



ABN 79 123 776 652

RMA ENERGY LIMITED

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
30 JUNE 2017

RMA ENERGY LIMITED
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RMA ENERGY LIMITED CORPORATE DIRECTORY

Directors

Mr Debao Mao (Chairman and Non-Executive Director)
Mr Qin Weihong (Non-Executive Director)
Mr Theuns Kloppe (Non-Executive Director)

Auditor

Bentleys Audit & Corporate
(WA) Pty Ltd
London House
Level 3, 216 St Georges Tce
PERTH WA 6000
Tel: +61 8 9226 4500
Fax: +61 8 9226 4300

Joint Company Secretaries

Mr TJ Spooner
Ms Abby Siew

Banker

ANZ Banking Group Limited
8 St Georges Terrace
PERTH WA 6000

Registered Office

Level 3, 88 William Street
PERTH WA 6000
Tel: +61 8 9463 2463
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Stock Exchange

Australian Stock Exchange Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
PERTH WA 6000
Tel: +61 8 9323 2000

ASX Code

RMT

Website

www.rmaenergy.com.au

RMA ENERGY LIMITED
DIRECTORS' REPORT
HALF-YEAR ENDED 30 JUNE 2017

The Board of Directors of RMA Energy Limited ("RMA Energy" or the "Company") presents its report on the Company for the half-year ended 30 June 2017.

DIRECTORS

The names of the Directors of the Company in office during the half-year and until the date of this report are:

Debao Mao	Chairman and Non-Executive Director
Qin Weihong	Non-Executive Director
Theuns Klopper	Non-Executive Director (Appointed 19 January 2017)
Leonard Math	Non-Executive Director (Appointed 24 May 2013; Resigned 19 January 2017)

Unless otherwise shown, all Directors were in office from the beginning of the half-year until the date of this report.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the period was mineral resources exploration.

REVIEW AND RESULTS OF OPERATIONS

Operating Results

Net operating loss after tax for the half-year ended 30 June 2017 was \$107,718 (2016: \$133,306).

Review of Operations

The principal activity of the Company during the course of the half-year to 30 June 2017 was to concentrate on evaluating and exploring its mining tenements.

Corporate

Due to market conditions, the Company has limited its exploration activities on all projects to conserve cash. The Board is constantly reviewing any potential project acquisition opportunities to enhance shareholder value in RMA.

Tenements

As at 30 June 2017, RMA Energy Limited holds 4 granted tenements which have been subjected to varying degrees of exploration activity during the half-year ended 30 June 2017. Details of the tenements are disclosed at note 7.

**RMA ENERGY LIMITED
DIRECTORS' REPORT
HALF-YEAR ENDED 30 JUNE 2017**

Section 307C of the Corporations Act 2001 requires our auditor Bentleys (WA) Pty Ltd to provide the directors of RMA Energy Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Theuns Klopper', with a stylized flourish at the end.

**Theuns Klopper
Non-Executive Director
14 September 2017**

**Bentleys Audit & Corporate
(WA) Pty Ltd**

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To the Board of Directors

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

As lead audit director for the review of the financial statements of RMA Energy Limited for the half year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



BENTLEYS
Chartered Accountants



CHRIS NICOLOFF CA
Director

Dated at Perth this 14th day of September 2017

RMA ENERGY LIMITED
DIRECTORS' DECLARATION
HALF-YEAR ENDED 30 JUNE 2017

The directors of RMA Energy Limited declare that:

- (a) 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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company for the half-year ended 30 June 2017.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

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



Theuns Klopper
Non-Executive Director
14 September 2017

RMA ENERGY LIMITED
CONDENSED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2017

	Six Months Ended 30 June 2017 \$	Six Months Ended 30 June 2016 \$
Revenue	<u>333</u>	<u>649</u>
	<u>333</u>	<u>649</u>
Expenses		
External professional costs	(29,678)	(28,350)
Employee benefits expense	(6,000)	(6,000)
Exploration expenses	(38,074)	(675)
Office rental and utilities	-	(32,229)
Administration costs	(12,326)	(27,744)
Financial costs	(21,973)	(16,411)
Loss on sale of assets	<u>-</u>	<u>(22,546)</u>
Loss before income tax expense	<u>(107,718)</u>	<u>(133,306)</u>
Income tax expense	<u>-</u>	<u>-</u>
Loss for the half-year	<u>(107,718)</u>	<u>(133,306)</u>
Other Comprehensive Income	<u>-</u>	<u>-</u>
Total Comprehensive loss for the half-year	<u>(107,718)</u>	<u>(133,306)</u>
Basic loss per share (cents per share)	(0.01)	(0.02)
Diluted loss per share (cents per share)	(0.01)	(0.02)

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

RMA ENERGY LIMITED
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

		30 June 2017 \$	31 December 2016 \$
	Note		
ASSETS			
Current Assets			
Cash and cash equivalents		113,793	155,141
Trade and other receivables		3,564	-
Other current assets		26,542	29,985
Total Current Assets		<u>143,899</u>	<u>185,126</u>
Non-Current Assets			
Property, plant and equipment		-	-
Total Non-current Assets		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>143,899</u>	<u>185,126</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		93,327	48,809
Total Current Liabilities		<u>93,327</u>	<u>48,809</u>
Non-Current Liabilities			
Loans	8	693,482	671,509
Total Non-Current Liabilities		<u>693,482</u>	<u>671,509</u>
TOTAL LIABILITIES		<u>786,809</u>	<u>720,318</u>
NET ASSETS		<u>(642,910)</u>	<u>(535,192)</u>
EQUITY			
Contributed equity	9	24,362,841	24,362,841
Accumulated losses		(25,005,751)	(24,898,033)
TOTAL EQUITY		<u>(642,910)</u>	<u>(535,192)</u>

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

RMA ENERGY LIMITED
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2017

	Contributed Equity	Accumulated Losses \$	Total Equity \$
Balance at 1 Jan 2017	24,362,841	(24,898,033)	(535,192)
Total comprehensive loss for the year	-	(107,718)	(107,718)
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2017	24,362,841	(25,005,751)	(642,910)
Balance at 1 Jan 2016	24,362,841	(24,642,309)	(279,468)
Total comprehensive loss for the year	-	(133,306)	(133,306)
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2016	24,362,841	(24,775,615)	(412,774)

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

RMA ENERGY LIMITED
CONDENSED STATEMENT OF CASHFLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2017

	30 June 2017	30 June 2016
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(40,170)	(81,168)
Interest received	333	649
Interest paid	-	(5)
Net cash flows used in operating activities	<u>(39,837)</u>	<u>(80,524)</u>
Cash flows from investing activities		
Proceeds from sale of plant and equipment	-	28,637
Payments for exploration and evaluation tenements	<u>(1,511)</u>	<u>(1,284)</u>
Net cash flows from/(used in) investing activities	<u>(1,511)</u>	<u>27,353</u>
Cash flows from financing activities		
Loan received	-	200,000
Net cash flows from financing activities	<u>-</u>	<u>200,000</u>
Net increase/decrease in cash and cash equivalents	(41,348)	146,829
Cash and cash equivalents at beginning of period	<u>155,141</u>	<u>91,692</u>
Cash and cash equivalents at end of period	<u>113,793</u>	<u>238,521</u>

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

RMA ENERGY LIMITED
CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017

1. REPORTING ENTITY

RMA Energy Limited ("the Company") is a company domiciled in Australia and is listed on the Australian Securities Exchange.

Going Concern

The interim financial statements have been prepared on a going concern basis of accounting, which assumes the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

The Company has incurred a net loss after income tax of \$107,718 (2016: \$133,306) and experienced net cash outflow from operating and investing activities of \$41,348 (2016: \$53,171) for the half-year ended 30 June 2017.

The Company has a loan payable to CREC Resources (Aust) Pty Ltd ("CREC") for \$693,482 as at 30 June 2017. The Company has received a letter of financial support from CREC stating that the loan will not be called upon within 12 months and that no amount of principal is repayable within 12 months, unless RMA Energy Limited is in the position to repay the loan.

The Company received a letter of financial support from LC Alliance Pty Ltd ("LC Alliance") stating that LC Alliance will provide financial assistance as is necessary to enable the Company to meet its working capital and existing exploration commitments as and when they fall due for a period of no less than 12 months from the date of this financial report.

The ability of the Company to continue as a going concern is principally dependent on the above two factors occurring and the ability of the Company to secure funds by raising capital from equity markets, and managing cashflow in line with available funds to enable the Company to meet its financial obligations as and when they fall due. These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Based on the cash flow forecast prepared, and the financial support provided by LC Alliance, the Directors are confident that the Company can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements of the Company do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

RMA ENERGY LIMITED
CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017

2. BASIS OF PREPARATION

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*. Compliance with *AASB 134* ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial reports.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 31 December 2016.

There are no new and revised standards and amendments thereof and interpretations effective for the current reporting period that are considered to have a material impact to the Company's financial statements.

The adoption of all new and revised standards and interpretation has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported in the Company's financial statements for the current or prior periods.

3. DIVIDENDS PAID OR PROVIDED FOR

No dividends have been paid or provided for during the half-year (2016: Nil).

4. SUBSEQUENT EVENTS AFTER BALANCE DATE

In September 2017, CREC Resources (Aust) Pty Ltd, the Company's substantial shareholder who previously provided a letter of financial support to the Company, has indicated that it will not be extending its current ongoing financial support to fund the Company's day-to-day operations. CREC Resources (Aust) Pty Ltd also confirmed that it will support the Company by not requesting repayment of its loan (A\$610,500 plus interest) within the next 12 month period. The Company note that the current loan agreements allow for repayment of the outstanding amount owed to CREC Resources (Aust) Pty Ltd on or before 31 March 2019 (A\$200k plus interest) and 27 November 2019 (A\$410,500 plus interest).

The Company received a letter of support from LC Alliance Pty Ltd to provide financial support as and when required over a period of at least 12 months from date of signing the 30 June 2017 half-year report, in order to enable the Company to continue as going concern and pay its debts as and when they fall due.

5. SEGMENT INFORMATION

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

6. CONTINGENT LIABILITIES

There are no material contingent liabilities since the last reporting balance date.

RMA ENERGY LIMITED
CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017

7. COMMITMENTS

Capital commitments

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

Tenure No.	Holder	Area (blocks)	Grant date	Expiry date	Rent	Minimum expenditure
					(\$)	(\$)
EPMs						
EPM 15136	RMA Energy Limited	95	22/07/2009	21/07/2017	13,822	154,000
EPM 19736	RMA Energy Limited	17	20/10/2015	19/10/2020	2,558	36,000
EPCs						
EPC 1946	RMA Energy Limited	37	19/06/2013	18/06/2018	5,383	110,000
EPC 1942	RMA Energy Limited	19	14/01/2013	13/01/2018	2,859	100,000

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

8. BORROWINGS

	30 June 2017	30 June 2016
	\$	\$
Loan from CREC	610,500	610,500
Add: Interest accrued on loan	82,982	44,753
	<u>693,482</u>	<u>655,253</u>

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

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

In September 2017, CREC Resources (Aust) Pty Ltd, the Company's substantial shareholder who previously provided a letter of financial support to the Company, has indicated that it will not be extending its current ongoing financial support to fund the Company's day-to-day operations. CREC Resources (Aust) Pty Ltd also confirmed that it will support the Company by not requesting repayment of its loan (A\$610,500 plus interest) within the next 12 month period.

RMA ENERGY LIMITED
CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017

8. BORROWINGS (con't)

The Company note that the current loan agreements allow for repayment of the outstanding amount owed to CREC Resources (Aust) Pty Ltd on or before 31 March 2019 (A\$200k plus interest) and 27 November 2019 (A\$410,500 plus interest).

The Company further advises that it has secured the agreement of LC Alliance Pty Ltd, a company associated with Mr Gang Xu, to provide ongoing financial support to the Company for its day-to-day operations for a period up to at least 14 September 2018. Mr Gang Xu is well known to a number of the Board members.

9. EQUITY SECURITIES ISSUED

Issued capital at 30 June 2017 amounted to \$24,362,841 (1,826,291,848 shares) and is unchanged from 31 December 2016.

10. KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

11. RELATED PARTY DISCLOSURES

The Australian parent entity of the Company is CREC Resources (Aust) Pty Ltd, which at 30 June 2017, owned 59.04% (2016: 59.04%) of the issued ordinary shares of RMA Energy Limited.

The ultimate parent entity is China Rail Resource Co., Ltd (incorporated in the People's Republic of China) which at 30 June 2017 owned 100% of the issued ordinary shares of CREC Resources (Aust) Pty Ltd.

Independent Auditor's Review Report

To the Members of RMA Energy Limited

We have reviewed the accompanying half-year financial report of RMA Energy Limited ("the Company") which comprises the condensed statement of financial position as at 30 June 2017, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and statement of condensed cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Company ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of RMA Energy Limited is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the Company incurred a net loss of \$107,718 during the half year ended 30 June 2017. This condition, along with other matters as set forth in Note 1 indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half year financial report.



BENTLEYS
Chartered Accountants



CHRIS NICOLOFF CA
Director

Dated at Perth this 14th day of September 2017