (issued Dec 2014)	Financial Instruments	<p><b>Classification and measurement</b> AASB 9 amends the classification and measurement of financial assets:</p> <ul style="list-style-type: none"> <li>Financial assets will either be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).</li> <li>Financial assets are measured at amortised cost or FVTOCI if certain restrictive conditions are met. All other financial assets are measured at FVTPL.</li> </ul> <p>All investments in equity instruments will be measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in OCI. Dividends will be recognised in profit or loss.</p> <p>The following requirements have generally been carried forward unchanged from AASB 139 <i>Financial Instruments: Recognition and Measurement</i> into AASB 9:</p> <ul style="list-style-type: none"> <li>Classification and measurement of financial liabilities, and</li> <li>Derecognition requirements for financial assets and liabilities.</li> </ul> <p>However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.</p> <p><b>Impairment</b> The new impairment model in AASB 9 is now based on an 'expected loss' model rather than an 'incurred loss' model. A complex three stage model applies to debt instruments at amortised cost or at fair value through other comprehensive income for recognising impairment losses. A simplified impairment model applies to trade receivables and lease receivables with maturities that are less than 12 months. For trade receivables and lease receivables with maturity longer than 12 months, entities have a choice of applying the complex three stage model or the simplified model.</p> <p><b>Hedge accounting</b> Under the new hedge accounting requirements:</p> <ul style="list-style-type: none"> <li>The 80-125% highly effective threshold has been removed</li> <li>Risk components of non-financial items can qualify for hedge accounting provided that the risk component is separately identifiable and reliably measurable</li> <li>An aggregated position (i.e. combination of a derivative and a non-derivative) can qualify for hedge accounting provided that it is managed as one risk exposure</li> </ul> <p>When entities designate the intrinsic value of options, the initial time value is deferred in OCI and subsequent changes in time value are recognised in OCI.</p> <ul style="list-style-type: none"> <li>When entities designate only the spot element of a forward contract, the forward points can be deferred in OCI and subsequent changes in forward points are recognised in OCI. Initial foreign currency basis spread can also be deferred in OCI with subsequent changes be recognised in OCI.</li> <li>Net foreign exchange cash flow positions can qualify for hedge accounting.</li> </ul>	1 Jan 2018	1 Jul 2018	Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.
AASB 15 (issued Dec 2014)	Revenue from Contracts with Customers	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. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 <i>Revenue</i> .	1 Jan 2018	1 Jul 2018	Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.

**i) Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Resource Mining Corporation Limited ("Company" or "Parent Entity") as at 30 June 2015 and the results of all subsidiaries for the year then ended. Resource Mining Corporation Limited and its subsidiaries together are referred to in these financial statements as the Consolidated Entity or Group.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

All inter-group balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position respectively.

**ii) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. The Consolidated Entity recognises revenue when the amount of revenue can be easily measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Consolidated Entity's as described below:

- Revenue from the sale of a tenement is recognised at the point of transfer of significant risks and rewards of ownership;
- Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets; and
- All revenue is stated net of the amount of Goods and Service Tax (GST).

**iii) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and less bank overdraft, if any.

**iv) Income Tax**

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowable items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary difference can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**v) Plant and Equipment**

Each class of plant and equipment is carried at cost, less where applicable, any accumulated depreciation and impairment losses.

*Plant and equipment*

Plant and equipment are measured on historical cost basis less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.



**NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS (continued)  
for the year ended 30 June 2015**



**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

*Depreciation*

The depreciable amount of all fixed assets is depreciated on a reducing balance commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Plant and Equipment	15 – 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**vi) Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. Tenement acquisition costs are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the areas, sale of the respective areas of interest or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full through the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the areas is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

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

**vii) Impairment of Assets**

At each reporting date, the Managing Director reviews the carrying values of the Consolidated Entity's tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**viii) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Consolidated Entity, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**(h) Financial Instruments**

*Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

*Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

*Classification and Subsequent Measurement*

**(i) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

**(ii) Financial Liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

*Fair value measurement*

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significant of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

**NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS (continued)  
for the year ended 30 June 2015**



**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Impairment*

At each reporting date, the Consolidated Entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

**(i) Contributed Equity**

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

**(j) Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

**(k) Trade Receivables**

Trade receivables are recognised initially at fair value, less provision for impairment. Trade receivables are generally due for settlement with 30 days. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carry amount directly.

The amount of the impairment loss is recognised in profit and loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit or loss.

**(l) Provisions**

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

**(m) Foreign Currency Transaction and Balances**

*Functional and presentation currency*

The functional currency of each of the entities in the Consolidated Entity is measured using the currency of the primary economic environment in which the entity operates. The Consolidated Entity's financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

*Transaction and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Exchange differences arising on the transaction of monetary items are recognised in the Statement of Profit or Loss and Other Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

*Controlled entities*

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of transaction.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the Statement of Financial Position. These differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which the operation is disposed of.

**(n) Share-based Payments**

The Company may operate equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

**(o) Earnings Per Share**

*(i) Basic earnings per share*

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

*(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

**(p) Critical Accounting Estimates and Judgements**

Estimates and judgements incorporated into the financial report are continually evaluated and are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity.

*(i) Impairment of assets*

The Managing Director assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

*(ii) Recoverability of exploration expenditure*

The Consolidated Entity reviews annually whether the exploration and evaluation expenditure incurred in identifiable areas of interest is expected to be recouped through the successful development of the area. In addition it reviews whether activities in the area have not yet reached a stage that permits reasonable assessment of the existence of reserves and further work is expected to be performed. All expenditure that does not meet these criteria is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

**(q) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

**(r) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office in Australia and the Internal Revenue Commission in Papua New Guinea. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses.

**NOTES TO THE CONSOLIDATED  
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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

**(s) Employee Benefits**

*(i) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits, and annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

*(ii) Other long-term employee benefit obligations*

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

**(t) Borrowings**

*(i) Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan, capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

*(ii) Compound financial instruments*

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

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

**(u) Government Grants**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.



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	<b>Consolidated Entity</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>2. REVENUE</b>		
Interest received	5,718	31,141
Other income	1,895	4,123
	<b>7,613</b>	<b>35,264</b>
<b>3. EXPENSES</b>		
<b>(a) Corporate expenses</b>		
Compliance and regulatory expenses	182,463	184,565
Legal fees	26,075	56,898
Travel and accommodation	19,729	14,457
Other	18,615	14,555
	<b>246,882</b>	<b>270,475</b>
<b>(b) Employee and consulting fees</b>		
Salaries and wages	354,296	124,546
Superannuation	50,888	16,000
Consultants	54,821	117,135
Other	12,597	8,685
Directors' fees	50,000	-
	<b>522,602</b>	<b>266,366</b>
<b>(c) Administration and other expenses</b>		
Communications and IT	23,540	14,886
Insurance	80,725	58,358
Occupancy	125,121	107,224
Other	9,200	9,415
	<b>238,585</b>	<b>189,883</b>
<b>(d) Borrowing costs</b>		
Interest accreted	152,064	-
Credit charges	2,006	438
	<b>154,070</b>	<b>438</b>
<b>4. LOSS PER SHARE</b>		
Basic and diluted loss per share (cents per share)	(0.04)	(0.06)
Loss used in the calculation of weighted average basic and diluted loss per share	(1,076,992)	(1,497,099)
	<b>Number of shares</b>	<b>Number of shares</b>
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	2,818,471,850	2,714,387,147

**Conversions or issues after 30 June 2015**

Subsequent to the financial year end, 5,707,765 ordinary shares were issued in satisfaction of the \$11,415 non-executive directors' fees payable to the Chairman, William Mackenzie for the period 1 April 2015 – 30 June 2015.

There have been no other conversions to or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this report.

**NOTES TO THE CONSOLIDATED  
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**5. INCOME TAX**

**Consolidated Entity**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>The components of income tax (benefit) / expense comprise:</b>		
Current income tax (benefit) / expense	-	-
Adjustments in respect of previous current income tax	-	287,990
Deferred income tax benefit	(169,498)	-
Income tax (benefit) / expense reported in the consolidated statement of profit or loss and other comprehensive income	<b>(169,498)</b>	<b>287,990</b>

A reconciliation of income tax (benefit) / expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate is as follows:

Accounting loss before tax	(1,246,490)	(1,209,109)
At the statutory income tax rate of 30%	(373,947)	(362,733)
Add:		
Non-assessable non-exempt related expenditure (income)	41,507	29,710
Non deductible expenses	45	-
Temporary difference and losses not recognised	168,634	354,545
Adjustments in respect of previous current income tax	-	287,990
Less:		
Tax amortisation of capital raising costs	(5,737)	(21,522)
Income tax (benefit) / expense reported in the consolidated statement of profit or loss and other comprehensive income	<b>(169,498)</b>	<b>287,990</b>

**Tax Consolidation**

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

**Tax effect accounting by members of the tax consolidated group**

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

In this regard the Company has assumed the benefit of tax losses from controlled entities of \$2,146 (2014:\$57,641) as of reporting date. The nature of the tax funding agreement is such that no tax consolidation contributions by or distributions to equity participants is required.

**Unrecognised deferred tax assets / (liabilities):**

Deferred assets /(liabilities) have not been recognised in respect of the following items:

Prepayments	-	(1,335)
Trade and other payables	9,599	6,180
Employee benefits	14,633	5,334
Business Related costs	10,415	31,400
Convertible note	(128,621)	-
Capital losses	465,432	465,432
Tax losses	5,939,084	5,507,150
	<b>6,310,542</b>	<b>6,014,161</b>

The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

**NOTES TO THE CONSOLIDATED  
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<b>6. CASH AND CASH EQUIVALENTS</b>	<b>Consolidated Entity</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	127,350	181,035
Deposits at call	4,097	3,736
	<b>131,447</b>	<b>184,771</b>

*Cash not available for use*

There is a lien over deposit at call of \$4,097 (\$8,422 Kina) to secure a Bank Guarantee of \$2,432 (\$5,000 Kina) to the Department of Minerals (now Mineral Resources Authority (MRA)) in Papua New Guinea.

Refer to Note 21 for further information on financial Instruments.

**7. TRADE RECEIVABLES AND OTHER CURRENT ASSETS**

**Current**

GST receivables	24,298	25,355
Prepayments	34,889	46,706
Other	2,604	121
	<b>61,791</b>	<b>72,182</b>

**Fair Value and credit risk**

Due to the short term nature of current receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of the receivables. Collateral is not held as security.

As at 30 June 2015, the ageing analysis of receivables is as follows:

	<b>Total</b>	<b>Neither past due nor impaired</b>	<b>Past due but not impaired</b>		
			<b>61-90 days</b>	<b>91-120 days</b>	<b>&gt;120 days</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
2015	26,903	22,315	506	85	3,997
2014	25,477	25,477	-	-	-

**Foreign exchange and interest rate risk**

Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 21.

**8. PLANT AND EQUIPMENT**

Cost	382,111	162,096
Accumulated depreciation	(142,506)	(109,217)
	<b>239,605</b>	<b>52,879</b>
Movement in carrying amounts:		
Opening balance	52,879	62,500
Additions	214,526	9,211
Disposals	(867)	-
Written off	-	(411)
Written off capitalised – exploration	-	(696)
Foreign exchange adjustment	2,415	(3,811)
Depreciation expense	(6,088)	(6,357)
Depreciation expense capitalised – exploration costs	(23,260)	(7,057)
<b>Closing balance</b>	<b>239,605</b>	<b>52,879</b>

**NOTES TO THE CONSOLIDATED  
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9. MINERAL EXPLORATION AND EVALUATION	Consolidated Entity	
	2015	2014
	\$	\$
Opening balance	10,419,661	11,190,189
Expenditure during the year	2,298,651	734,661
Exploration expenditure written off	-	(311,060)
Foreign exchange adjustment	919,514	(1,144,129)
Government Grant	-	(50,000)
<b>Closing balance</b>	<b>13,637,826</b>	<b>10,419,661</b>

The ultimate recoupment of exploration expenditure carried forward is dependent upon successful development and commercial exploration, or sale of the respective areas.

**WOWO Gap Nickel Laterite Project – EL1165 Renewal**

EL1165, the exploration licence for the tenement with a carry value of \$13,576,354 (2014:\$ 10,391,827) was renewed for a further 2 years effective from 1 March 2014.

**10. TRADE AND OTHER PAYABLES**

Trade payables	100,318	78,072
Other payables and accruals	79,437	66,548
Australian Tax Office	137,990	-
	<b>317,745</b>	<b>144,620</b>

Trade and other payables are non-interest bearing and are normally settled on 30 day terms (or less).

*Australian Taxation Office*

The Company submitted an amendment to the 2011/2012 tax return which has resulted in the requirement of the repayment of \$287,990 in R&D tax concession benefit. During the year, \$150,000 has been repaid with the remaining balance of \$137,990 payable at reporting date. (Refer to note 11)

**Fair Value**

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

**11. PROVISIONS**

<b>Current</b>		
Employee benefits	39,613	3,308
Provision – Australian Tax Office	-	287,990
	<b>39,613</b>	<b>291,298</b>

All amounts are expected to be settled within 12 months.

<b>Non-current</b>		
Employee benefits	14,408	15,689
	<b>14,408</b>	<b>15,689</b>

All amounts are not expected to be settled within 12 months.

*Employee benefits*

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

*Australian Taxation Office*

In the prior year, the Company submitted an amendment to the 2011/2012 tax return which it is anticipated will result in the requirement of the repayment of \$287,990 in R&D tax concession benefit. (Refer to note 10)

**NOTES TO THE CONSOLIDATED  
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	Consolidated Entity	
	2015	2014
	\$	\$
<b>12. INTEREST BEARING LIABILITIES</b>		
<b>Current</b>		
Insurance premium funding	5,016	-
	<b>5,016</b>	<b>-</b>
<b>13. NON INTEREST BEARING LIABILITIES</b>		
<b>Current</b>		
Unsecured loan	300,000	-
	<b>300,000</b>	<b>-</b>
<b>Non-current</b>		
Convertible notes	1,571,263	-
	<b>1,571,263</b>	<b>-</b>

***Unsecured loan***

On 4 June 2015, the Company announced entering into a Funding Agreement ("**Agreement**") with its major shareholder Sinom (Hong Kong) Limited ("**Sinom**"). Under the terms of the Agreement, Sinom has agreed to provide the Company up to \$500,000 for general working capital purposes as an unsecured loan on the following conditions:

- Drawings
  - Tranche 1 – \$300,000 drawn down 4 June 2015;
  - Subsequent Tranche – \$200,000 drawn down subsequent to year end on 1 July 2015;
- no interest or fees are payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 October 2015.

***Convertible notes***

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

The key terms of the Convertible Notes are:

- a conversion price of \$0.02;
- the Convertible Note is interest free and unsecured; and
- a maturity date of 2 years after the date of the Deed i.e. 14 October 2016.

Sinom may at any time after the issue of the notes and up to 5 business days before the maturity date, provide the Company with a conversion notice electing to convert the notes.

The Company may, at any time after the issue of a note and prior to the maturity date, redeem a note by giving Sinom at least 3 business days written notice and re-paying the issue price to Sinom in immediately available funds. The Lender may not elect to redeem a note early and the Company is not required to redeem a note early.

Unless the notes have been converted or redeemed early, the Company must use reasonable endeavours to obtain any approvals necessary for the conversion or the issue of shares on conversion, within 3 months following the maturity date. If the approvals have not been obtained by the date 3 months after the maturity date, the notes shall become incapable of being converted into shares, and the Company shall redeem the note by paying the redemption amount to Sinom in immediately available funds at that date.

RMC shareholders approved the issue of the Convertible Notes at the Annual General Meeting on 26 November 2014 and the Convertible Notes were subscribed for during the period.

Accounting standards require the separate recognition of debt and equity components of the Convertible Notes.



**NOTES TO THE CONSOLIDATED  
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**13. NON INTEREST BEARING LIABILITIES (continued)**

At the date of recognition of the new notes, the debt and equity components of the Convertible Notes were separated according to their fair values. Total proceeds of the issue were allocated to the respective fair values of the equity and debt components with the effect that the discount on the debt component is being amortised into earnings as an interest expense.

Accordingly, over the term of the Convertible Notes, the debt component will increase to the face value of \$2 million at the maturity date of 14 October 2016. The increase in the debt component is accounted for by recognising a non-cash interest expense reflecting an effective interest rate of approximately 19% over the life of the note.

No interest is payable to the note holder.

**14. CONTRIBUTED EQUITY**

	<b>2015 No.</b>	<b>2014 No.</b>	<b>2015 \$</b>	<b>2014 \$</b>
Issued and fully paid	2,956,967,898	2,714,387,147	63,283,155	61,942,247

**Movement in ordinary share capital of the Company:**

<b>Date</b>	<b>Details</b>	<b>Number of shares No.</b>	<b>Value \$</b>
1 July 2013	Opening Balance	2,714,387,147	61,942,247
	No activity during the year		
<b>30 June 2014</b>	<b>Closing Balance</b>	<b>2,714,387,147</b>	<b>61,942,247</b>
1 July 2014	Opening Balance	2,714,387,147	61,942,247
	Issue of shares (i)	208,253,713	1,249,522
	Issue of shares (ii)	34,327,038	91,386
<b>30 June 2015</b>	<b>Closing Balance</b>	<b>2,956,967,898</b>	<b>63,283,155</b>

- (i) The following shares were issued during 2015 at \$0.006 per share upon conversion of share options:
- 11,365 on 19 November 2014
  - 29,454 on 19 January 2015
  - 10,312 on 21 January 2015
  - 1,291,875 on 28 January 2015
  - 206,910,707 on 29 January 2015
- (ii) The following shares were issued in satisfaction of non-executive director fees / fees as approved by the shareholders at the Annual General Meeting on 26 November 2014:
- On 9 December 2014, 19,106,333 shares were issued in satisfaction of the \$57,139 fees payable to Fairstone Holdings Pty Ltd for Mr Warwick Davies services as Managing Director for the period 1 July 2014 - 30 September 2014.
  - On 16 December 2014, 3,805,175 shares were issued in satisfaction of the \$11,415 non-executive director's fees payable to the Chairman, William Mackenzie for the period 1 July 2014 - 30 September 2014.
  - On 8 January 2015, 5,707,765 shares were issued in satisfaction of the \$11,415 non-executive director's fees payable to the Chairman, William Mackenzie for the period 1 October 2014 - 31 December 2014.
  - On 7 April 2015, 5,707,765 shares were issued in satisfaction of the \$11,415 non-executive director's fees payable to the Chairman, William Mackenzie for the period 1 January 2015 - 31 March 2015.

**Options as at 30 June 2015**

There are no listed options on issue as at 30 June 2015 (2014: 226,177,905 listed options exercisable at \$0.006 on or before 31 January 2015).

**Voting and dividend rights**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Capital management**

Management controls the capital of the Consolidated Entity in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Consolidated Entity can fund its operations and continue as a going concern.

**NOTES TO THE CONSOLIDATED  
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**14. CONTRIBUTED EQUITY (continued)**

The Consolidated Entity's debt and capital includes ordinary share capital, and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Consolidated Entity's capital by assessing the Consolidated Entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The Directors have considered the strategy to be adopted by management to control the capital of the Consolidated Entity during and subsequent to the reporting period. Ongoing operations will be funded by a mix of any or all of: equity, convertible debt, debt or joint ventures with third parties.

**Dividends**

The Consolidated Entity did not pay nor declare dividends in the last financial year (2014: nil).

	<b>Consolidated Entity</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>15. ACCUMULATED LOSSES</b>		
Balance at the beginning of the year	(52,211,018)	(50,713,919)
Loss for the year	(1,076,992)	(1,497,099)
<b>Balance at the end of the year</b>	<b>(53,288,010)</b>	<b>(52,211,018)</b>

**16. RESERVES**

Foreign currency reserve	(a)	1,431,984	546,657
Convertible notes reserve	(b)	395,495	-
		<b>1,827,479</b>	<b>546,657</b>
<b>(a) Foreign currency reserve</b>			
Balance at the beginning of the year		546,657	1,714,079
Currency translation differences arising during the period		885,327	(1,167,422)
<b>Balance at the end of the year</b>		<b>1,431,984</b>	<b>546,657</b>

The foreign currency translation reserve is used to record exchange differences arising on translation of the Group entities that do not have a functional currency of Australian dollars and have been translated into Australian dollars for presentation purposes.

**(b) Convertible Notes reserve**

Balance at the beginning of the year	-	-
Equity portion of the Convertible Notes	564,993	-
Deferred tax on the Convertible Notes (note 5)	(169,498)	-
<b>Balance at the end of the year</b>	<b>395,495</b>	<b>-</b>

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

**17. CONTINGENCIES**

Resource Mining Corporation Limited and its controlled entities do not have any known material contingent assets or liabilities as at 30 June 2015.

**NOTES TO THE CONSOLIDATED  
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**18. RELATED PARTY TRANSACTIONS**

**Subsidiaries**

The consolidated financial statements included the financial statements of Resource Mining Corporation Limited and the subsidiaries listed in the following table:

Name	Class of shares	Country of incorporation	% Equity Interest	
			2015	2014
Resource Minerals Pty Ltd	Ordinary	Australia	100%	100%
Argyle Iron Ore Pty Ltd	Ordinary	Australia	100%	100%
Resource Exploration Limited and its controlled entity (i)	Ordinary	Australia	100%	100%

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

**Ultimate parent**

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

	Consolidated Entity	
	2015	2014
Compensation of key management personnel by category	\$	\$
Short term benefits	216,057	183,469
Post-employment benefits	4,338	-
	<b>220,395</b>	<b>183,469</b>

Detailed remuneration disclosures are provided in the remuneration report on pages 13 to 16.

**Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

**a) Outstanding balances arising from the purchase of goods and services**

Current payables		
Key management personnel <sup>(i)</sup>	40,940	18,315

(i) Outstanding balances relate to Non-Executive Director and Executive Director remuneration incurred during 2015.

**b) Loans to / from related parties**

*Loans to specified key management personnel*

There were no loans to key management personnel during the year (2014: nil).

*Loans from related parties*

<b>Sinom (Hong Kong) Limited <sup>(i)</sup></b>		
Balance at the beginning of the year	-	-
Loans advanced	800,000	-
Loan repayments made	(500,000)	-
Interest charged	-	-
Interest paid	-	-
<b>Balance at the end of the year</b>	<b>300,000</b>	<b>-</b>

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

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

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**19. CAPITAL AND LEASING COMMITMENTS**

**(a) Mineral Tenement Commitments**

In order to maintain current rights of tenure to mining tenements, the Consolidated Entity has exploration and evaluation expenditure obligations up until the expiry of those licences. The following stated obligations are not provided for in the financial statements and represent a commitment of the Consolidated Entity:

	<b>Consolidated Entity</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Within 1 Year	50,509	62,576
Later than 1 year but not later than five years	9,243	-
Later than 5 years	-	-
	<b>59,752</b>	<b>62,576</b>

The Company has a number of avenues available to continue the funding of its current exploration program and as and when decisions are made, the Company will disclose this information to shareholders

**(b) Operating Lease Commitments**

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

**Payable – minimum lease commitments:**

Within 1 Year	98,568	66,282
Later than 1 year but not later than five years	90,354	-
Later than 5 years	-	-
	<b>188,922</b>	<b>66,282</b>

Contingent rental provisions within the lease agreement require that the minimum lease payments be paid one month in advance and shall be increased by CPI or current market rental on a per annum basis. The lease allows for subletting.

**20. REMUNERATION OF AUDITORS**

The auditor of the Consolidated Entity is BDO Audit (WA) Pty Ltd.

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

Auditing and reviewing of the financial report	46,974	45,280
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**21. FINANCIAL RISK MANAGEMENT**

The Consolidated Entity's activities expose it to a variety of financial risks, including market risk (including currency risk), credit risk and liquidity risks. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. To date, the Consolidated Entity has not used derivative financial instruments. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by the Managing Director under policies approved by the Board of Consolidated Entity's Directors. The Managing Director and the Manager – Corporate who has responsibility for the finance function identifies and evaluates the financial risks in close co-operation with the Consolidated Entity's operating units. The Board provides principles for overall risk management and the finance function provides policies with regard to financial risk management that are defined and consistently applied.

**(a) Credit Risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date, is the carrying amount net of any provisions for impairment of debts, as disclosed in the Statement of Financial Position and notes to the financial statement.

**NOTES TO THE CONSOLIDATED  
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**21. FINANCIAL RISK MANAGEMENT (continued)**

In the case of material cash deposited, credit risk is minimised by depositing with recognised financial intermediaries such as banks, subject to Australian Prudential Regulation Authority Supervision. For banks and financial institutions, only independently rated parties with a minimum rating of AA are accepted.

The Consolidated Entity does not have any material risk exposure to any single debtor or consolidated entity of debtors under financial instruments entered into by it.

**(b) Liquidity and Capital Risk**

The Consolidated Entity has appropriate procedures in place to manage cash flows including continuous monitoring of forecast and actual cash flows to ensure funds are available to meet commitments. The objectives when managing the Consolidated Entity's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Consolidated Entity does not have a target debt/equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, these balances will not necessarily agree with the amounts disclosed in the statement of financial position.

<b>Financial liabilities</b>	<b>Less than 6 months</b>	<b>6 to 12 months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>2015</b>					
Trade and other payables	317,745	-	-	-	317,745
Interest bearing liabilities	5,016	-	-	-	5,016
Non-interest bearing liabilities	300,000		2,000,000	-	2,300,000
	<b>622,761</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>	<b>2,622,761</b>
<b>2014</b>					
Trade and other payables	144,620	-	-	-	144,620
Interest bearing liabilities	-	-	-	-	-
Non-interest bearing liabilities	-	-	-	-	-
	<b>144,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144,620</b>

**(c) Net Fair Values**

***Recurring fair value measurements***

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

***Fair value hierarchy***

All assets and liabilities for which fair value is measured or disclosed are categorised according to the fair value hierarchy as follows:

- Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – a valuation technique is used using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or
- Level 3 – a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

There were no transfers between hierarchy levels in the year ended 30 June 2015.

***Valuation techniques used to derive fair values recognised in the financial statements***

The fair value of financial instruments traded in active markets is based upon quoted market prices at the end of the reporting period. The quoted market price is the quoted bid prices which are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The Group makes a number of assumptions based upon observable market data existing at each reporting period.



**NOTES TO THE CONSOLIDATED  
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If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

**Fair values of other financial instruments**

The Group also has a number of assets and liabilities which are not measured at fair value in the statement of financial position, but for which fair values are required to be disclosure per below:

	<b>30 June 2015</b>		<b>30 June 2014</b>	
	<b>Carrying Amount \$</b>	<b>Net Fair Value \$</b>	<b>Carrying Amount \$</b>	<b>Net Fair Value \$</b>
<b>Financial assets - current</b>				
<i>Current</i>				
Trade receivables	26,902	26,902	25,476	25,476
<b>Total financial assets</b>	<b>26,902</b>	<b>26,902</b>	<b>25,476</b>	<b>25,476</b>
<b>Financial liabilities</b>				
<i>Current</i>				
Trade and other payables	317,745	317,745	144,620	144,620
Interest bearing liabilities	5,016	5,016	-	-
Non-interest bearing liabilities	300,000	300,000	-	-
<b>Total current</b>	<b>622,761</b>	<b>622,761</b>	<b>144,620</b>	<b>144,620</b>
<b>Financial liabilities</b>				
<i>Non-current</i>				
Non-interest bearing liabilities	1,571,263	1,579,926	-	-
<b>Total non-current</b>	<b>1,571,263</b>	<b>1,579,926</b>	<b>-</b>	<b>-</b>
<b>Total financial liabilities</b>	<b>2,194,024</b>	<b>2,202,687</b>	<b>144,620</b>	<b>144,620</b>

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Management assessed that cash and short-term deposits, trade receivables, other current receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2015, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.
- The fair value of the convertible notes has been determined by discounting the cash-flows over the term of the facility, being the principal repayable on maturity, using a market interest rate for a similar instrument that does not have the conversion feature.

**(d) Foreign Exchange Risk**

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the Consolidated Entity's functional currency. The Consolidated Entity's exposure to foreign exchange risk is the operation of its subsidiary in Papua New Guinea.

The following table details the effect on the exploration and evaluation asset of a 10% change in the Australian Dollar (A\$) against the Papua New Guinea Kina:

	<b>Consolidated Entity</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
10% appreciation in the A\$ spot rate	(1,239,802)	(1,041,966)
10% depreciation in the A\$ spot rate	1,363,783	1,041,966

**NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS (continued)  
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**21. FINANCIAL RISK MANAGEMENT (continued)**

**(e) Interest Rate Risk**

The Consolidated Entity's exposure to market risk for changes in interest rates relates primarily to interest on deposits with banking institutions.

<b>2015</b>		<b>Fixed interest rate maturing in</b>				
	<b>Floating interest rate</b>	<b>1 year or less</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Non- interest bearing</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>						
Cash	55,933	4,097	-	-	71,417	131,447
Trade Receivables	-	-	-	-	2,604	2,604
	<b>55,933</b>	<b>4,097</b>	<b>-</b>	<b>-</b>	<b>74,021</b>	<b>134,051</b>
Weighted average interest rate	1.45%	2.50%				
<b>Financial liabilities</b>						
Trade and other payables	137,990	-	-	-	179,755	317,745
Interest bearing liabilities	-	5,016	-	-	-	5,016
Non-interest bearing liabilities	-	-	-	-	1,871,263	1,871,263
	<b>137,990</b>	<b>5,016</b>	<b>-</b>	<b>-</b>	<b>2,051,018</b>	<b>2,194,024</b>
Weighted average interest rate	9.36%	5.25%				
<b>2014</b>						
<b>Financial assets</b>						
Cash	120,296	3,736	-	-	60,739	184,771
Trade Receivables	-	-	-	-	79	79
	<b>120,296</b>	<b>3,736</b>	<b>-</b>	<b>-</b>	<b>60,818</b>	<b>184,850</b>
Weighted average interest rate	2.47%	3.72%	-	-	-	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	144,620	144,620
Interest bearing liabilities	-	-	-	-	-	-
Non-interest bearing liabilities	-	-	-	-	-	-
					<b>144,620</b>	<b>144,620</b>
Weighted average interest rate	-	-	-	-	-	

The following table summarises the sensitivity of the Consolidated Entity's and Company's financial assets and liabilities to movements in interest rates of 100 percentage basis points.

<b>30 June 2015</b>		<b>Interest rate risk</b>			
		<b>Increase 1%</b>		<b>Decrease 1%</b>	
	<b>\$</b>	<b>Profit \$</b>	<b>Equity \$</b>	<b>Profit \$</b>	<b>Equity \$</b>
Financial assets	60,030	600	600	(600)	(600)
Financial liabilities	143,006	(1,430)	(1,430)	1,430	1,430
<b>30 June 2014</b>					
Financial assets	181,035	1,810	1,810	(1,810)	(1,810)
Financial liabilities	-	-	-	-	-

**NOTES TO THE CONSOLIDATED  
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22. NOTES TO THE STATEMENT OF CASH FLOWS	Consolidated Entity	
	2015	2014
	\$	\$
<i>Reconciliation from net loss after tax to the net cash flow from operating activities</i>		
Loss after income tax	(1,076,992)	(1,497,099)
Depreciation	6,088	5,046
Directors and consultants fees - settled in shares (refer note 14)	74,913	-
Write down of exploration costs	-	311,060
Profit on sale of plant and equipment	(111)	-
Interest accretion	152,064	-
Exploration costs not capitalised	-	93,266
Convertible note costs capitalised	(15,808)	-
Other	(40,486)	-
Government Grant Funds	-	55,000
<i>Movement in assets and liabilities</i>		
Decrease in trade and other receivables	10,391	157,480
Increase / (decrease) in trade and other payables	178,140	(65,963)
(Decrease) / increase in provisions	(252,966)	286,160
Movement in deferred tax	(169,498)	-
<b>Net cash used in operating activities</b>	<b>(1,134,265)</b>	<b>(653,739)</b>

**23. SEGMENT INFORMATION**

For management purposes, the Consolidated Entity has one segment which is exploration activities relating to minerals and the exploration in Papua New Guinea. In the prior year the Consolidated Entity had one segment which was exploration activities relating to minerals and the exploration in two countries, Papua New Guinea and Australia.

30 June 2015	Exploration		Head office	Total
	Papua New Guinea	Australia		
	\$	\$	\$	\$
Segment revenue from external customers	613	-		613
Revenue from external customers	-	-	7,000	7,000
<b>Total revenue from external customers</b>	<b>613</b>	<b>-</b>	<b>7,000</b>	<b>7,613</b>
Reportable segment costs	(138,968)	-	-	(138,968)
Corporate Costs (net)	-	-	(1,115,135)	(1,115,135)
<b>Loss before income tax</b>	<b>(138,356)</b>	<b>-</b>	<b>(1,108,135)</b>	<b>(1,246,490)</b>
<b>Segment assets</b>				
Current financial assets	74,781	-	83,568	158,349
Other current assets	16,076	-	18,813	34,889
Plant and equipment	220,701	-	18,904	239,605
Mineral exploration and evaluation	13,637,826	-	-	13,637,826
<b>Total assets</b>	<b>13,949,384</b>	<b>-</b>	<b>121,285</b>	<b>14,070,669</b>
<b>Segment liabilities</b>				
Financial liabilities	48,478	-	2,007,556	2,056,034
Tax liabilities	-	-	137,990	137,990
Other liabilities	5,246	-	48,775	54,021
<b>Total liabilities</b>	<b>53,724</b>	<b>-</b>	<b>2,194,321</b>	<b>2,248,045</b>

**NOTES TO THE CONSOLIDATED  
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**23. SEGMENT INFORMATION (continued)**

30 June 2014	Exploration		Head office	Total
	Papua New Guinea	Australia		
	\$	\$	\$	\$
Segment revenue from external customers	1,443	-		1,443
Revenue from external customers		-	33,821	33,821
<b>Total revenue from external customers</b>	<b>1,443</b>	<b>-</b>	<b>33,821</b>	<b>35,264</b>
Reportable segment costs	(100,476)	(369,701)	-	(470,177)
Corporate Costs (net)		-	(699,620)	(699,620)
Research and Development expenditure	-	-	(74,576)	(74,576)
<b>Loss before income tax</b>	<b>(99,033)</b>	<b>(369,701)</b>	<b>(740,375)</b>	<b>(1,209,109)</b>
<b>Segment assets</b>				
Current financial assets	52,384	-	157,863	210,247
Other current assets	-	-	46,706	46,706
Plant and equipment	47,398	-	5,481	52,879
Mineral exploration and evaluation	10,419,661	-	-	10,419,661
<b>Total assets</b>	<b>10,519,443</b>	<b>-</b>	<b>210,050</b>	<b>10,729,493</b>
<b>Segment liabilities</b>				
Financial liabilities	48,056	-	96,564	144,620
Other liabilities	1,218	-	305,769	306,987
<b>Total liabilities</b>	<b>49,274</b>	<b>-</b>	<b>402,333</b>	<b>451,607</b>

**24. PARENT ENTITY DISCLOSURES**

The following details information related to the parent entity, Resource Mining Corporation Limited as 30 June 2015. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	Parent Entity	
	2015	2014
	\$	\$
Current assets	102,382	193,190
Non-current assets	18,904	16,860
<b>Total assets</b>	<b>121,286</b>	<b>210,050</b>
Current liabilities	607,650	385,644
Non-current liabilities	1,585,671	15,689
<b>Total liabilities</b>	<b>2,193,321</b>	<b>401,333</b>
<b>Net liabilities</b>	<b>(2,072,035)</b>	<b>(191,283)</b>
Issued capital	63,283,155	61,942,247
Accumulated losses	(65,750,685)	(62,133,530)
Reserves	395,495	-
<b>Total deficiency in equity</b>	<b>(2,072,035)</b>	<b>(191,283)</b>
Loss for the year	(3,617,155)	(1,877,550)
Total comprehensive loss for the year	(3,617,155)	(1,877,550)

- i) Guarantees: No guarantees have been entered into by the parent entity on behalf of the subsidiaries.
- ii) Contingent liabilities: No contingent liabilities exist.

**25. MATTERS SUBSEQUENT TO THE REPORTING PERIOD**

Subsequent to year end, on 29 September 2015, the Company announced it had entered into an amendment to the Funding Agreement ("Agreement") dated 9 June 2015, with the Company's largest shareholder, Sinom (Hong Kong) Limited ("**Sinom**") who currently holds 46.5% of the issued shares in the Company. Mr Zhang Chi (Andy) is a Non-Executive director of the Company and is a director and controlling shareholder of Sinom. Under the terms of the amendment to the Agreement, Sinom has agreed to provide the Company an additional \$400,000, taking the total of the loan to \$900,000, for general working capital purposes as an unsecured loan on the same terms and conditions as the initial loan and as disclosed in note 13. Furthermore Sinom has extended the final repayment date from 31 October 2015 to 31 October 2016. On 1 July 2015, the Company drew down \$200,000 on the initial loan, with a further \$220,000 being drawn down on the amended Agreement immediately.

Apart from the matters above, since the end of the financial year under review and the date of this report, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Consolidated Entity, in subsequent financial years.

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements:
  - a. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Consolidated Entity;
2. the Managing Director and Manager-Corporate have each declared that:
  - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - b. the financial statements and notes for the financial year comply with Accounting Standards; and
  - c. the financial statements and notes for the financial year give a true and fair view; and
3. 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.

Signed in accordance with a resolution of the Board of Directors and on behalf of the Directors.

A handwritten signature in black ink, appearing to read 'W. Davies', is written over a horizontal line.

Warwick Davies  
Managing Director

Dated this 29<sup>th</sup> day of September 2015



## INDEPENDENT AUDITOR'S REPORT

To the members of Resource Mining Corporation Limited

### Report on the Financial Report

We have audited the accompanying financial report of Resource Mining Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

#### Directors' Responsibility 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 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which



has been given to the directors of Resource Mining Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

#### Opinion

In our opinion:

- (a) the financial report of Resource Mining Corporation Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

#### Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of funding through equity or other available forms of funding. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

#### Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

#### Opinion

In our opinion, the Remuneration Report of Resource Mining Corporation Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO  
J Prue

Jarrad Prue

Director

Perth, 29 September 2015

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

As lead auditor of Resource Mining Corporation Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Resource Mining Corporation Limited and the entities it controlled during the period.



Jarrad Prue  
Director

BDO Audit (WA) Pty Ltd  
Perth, 29 September 2015

## ADDITIONAL SHAREHOLDER INFORMATION (continued) as at 23 September 2015



Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. The information is current as at 23 September 2015.

### ANALYSIS OF SHAREHOLDING - Ordinary Shares Listed

Size of Holding	Number of Holders	Number of Shares
1 – 1,000	247	70,232
1,001 – 5,000	146	427,977
5,001 – 10,000	163	1,371,772
10,001 – 100,000	863	37,500,347
100,001 – or more	803	2,923,305,335
<b>TOTAL</b>	<b>2,223</b>	<b>2,962,675,663</b>

Shareholders holding less than a marketable parcel 1,893

### SUBSTANTIAL SHAREHOLDERS

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

Sinom (Hong Kong) Limited 1,377,937,692 46.51%

### DIRECTORS' SHAREHOLDING

Interest of each Director in the share capital of the Company is detailed in the Directors' report.

### TOP 20 SHAREHOLDERS

The top 20 largest shareholders are listed below:

Name	Number of Shares	% of Shares
1 Sinom (Hong Kong) Limited	1,377,937,692	46.51%
2 Century Three X Seven Resource Fund Inc	105,562,500	3.56%
3 Thunder Luck International Ltd	95,031,711	3.21%
4 Nefco Nominees Pty Ltd	91,920,248	3.10%
5 Best Venture Development Limited	84,698,951	2.86%
6 Bell Potter Nominees Ltd <Bb Nominees A/C>	62,006,575	2.09%
7 Tierra De Suenos Sa	58,668,197	1.98%
8 Classic Roofing Pty Limited <Superannuation Fund Account>	55,100,000	1.86%
9 Brispot Nominees Pty Ltd <House Head Nominee No 1 A/C>	41,000,000	1.38%
10 Ms Nada Saade	36,511,461	1.23%
11 Mount Gibson Iron Limited	34,780,251	1.17%
12 Century Three X Seven Resource Fund Inc	31,700,000	1.07%
13 Mr Dimitrios Graikos <The Graikos Family A/C>	31,000,000	1.05%
14 Mr Yucheng Wu	26,953,740	0.91%
15 Mr William Ross Mackenzie	20,928,470	0.71%
16 Citicorp Nominees Pty Limited	20,713,248	0.70%
17 Erceg Enterprises Pty Ltd	20,000,000	0.68%
18 Fairstone Holdings Pty Limited	19,106,333	0.64%
19 Dominant Holdings Ag	18,000,000	0.61%
20 Mr Warwick Jeffrey Davies	16,794,375	0.57%
<b>TOTAL TOP 20 HOLDERS</b>	<b>2,248,413,752</b>	<b>75.89%</b>
<b>TOTAL REMAINING HOLDERS BALANCE</b>	<b>714,261,911</b>	<b>24.11%</b>
<b>TOTAL</b>	<b>2,962,675,663</b>	<b>100.00%</b>

**ADDITIONAL SHAREHOLDER INFORMATION (continued)**  
**as at 23 September 2015**



**VOTING RIGHTS**

Article 15 of the Constitution specifies that on a show of hands every member present in person, by attorney or by proxy shall have:

- a) for every fully paid share held by him one vote
- b) for every share which is not fully paid a fraction of the vote equal to the amount paid on the share over the nominal value of the shares.

**INTEREST IN MINING TENEMENTS**

<b>Tenement</b>	<b>Tenement No.</b>	<b>RMC Interest</b>	<b>Country in which Licence is held</b>
Wowo Gap	EL1165	100%	Papua New Guinea
Didiana	EL1980	100%	Papua New Guinea
Wanigela	ELA2337	100%	Papua New Guinea



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