



ABN 79 123 776 652

RMA ENERGY LIMITED

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
30 JUNE 2020**

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Directors

Mr Peng Li (Non-Executive Chairman)
Mr Jun Lyu (Non-Executive Director)
Mr Theuns Klopper (Non-Executive Director)
Mr Zhihong Chen (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
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Company Secretary

Mr Henko Vos

Banker

ANZ Banking Group Limited
8 St Georges Terrace
PERTH WA 6000

Registered Office

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PERTH WA 6000
Tel: +61 8 9463 2463
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Stock Exchange

Australian Stock Exchange Limited
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Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
PERTH WA 6000
Tel: +61 8 6188 0800

ASX Code

RMT

Website

www.rmaenergy.com.au

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 2020.

DIRECTORS

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

Peng Li	Non-Executive Chairman (Appointed 04 March 2020)
Jun Lyu	Non-Executive Director (Appointed 12 December 2017)
Theuns Klopper	Non-Executive Director (Appointed 19 January 2017)
Zhihong Chen	Non-Executive Director (Appointed 29 May 2018)
Ying Liu	Non-Executive Chairman (Appointed 12 December 2017; Resigned 04 March 2020)

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

PRINCIPAL ACTIVITY

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 2020 was \$74,539 (2019: \$74,993).

Review of Operations

The principal activity of the Company during the course of the half-year to 30 June 2020 was to concentrate on evaluating and exploring its mining tenements and to consider further investment opportunities.

Corporate

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

Tenements

As at 30 June 2020, RMA Energy Limited held 2 granted tenements. Details of the tenements are disclosed at note 13.

Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires our auditor Bentleys Audit & Corporate (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 3.

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

On behalf of the directors



Theuns Klopper
Non-Executive Director
15 September 2020

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To the Board of Directors

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

As lead audit partner for the review of the financial statements of RMA Energy Limited for the half year ended 30 June 2020, 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



MARK DELAURENTIS CA
Partner

Dated at Perth this 15th day of September 2020

RMA ENERGY LIMITED
CONDENSED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2020



	Note	Six Months Ended 30 June 2020 \$	Six Months Ended 30 June 2019 \$
Revenue		-	-
		-	-
Expenses	6		
External professional costs		(10,562)	(29,446)
Employee benefits expense		(12,000)	(12,097)
Exploration expenses		(733)	(717)
Administration costs		(26,000)	(10,249)
Financial costs		(25,244)	(22,484)
Loss before income tax expense		(74,539)	(74,993)
Income tax expense		-	-
Loss for the half-year		(74,539)	(74,993)
Other Comprehensive Income		-	-
Total Comprehensive loss for the half-year		(74,539)	(74,993)
Basic loss per share (cents per share)		(0.004)	(0.004)
Diluted loss per share (cents per share)		(0.004)	(0.004)

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 2020



		30 June 2020 \$	31 December 2019 \$
	Note		
ASSETS			
Current Assets			
Cash and cash equivalents		112,688	18,023
Trade and other receivables	7	1,473	1,309
Other assets	8	5,000	5,000
Total Current Assets		<u>119,161</u>	<u>24,332</u>
TOTAL ASSETS		<u>119,161</u>	<u>24,332</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	9	100,632	56,508
Loans	10	1,120,304	995,060
Total Current Liabilities		<u>1,220,936</u>	<u>1,051,568</u>
TOTAL LIABILITIES		<u>1,220,936</u>	<u>1,051,568</u>
NET ASSET DEFICIENCY		<u>(1,101,775)</u>	<u>(1,027,236)</u>
EQUITY			
Contributed equity	11	24,443,186	24,443,186
Accumulated losses		<u>(25,544,961)</u>	<u>(25,470,422)</u>
TOTAL EQUITY		<u>(1,101,775)</u>	<u>(1,027,236)</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 2020



	Contributed Equity	Accumulated Losses \$	Total Equity \$
Balance at 1 Jan 2020	24,443,186	(25,470,422)	(1,027,236)
Total comprehensive loss for the period	-	(74,539)	(74,539)
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2020	24,443,186	(25,544,961)	(1,101,775)
Balance at 1 Jan 2019	24,443,186	(25,294,139)	(850,953)
Total comprehensive loss for the period	-	(74,993)	(74,993)
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2019	24,443,186	(25,369,132)	(925,946)

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 2020



	30 June 2020	30 June 2019
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(4,602)	(35,225)
Net cash flows used in operating activities	(4,602)	(35,225)
Cash flows from investing activities		
Payments for exploration and evaluation tenements	(733)	(717)
Net cash flows used in investing activities	(733)	(717)
Cash flows from financing activities		
Loan received	100,000	40,000
Net cash flows from financing activities	100,000	40,000
Net increase in cash and cash equivalents	94,665	4,058
Cash and cash equivalents at beginning of period	18,023	24,353
Cash and cash equivalents at end of period	112,688	28,411

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

1. GENERAL INFORMATION

RMA Energy Limited ("the Company") is a company domiciled in Australia and is listed on the Australian Securities Exchange. The half-year financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

2. GOING CONCERN

The half-year financial report has 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 \$74,539 (2019: \$74,993) and had net cash outflows from operating activities of \$4,602 (2019: \$35,225) for the half-year ended 30 June 2020. The Company also had a net liability position of \$1,101,775 at reporting date (31 December 2019: \$1,027,236) which includes loans payable to CREC Resources (Aust) Pty Ltd ("CREC") totalling \$1,120,304.

The directors have prepared a cash flow forecast which indicates that the Company will need to secure further funding from debt or equity sources to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

The Company has received a letter of financial support from CREC stating that the loans will not be called upon within 12 months and that no amount of principal or interest is repayable within 12 months from date of signing the 30 June 2020 financial statements, unless RMA Energy Limited is in the position to repay the loan. In addition, the letter of financial support from CREC confirms that they 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.

Based on these facts, the directors consider the going concern basis of preparation to be appropriate for this financial report. Should the Company be unsuccessful in securing further funding from debt or equity sources, there is a material uncertainty which may cast significant doubt whether the Group will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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 2019.

(b) Basis of preparation

The half-year financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

(c) Accounting policies and methods of computation

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 2019.

(d) Significant accounting judgements and key estimates

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 31 December 2019.

(e) Standards and Interpretations in issue not yet adopted

The Company has also reviewed all Standards and Interpretations on issue not yet adopted for the period ended 30 June 2020. The Company has initially determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Company's accounting policies.

4. SEGMENT REPORTING

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

5. DIVIDENDS PAID OR PROVIDED FOR

No dividends have been paid or provided for during the half-year (2019: nil).

6. LOSS FROM ORDINARY ACTIVITIES

Expenses	30 June 2020 \$	30 June 2019 \$
External professional costs	10,562	29,446
Employee benefits expense	12,000	12,097
Exploration expenses	733	717
Administration costs	26,000	10,249
Financial costs	25,244	22,484
	<u>74,539</u>	<u>74,993</u>

7. TRADE AND OTHER RECEIVABLES

	30 June 2020 \$	31 December 2019 \$
GST paid	1,473	1,309
	<u>1,473</u>	<u>1,309</u>

8. OTHER ASSETS

Deposits held	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

9. TRADE AND OTHER PAYABLES

	30 June 2020 \$	31 December 2019 \$
Trade creditors	88,632	32,508
Accruals	12,000	24,000
	<u>100,632</u>	<u>56,508</u>

10. BORROWINGS

	30 June 2020 \$	31 December 2019 \$
Loan from CREC ¹	410,500	410,500
Add: interest accrued on loan	152,979	138,037
Loan from CREC ²	200,000	200,000
Add: Interest accrued on loan	43,273	37,995
Loan from CREC ³	200,000	200,000
Add: Interest accrued on loan	13,407	8,528
Loan from CREC ⁴	100,000	-
Add: Interest accrued on loan	145	-
	<u>1,120,304</u>	<u>995,060</u>

10. BORROWINGS (con't)

¹ On 24 November 2014, the Company received loan funds of \$410,500 from its major shareholder, CREC Resources (Aust) Pty Ltd ("CREC"). The loan is unsecured and was repayable within 3 years from the date of draw down. Interest accrues on the loan at the rate of 7.20% p.a. from 24 November 2017 (was 6.00% p.a. prior to that).

² On 31 March 2016, the Company received loan funds of \$200,000 from CREC to assist with working capital requirements. The loan term was for 1 year and attracted an interest rate of 5.22% per annum (was 4.35% per annum prior to 31 March 2017).

³ On 27 March 2018, the Company entered into a loan agreement for \$200,000 with CREC to assist with working capital requirements. The borrowing was drawn in 5 instalments of \$40,000 each. The loan is unsecured and was for 1 year term. The loan attracted an interest rate of 4.35% per annum during the first 12 months of borrowing and increased by 20% to 5.22% after the expiration of the 12 months' term.

⁴ On 19 June 2020, the Company received loan funds of \$100,000 from its major shareholder, CREC Resources (Aust) Pty Ltd ("CREC"). The loan is unsecured and is for 1 year term. The loan attracts an interest rate of 4.35% per annum during the first 1 year of borrowing and increased by 20% to 5.22% after the expiration of the 1 year term.

As at date of this report, RMA directors are still in discussion with CREC to renegotiate the repayment terms of the above loans.

11. ISSUED CAPITAL

Issued capital at 30 June 2020 amounted to \$24,443,186 (2,100,235,625 shares) and is unchanged from 31 December 2019.

12. CONTINGENT LIABILITIES

There is no change in contingent liabilities since the last reporting balance date.

13. 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	47	22/07/2009	21/07/2020 *	7,581	154,000
EPM 19736	RMA Energy Limited	17	20/10/2015	19/10/2020	2,803	57,000

* the Company did not renew EPM 15136 and has indicated that it will not be renewing EPM 19736 when it expires in October 2020.

The Company does not have any lease obligations at either the reporting date nor at the date of this report.

14. RELATED PARTY DISCLOSURES

CREC Resources (Aust) Pty Ltd

CREC Resources (Aust) Pty Ltd ("CREC"), which at 30 June 2020 owned 51.34% (2019: 51.34%) of the issued ordinary shares of RMA Energy Limited, advanced additional loan funding to the Company during the financial period of \$100,000, bring the total amount of loans repayable to CREC to \$1,120,304, including interest. Terms of this loan is disclosed in Note 10.

Director related entities

During the half-year ended 30 June 2020, the Company incurred \$24,000 (2019: \$27,245) in fees to Nexia Perth for provision of directorship, company secretarial, accounting and taxation services. Theuns Klopper is an employee of Nexia Perth. As at 30 June 2020, \$35,200 (2019: \$22,000) remained outstanding.

During the half-year ended 30 June 2020, the Company incurred \$6,000 to The Trustee for the Lee Family Trust (a related entity of Mr Zhihong Chen) for Mr Chen's director's fees. As at 30 June 2020, \$13,000 (2019: Nil) remained outstanding.

The Company paid \$nil (30 June 2020: \$7,394) to BMG Group Services Pty Ltd (a related entity of Mr Zhihong Chen) for Mr Chen's director's fees.

15. SUBSEQUENT EVENTS AFTER BALANCE DATE

There has been no additional matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

**RMA ENERGY LIMITED
DIRECTORS' DECLARATION
HALF-YEAR ENDED 30 JUNE 2020**



The directors of RMA Energy Limited declare that:

1. The financial statements and notes, of the Company are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the half-year ended on that date.
2. 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.

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

A handwritten signature in black ink, appearing to read 'Theuns Klopper', with a long horizontal stroke extending to the right.

Theuns Klopper
Non-Executive Director
15 September 2020

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 statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of 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 2020 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.

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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 2020 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Company has net liabilities of \$1,101,775 as at 30 June 2020. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



BENTLEYS
Chartered Accountants



MARK DELAURENTIS CA
Partner

Dated at Perth this 15th day of September 2020