



ABN 79 123 776 652

HALF YEAR FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

30 JUNE 2014

CORPORATE DIRECTORY

This Interim Financial Report covers RMA Energy Limited as an individual entity ("the Company"). The Company's functional and presentation currency is AUD (\$).

Directors

Mr Debao Mao (Chairman and Non-Executive Director)
Mr Leonard Math (Non-Executive Director)
Mr Qin Weihong (Managing Director)

Auditors

Deloitte Touche Tohmatsu
Woodside Plaze Level 14
240 St George Tce WA 6008
Ph: +61 8 9365 7000
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Company Secretary

Mr Leonard Math
Mr Michael Loh

Bankers

ANZ Banking Group Limited
8 St Georges Terrace
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Registered Office

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PERTH WA 6000
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Solicitors

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Suite 8
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West Perth WA 6005
Tel: + 61 8 9420 0000
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Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St George's Terrace
PERTH WA 6000

Stock Exchange

Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
Perth Western Australia 6000

Website

www.rmaenergy.com.au

ASX Code : RMT

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DIRECTORS' REPORT

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 2014.

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	(Managing Director)
Leonard Math	(Non-Executive Director)

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 2014 was \$487,990 (2013 \$468,533).

Review of Operations

RMA Energy Limited (ASX: “RMT”, “RMA” or the “Company”) is pleased to report its activities for the half year ending the 30th of June 2014.

Corporate

Due to the market condition, the Company has limited its exploration activities on other projects to conserve cash.

The Board is constantly reviewing any potential project acquisition opportunities to enhance shareholders value in RMA.

Summary of Activities

Activities for the Company during the first half of 2014 focused on the reviewing of previous exploration work and the tenure management issues. All tenement grants had also been successfully renewed by the Department of Natural Resources and Mines (DNRM) for a further three years.

The DNRM has also granted on 11th February 2014, the addition of excluded land on EPC 1000 (Figure 1) which is mostly covered by “State Forest” (Category C) and formerly excluded from the granted tenement.

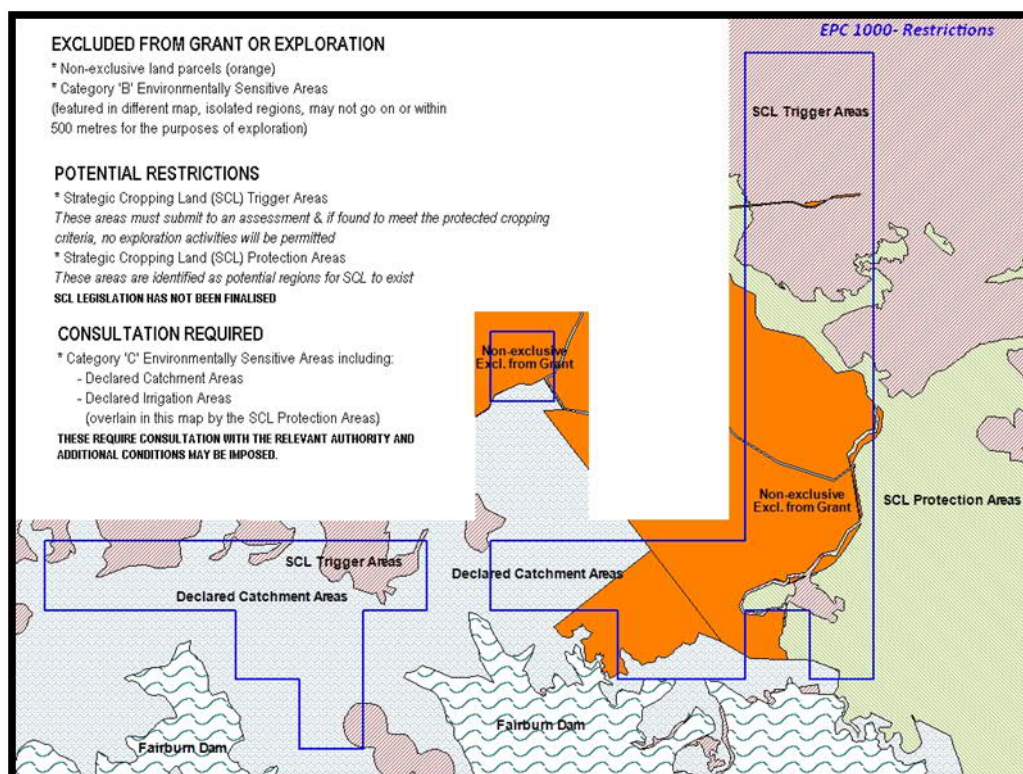



Figure 1: The Spatial Distribution of Formerly Excluded Land (orange coloured area) Within EPC 1000 (boundary in blue line)

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditor Deloitte Touche Tohmatsu 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 7.

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 '秦伟宏' (Qin Weihong).

Qin Weihong
Managing Director
12th September 2014

The Board of Directors
RMA Energy Limited
Level 8, 16 St Georges Terrace
PERTH WA 6000

12 September 2014

Dear Board Members

RMA Energy Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of RMA Energy Limited.

As lead audit partner for the review of the financial statements of RMA Energy Limited for the half-year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Chris Nicoloff
Partner
Chartered Accountants

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DIRECTORS' DECLARATION

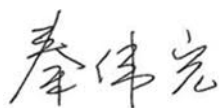
The directors of RMA Energy Limited declare that:

(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.

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.



Qin Weihong
Managing Director
12th September 2014

RMA ENERGY LIMITED
CONDENSED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2014

	Six Months Ended 30 June 2014 \$	Six Months Ended 30 June 2013 \$
Revenue	12,924	42,517
Expenses		
External professional costs	(176,698)	(101,150)
Employee benefits expense	(211,795)	(251,784)
Office rental and utilities	(40,822)	(52,389)
Travel and accommodation	(14,303)	(16,470)
Administration costs	(57,296)	(76,293)
Financial costs	-	(12,964)
Loss before income tax expense	(487,990)	(468,533)
Income tax expense	-	-
Loss for the half year	(487,990)	(468,533)
Other Comprehensive Income	-	-
Total Comprehensive loss for the half year	(487,990)	(468,533)
Basic loss per share (cents per share)	(0.03)	(0.03)
Diluted loss per share	(0.03)	(0.03)

Where EPS are not dilutive, they are not disclosed.

The above 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 2014

		30 June 2014 \$	31 December 2013 \$
	Note		
ASSETS			
Current Assets			
Cash and cash equivalents		878,618	1,568,964
Trade and other receivables		5,996	-
Other Current assets		85,364	47,871
Total Current Assets		<u>969,978</u>	<u>1,616,835</u>
Non-Current Assets			
Property, plant and equipment		132,803	146,000
Exploration and evaluation expenditure	8	<u>14,263,116</u>	<u>14,146,753</u>
Total Non-current Assets		<u>14,395,919</u>	<u>14,292,753</u>
TOTAL ASSETS		<u>15,365,897</u>	<u>15,909,588</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		67,271	122,972
Provisions		-	-
Total Current Liabilities		<u>67,271</u>	<u>122,972</u>
Non-Current Liabilities			
Loans	9	-	-
Total Non-Current Liabilities		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>-</u>	<u>-</u>
NET ASSETS		<u>15,298,626</u>	<u>15,786,616</u>
EQUITY			
Contributed equity	10	24,362,841	24,362,841
Reserves		-	-
Accumulated losses		<u>(9,064,215)</u>	<u>(8,576,225)</u>
TOTAL EQUITY		<u>15,298,626</u>	<u>15,786,616</u>

The above 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 2014

	Contributed Equity	Reserves \$	Accumulate d Losses \$	Total Equity \$
Balance at 1 Jan. 2013	23,950,098	666,463	(8,443,718)	16,172,843
Total comprehensive income for the year	-	-	(468,533)	(468,533)
Transactions with owners in their capacity as owners:				
Issue of shares, net of transaction costs	412,742	-	-	412,742
Value of options granted	-	72,836	-	72,836
Transfer on expiry of options	-	(25,950)	25,950	-
Balance at 30 June 2013	24,362,840	713,349	(8,886,301)	16,189,888
Balance at 1 Jan. 2014	24,362,841	-	(8,576,225)	15,786,616
Total comprehensive income for the year	-	-	(487,990)	(487,990)
Transactions with owners in their capacity as owners:				
Issue of shares, net of transaction costs	-	-	-	-
Value of options granted	-	-	-	-
Transfer on expiry of options	-	-	-	-
Balance at 30 June 2014	24,362,841	-	(9,064,215)	15,298,626

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

RMA ENERGY LIMITED
CONDENSED STATEMENT OF CASHFLOW
FOR THE HALF-YEAR ENDED 30 JUNE 2014

	30 June 2014 \$	30 June 2013 \$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(586,116)	(594,963)
Interest received	12,924	17,827
Net cash flows from/(used in) operating activities	<u>(573,192)</u>	<u>(577,136)</u>
Cash flows from investing activities		
Purchase of plant and equipment	(790)	-
Payments for exploration and evaluation tenements	(116,364)	(860,500)
Net cash flows used in investing activities	<u>(117,154)</u>	<u>(860,500)</u>
Cash flows from financing activities		
Proceeds from issue of shares, net of transaction cost	-	485,578
Proceeds from borrowings	-	-
Repayment of borrowings	-	(240,298)
Net cash flows from financing activities	<u>-</u>	<u>245,280</u>
Net decrease in cash and cash equivalents	(690,346)	(1,192,356)
Cash and cash equivalents at beginning of period	<u>1,568,964</u>	<u>3,300,959</u>
Cash and cash equivalents at end of period	<u>878,618</u>	<u>2,108,603</u>

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

CONDENSED NOTES TO THE HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2014

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 net loss after income tax of \$487,990 (2013: \$468,533) and experienced net cash outflow from operations and investing activities of \$690,346 (2013: \$1,437,636) for the half year ending 30 June 2014.

The ability of the company to continue as a going concern is dependent on the ongoing support of its ultimate parent company, China Rail Resource Co., Ltd which covenants that if the company is unable to pay its current debts, China Rail Resource Co., Ltd will repay the company's liabilities on its behalf for at least 12 months from the date of signing of the 30 June 2014 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 company be unable to continue as a going concern.

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 shall 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 2013 annual financial report for the financial year ended 31 December 2013, except for the impact of the standards and interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Company include:

CONDENSED NOTES TO THE HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2014

2. BASIS OF PREPARATION

Amendments to AASB 1,5,7,101,112,120,121,132,133 and 134 as a consequence of AASB 2011-9 Amendments to Australian Accounting Standards- Presentation of Other Comprehensive Income.

The adoption of these amendments has not resulted in any changes to the Company's accounting policies and have no affect on the amounts reported for the current or prior periods. However, the only amendment that has had a material impact and resulted in changes to the Company's presentation of, or disclosure in, its half-year financial statements is the presentation of development costs in the statements of cash flows.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB

101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

CONDENSED NOTES TO THE HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2014

3. DIVIDENDS PAID OR PROVIDED FOR

No dividends have been paid or provided for during the half-year.

4. SUBSEQUENT EVENTS AFTER BALANCE DATE

No subsequent events have occurred after balance date.

5. SEGMENT INFORMATION

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

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

The exploration assets as presented in Note 8 relate to the reporting segment, as identified above. All revenue and expenses relate to corporate activities and would not be used to assess segment performance, as follows:

	30 June 2014 \$	30 June 2013 \$
Segment Revenue	-	-
Reportable segment loss	-	-
Reportable segment assets	14,263,116	13,958,033
Reconciliation of reportable segment profit or loss		
Reportable segment loss	-	-
Other Corporate Revenue	-	-
Interest income	12,924	42,517
Unallocated: Corporate expenses	(500,914)	(511,050)
Closing Balance	(487,900)	(468,533)

CONDENSED NOTES TO THE HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2014

6. CONTINGENT LIABILITIES

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

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 15117	RMA Energy Limited	21	15/05/2006	14/05/2016	2,854	70,000
EPM 15127	RMA Energy Limited	16	15/05/2006	14/05/2016	2,174	70,000
EPM 15128	RMA Energy Limited	23	15/05/2006	14/05/2016	3,126	70,000
EPM 15136	RMA Energy Limited	95	22/07/2009	21/07/2017	12,910	50,000
EPM 18330	RMA Energy Limited	40	19/04/2011	18/04/2016	5,436	50,000
EPM 18997	RMA Energy Limited	30	23/05/2012	22/05/2017	4,077	70,000
EPM 19736	RMA Energy Limited	21	Pending	n/a	Pending	Pending
EPCs						
EPC 1000	RMA Energy Limited	33	31/05/2006	30/05/2016	4,485	72,000
EPC 1946	RMA Energy Limited	74	19/06/2013	18/06/2018	10,057	775,000
EPC 1125	RMA Energy Limited	217	18/02/2010	17/02/2016	29,490	775,000
EPC 1127	RMA Energy Limited	228	19/02/2010	18/02/2016	30,985	80,000
EPC 1128	RMA Energy Limited	192	19/02/2010	18/02/2016	26,093	775,000
EPC 1942	RMA Energy Limited	75	14/01/2013	13/01/2018	10,193	50,000

CONDENSED NOTES TO THE HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2014

8. RECONCILIATION OF CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2014 \$	31 December 2013 \$
Opening Balance	14,146,753	13,097,533
Capitalised since last reporting date	116,363	1,076,408
Impairment of tenements surrendered		(27,188)
Closing Balance	14,263,116	14,146,753

9. BORROWINGS

Loan from parent entity	-	-
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The loan is part of a facility of \$5,000,000 that has been provided by the parent entity to the Company. The loan is unsecured and is repayable within 5 years from the dates of draw down. Interest is calculated daily and capitalised annually. As at 30 June 2013, the loan had been fully repaid and there had been no further draw downs.

10. EQUITY SECURITIES ISSUED

Issued capital at 30 June 2014 amounted to \$24,362,841 (1,826,291,848 shares).

Key Management Personnel

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

11. RELATED PARTY TRANSACTIONS

The ultimate Australian parent entity is CREC Resources (Aust) Pty Ltd, which at 30 June 2014 owned 59.04% (2013: 59.04%) of the issued ordinary shares of RMA Energy Limited. The Company has a \$5,000,000 credit facility with CREC Resources (Aust) Pty Ltd in which it has not drawn down as at 30 June 2014.

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, which comprises the condensed statement of financial position as at 30 June 2014, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flow and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the company as set out on pages 8 to 17.

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 internal 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the RMA Energy Limited's financial position as at 30 June 2014 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 RMA Energy Limited, 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.

Auditor's Independence Declaration

In conducting our review, 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 RMA Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Chris Nicoloff

Partner

Chartered Accountants

Perth, 12 September 2014