



RESOURCE MINING CORPORATION LIMITED
ABN 97 008 045 083

NOTICE OF GENERAL MEETING
AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Notice is given that a General Meeting of Shareholders of Resource Mining Corporation Limited ('Company') will be held at:

LOCATION: BDO, 38 Station Street, Subiaco WA 6008
AND HELD VIRTUALLY VIA ZOOM

Invite Link:

<https://us05web.zoom.us/j/83455359158?pwd=VlgvM1pDSDNRanUveTJocmN5cGJOZz09>

Meeting ID: 834 5535 9158

ON: Friday 8 October 2021 at 10.30am (WST)

IMPORTANT INFORMATION

*This is an important document that should be read in its entirety.
If you do not understand it, you should consult your professional advisers without delay.*

An independent expert's report is attached to this Notice of Meeting, in Annexure A as required by Listing Rule 10.1.

The report concludes that the transaction the subject of Resolution 1 in this Notice of Meeting is **FAIR AND REASONABLE** to the Shareholders of the Company.

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IMPORTANT INFORMATION

Your vote is Important

The business of the Meeting affects your shareholding and your vote is important.

How to vote

You may vote by attending the Meeting in person, by proxy or authorised representative. If attending the meeting via Zoom, please see instructions below to register for email voting.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on 6 October 2021.

Voting in person

To vote in person, attend the General Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the Proxy Form enclosed and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Voting by those attending via Zoom

Votes from those attending via Zoom may also be submitted during the Meeting. Shareholders will be able to email their poll votes during the meeting. In order to do so, Shareholders will need to register their email address with the Company by emailing rmc@resmin.com.au by no later than 10:30am (AWST) on 6 October 2021 (**Email Voting Registration Date**). Any Shareholder that has not registered by the Email Voting Registration Date will not be permitted to vote during the Meeting.

Your proxy form is enclosed.

Please read this Notice and the Explanatory Memorandum carefully.

If you are unable to attend the General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they apply to this General Meeting. Broadly, the sections mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - if a record of attendance is made for the meeting – the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

If you wish to discuss any aspect of this document with the Company please contact the Managing Director, Mr Warwick Davies, on telephone (+61 8) 6494 0025.

BUSINESS OF THE MEETING

AGENDA

Notice is hereby given that a General Meeting of Shareholders of Resource Mining Corporation Limited ABN 97 008 045 083 (**Company**) will be held at the offices of BDO, 38 Station Street, Subiaco WA 6008 on 8 October 2021 at 10.30am (WST).

1 Resolution 1 – Disposal of Sale Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rules 10.1 and 11.2, and for all other purposes, approval is given for the Company to dispose of the Sale Shares to Corcel pursuant to the terms of the Share Purchase Agreement as set out in the Explanatory Memorandum."

Independent Expert's Report:

The Company is proposing to transfer 100% of the issued shares in its wholly owned subsidiary Niugini Nickel Pty Ltd (**Sale Shares**) to Corcel plc (**'Corcel'**), being the major creditor of the Company, in exchange for the settlement of 100% of the debt owing by the Company to Corcel (**'Corcel Debt'**) (the **'Proposed Transaction'**). As required by Listing Rule 10.1, the Directors have commissioned the Independent Expert to prepare a report on the Proposed Transaction to ascertain whether it is fair and reasonable to Shareholders.

Shareholders should carefully consider the Independent Expert's Report prepared by the Independent Expert for the purposes of Resolution 1 under Listing Rule 10.1. The Independent Expert comments on the fairness and reasonableness of the Proposed Transaction. **The Independent Expert has concluded that the Proposed Transaction is FAIR AND REASONABLE.**

Voting exclusion statement:

For the purposes of Listing Rules 10.1 and 11.2, the Company will disregard any votes cast in favour of the Resolution by a party to the Proposed Transaction and any person who might obtain a material benefit as a result of the Proposed Transaction (except a benefit solely by reason of being a Shareholder of the Company) or an associate of any such person or persons.

However, for the purposes of Listing Rules 10.1 and 11.2, the Company need not disregard a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Details of the definitions and abbreviations used in this Notice and the Explanatory Memorandum are set out in the Glossary to the Explanatory Memorandum.

By order of the Board

Warwick Davies
Managing Director

Dated: 7 September 2021

EXPLANATORY MEMORANDUM

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Memorandum or the Notice, please contact the Company, your stockbroker or other professional adviser.

1. Resolution 1 – Disposal of Sale Shares

Background

The Company is proposing to transfer 100% of the issued shares in its wholly-owned subsidiary Niugini Nickel Pty Ltd (**Sale Shares**) to Corcel plc (**Corcel**), being the major creditor of the Company, in exchange for the settlement of 100% of the debt owing by the Company to Corcel (**Corcel Debt**) (the **Proposed Transaction**).

As announced on 12 August 2021, Resource Exploration Pty Ltd (**REX**) (a wholly owned subsidiary of the Company) and Regency Mines Australasia Pty Ltd (**RMA**) (a wholly owned subsidiary of Corcel) have entered into the Share Purchase Agreement to give effect to the Proposed Transaction. Completion under the Share Purchase Agreement is conditional on Shareholder approval under Listing Rules 10.1 and 11.2 being obtained by the Company.

Niugini Nickel Pty Ltd (**Niugini Nickel**) holds 100% of the tenement which constitutes the Wowo Gap Nickel Laterite Project located 200 kilometres from the PNG capital of Port Moresby (**Wowo Gap Project**). Nickel and cobalt are the principal elements of economic significance in the Wowo Gap Project resource. The tenement is currently under renewal.

Listing Rules 10.1 and 11.2

Listing Rule 10.1 provides that a listed company must not dispose of, or agree to dispose of, a “substantial asset” to:

- (a) a related party;
- (b) a child entity;
- (c) a person who is, or was at any time in the 6 months before the transaction, a substantial (10%+) holder in the company;
- (d) an associate of a person referred to in paragraph (a) to (c) above; or
- (e) a person whose relationship with the company or a person referred to in paragraphs (a) to (c) above is such that, in ASX’s opinion, the issue or agreement should be approved by shareholders,

unless it obtains the approval of its shareholders.

The original debtholder, Sinom (Hong Kong) Limited (**Sinom**), is the largest shareholder of the Company. RMI’s non-executive director, Mr Zhang Chi (Andy Zhang), is a director and controlling shareholder of Sinom. As detailed on the next page, in 2020 Sinom assigned AUD 4.76 million of debt to Corcel. Corcel is unrelated to the Company, however, Base Asia Pacific Limited, an entity owned and controlled by director Andy Zhang, holds 9.62% of the issued capital of Corcel as at the date of this report. ASX has exercised its discretion under Listing Rule 10.1.5 and determined that Corcel is a Listing Rule 10.1.5 party by reason of the transactions leading to Corcel acquiring the Corcel Debt in respect of the Proposed Transaction and Corcel’s relationship with Andy Zhang (described above). As the Proposed Transaction involves the disposal of a substantial asset of the Company, the Proposed Transaction therefore requires Shareholder approval under Listing Rule 10.1.

Listing Rule 11.2 requires a listed company to obtain the approval of its shareholders to dispose of its “main undertaking”. The Proposed Transaction constitutes a disposal of the Company’s main undertaking for these purposes.

Resolution 1 seeks Shareholder approval to the Proposed Transaction for the purposes of Listing Rules 10.1 and 11.2.

The Resolution requires approval by way of an ordinary resolution of the Shareholders of the Company.

Parties to, and material terms of, the Proposed Transaction

On 12 August 2021, the Company announced that REX (a subsidiary of the Company) and RMA (a subsidiary of Corcel) had entered into the Share Purchase Agreement. The material terms of the Share Purchase Agreement are as follows:

- REX will sell the Sale Shares to RMA;
- the consideration payable by RMA for the Sale Shares is AUD 4,761,087, which will be offset against the Corcel Debt such that no cash will be payable by RMA to REX on completion;
- completion of the Share Purchase Agreement is conditional upon (i) the Company obtaining shareholder approval for the Proposed Transaction pursuant to Listing Rules 10.1 and 11.2 and (ii) RMA being satisfied that the Intercompany Loan has been capitalised in full such that there are no amounts owing by REX to the Company;
- REX has agreed to conduct the business of Niugini Nickel in the ordinary course until completion of the Share Purchase Agreement on customary terms for an agreement of this nature; and
- completion of the Share Purchase Agreement is to occur on the fifth business day following the day on which the last of the conditions is satisfied or waived.

Corcel is a UK-incorporated company, headquartered in London, that is listed on the Alternative Investment Market ('AIM') (a sub-market of the London Stock Exchange). The Corcel Debt has an aggregate carrying amount of AUD 4,761,087 and is repayable on 30 September 2021 (as to AUD 2,761,087) and on 14 January 2022 (as to AUD 2,000,000).

The Corcel Debt represents a large proportion of historical debt that the Company had drawn down to fund general working capital and its operations at the Wowo Gap Project. The original debtholder, Sinom (Hong Kong) Limited ('Sinom'), is the largest shareholder of the Company. The Company's non-executive director, Mr Zhang Chi (Andy), is a director and controlling shareholder of Sinom.

As previously announced on ASX, Sinom assigned a significant proportion of its loan receivables to Corcel as follows:

- in April 2020, Sinom assigned to Corcel AUD 1.71 million of loans payable by the Company, comprising two separate tranches, being AUD 1.21 million in the first tranche ('Tranche A') and AUD 0.5 million in the second tranche ('Tranche B'); and
- in November 2020, Sinom assigned to Corcel a further two tranches of loans payable by the Company, comprising AUD 1.05 million in one tranche ('Tranche C') and AUD 2 million in a second tranche ('Tranche D').

A summary of the Corcel Debt is outlined in the table below:

Tranche	Loan Balance (AUD)	Interest rate	Repayment date	Security
A	1,210,000	Non-Interest Bearing	30-Sep-21*	Unsecured
B	500,000	Non-Interest Bearing	30-Sep-21*	Unsecured
C	1,051,087	Non-Interest Bearing	30-Sep-21*	Unsecured
D	2,000,000	Non-Interest Bearing	14-Jan-22	Unsecured
Total	4,761,087			

* As announced on ASX on 6 September 2021, these repayment dates have been extended to 31 October 2021.

Corcel is unrelated to the Company. However, Base Asia Pacific Limited, an entity owned and controlled by director Andy Zhang, holds 9.62% of the issued capital of Corcel.¹

¹ As at 1 September 2021.

Listing Rules 10.5.3: Details of the Wowo Gap Project

Acquired by the Company in 1996, the Wowo Gap Project hosts nickel-cobalt mineralisation within Niugini Nickel's Exploration License EL1165, where exploration work to date has outlined a total Indicated and Inferred mineral resource estimate of 125 million tonnes ('Mt') at 1.06% Nickel and 0.07% Cobalt². See the Table below.

Mineral Resource Classification (JORC 2004)	Mt	Nickel (%)	Cobalt (%)
Indicated	72	1.03	0.07
Inferred	53	1.09	0.06
Total	125	1.06	0.07
Contained Metal		1,325,000 t	83,000 t

The Company's goal was to develop the Wowo Gap Project to capture the increase in demand from the growth in the global stainless steel industry and forecast growth of nickel use in lithium ion batteries.

EL1165 consists of 28 blocks with a total area of 94.4 km². EL 1165 expired on 28 February 2020 with a renewal application submitted and accepted on 24 February 2020. The first stage of the license renewal process, the conduct of a Warden's Court Hearing, has been deferred on multiple occasions due to the restrictions of the coronavirus outbreak ('COVID-19') in PNG. On the 10 March 2021, Niugini Nickel was advised that the Warden's Court Hearing would take place on the 15th of April 2021. Subsequent advice received on 7 April 2021 adjourned the hearing to a future date based on the recent surge in COVID-19 cases. Notification has been received that the Warden's Court Hearing will now take place on the 14th of September 2021.

From the time the renewal application was lodged to date, the tenement remains in force, with the Company meeting its obligations under the terms and conditions of the PNG Mining Act. Exploration camp facilities have been maintained and work programs have been arranged with tasks involving two or three operators at a time in consideration for social distancing. However, until the renewal is officially confirmed the possibility exists that exploration licence may not be renewed.

The consideration for the Proposed Transaction, being the value of the Corcel Debt of AUD 4.76 million, exceeds the sum of the value of the Wowo Gap Project and the value of Niugini Nickel's other net assets (amounting to a preferred valuation of AUD 2.06 million in section 10.1 of the Independent Experts Report).

Independent Expert's Report

As required by Listing Rule 10.1, the Directors have commissioned the Independent Expert to prepare a report on the Proposed Transaction to ascertain whether it is fair and reasonable to Shareholders.

The Independent Expert has concluded that the Proposed Transaction is fair and reasonable for Shareholders.

The Independent Expert has given, and has not withdrawn, its consent to the inclusion of the Independent Expert's Report in the form and context in which it appears.

Annexure A contains a complete copy of the Independent Expert's Report. Shareholders are urged to read the Independent Expert's Report in the form and context in which it appears.

Advantages and Disadvantages of the Proposed Transaction

Set out below is a non-exhaustive list of the advantages and disadvantages of the Proposed Transaction.

² Refer to ASX announcement 14 December 2011, RMC confirms that it is not aware of any new information or data that affects the information included in that market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. RMC's policy for Mineral Resources estimates is to have the estimates prepared by a suitably qualified and experienced external consultant and have these estimates reviewed internally by the Board periodically.

Advantages

- **The Proposed Transaction is fair:** The Independent Expert has concluded the Proposed Transaction is fair.
- **The Company's financial position will improve:** The Proposed Transaction will significantly reduce the Company's liabilities. The Directors believe that the Company will not be in a position to raise equity funds to repay the Corcel Debt in advance of its repayment date. With the extinguishment of the Corcel Debt, the Company's improved financial position will make it easier to undertake future capital raisings.
- **Avoid the risk of EL1165 not being renewed:** The PNG Government is putting increasing pressure on mining companies to steer some of their profits towards benefitting the local communities. As a result, the Company may face additional scrutiny during the tenement renewal process. The Proposed Transaction eliminates that risk for the Company.
- **No change to Shareholder's investment profile:** The Proposed Transaction does not involve the issuance of shares and the shareholding will not change. The investment profile will remain as nickel and cobalt exploration.
- **Removal of obligation to undertake care and maintenance and overheads associated with Wowo Gap Project:** Currently, the Company continues to incur costs to keep the Wowo Gap Project on a care and maintenance program (approximately AUD 190,000 per annum). If the Proposed Transaction completes, the Company will not be exposed to these ongoing costs, nor will it incur ongoing corporate overheads or working capital amounts associated with the Wowo Gap Project.
- **Focus on the Kabulwanye Nickel Project:** The disposal of the Wowo Gap Project will allow the Company to focus its efforts on its underexplored Kabulwanye Nickel Project in Tanzania.

Disadvantages

- **Disposal of the Company's main undertaking:** Completion of the Proposed Transaction will result in the main undertaking of the Company being disposed of and so Shareholders will no longer be exposed to the rewards (or risks) of the Wowo Gap Project.
- **The Company may be suspended from the ASX:** ASX will allow the Company a period of six months from the date of the agreement to dispose of its main undertaking to demonstrate to the ASX that it is compliant with ASX Listing Rule 12.1 (*Listing Rule 12.1: the level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing*). If the Company fails to demonstrate compliance with this rule to ASX's satisfaction by the end of the six month period, ASX will likely suspend trading in the Company's securities. If listing rule 11.2 approval is obtained and the Company disposes of its main undertaking, any transaction the Company proposes to enter may attract the application of listing rule 11.1.3 and as a result will require the company to comply with Chapters 1 and 2 of the ASX Listing Rules. ASX Guidance Note 12: *Significant Change to Activities* provides further information on significant changes to activities and how the Listing Rules apply to those changes.

Consequences of the Resolution being passed or not passed

If the Resolution is passed and the Proposed Transaction completes, the Company will dispose of the Sale Shares to Corcel and will turn its focus to the Group's Kabulwanye Nickel Project in Tanzania.

The Kabulwanye Nickel Project is located south west of Mpanda in the west of Tanzania, and includes two prospecting licences, with a total area of approximately 20.5 square kilometres. The Kabulwanye Nickel Project covers part of the Ubendian rock system of lower Proterozoic rocks, comprising mainly of acidic gneisses, granulites, amphibolites and ultramafic rocks. After first discovery in 1944, continuing exploration in 1947, 1955, 1960 and 1973 has reported intercepts of nickel, cobalt and manganese³. Without any modern exploration, the Company's initial work program involves locating historical pits and resampling, conducting systematic soil samples, geological remapping and further trenching and pitting of the area.

³ Refer to ASX announcement dated 9 February 2021. References are:

- Geological Survey of Tanganyika, 1955: Notes on the Nickel Prospect at Ngasamo, Mwanza District, Report NJG/34, File C 1211.
- Temperley, B.N, 1947: Kabulwanyele Nickel, Mineral Resources Pamphlet, no: 43, Department of Lands and Mines, Geological Division, Dar Es Salaam
- Western Rift Exploration Co. Ltd, 1960: Reports no: 13 and 14 on Kapalagulu prepared by Geological Department, Anglo American Corporation
- Smirnov, V, Pentolkov, V, Tolochko V, Trifan M, and Zhukov, S, 1973: Geology and Minerals of the central part of the western rift, Technoexport, Moscow, 327pp.

As noted above, Shareholders should be aware that as a result of completion of the Proposed Transaction following approval of the Resolution, ASX may exercise its discretion to require the Company to undertake a re-compliance listing.

If the Resolution is not passed, the Company will seek to advance the Wowo Gap Project if conditions permit. However, the Company will be required to explore other mechanisms to repay the Corcel Debt, and to seek other funding generally.

Impact of the Proposed Transaction on the Company

- a) **Effect of the Proposed Transaction on the Company's future earnings:** Completion of the Proposed Transaction will result in the reduction of future costs for the care and maintenance of the Wowo Gap Project. As the Wowo Gap Project costs have previously been expensed as incurred, the Group will record a non-cash gain on disposal of approximately AUD 4.7 million.
- b) **Effect of the Proposed Transaction on the Group's consolidated statement of financial position: A pro-forma consolidated statement of financial position has been prepared based on the Company's 31 December 2020 consolidated statement of financial position and based on the following assumptions:**
- Sale of subsidiary Niugini Nickel
 - Removal of debt owed to Corcel

	PRO-FORMA 31 December 2020 \$ (AUD)	AUDIT REVIEW 31 December 2020 \$ (AUD)
CURRENT ASSETS		
Cash and cash equivalents	29,056	62,435
Other current assets	2,775	15,987
Total Current Assets	31,831	78,422
NON CURRENT ASSETS		
Plant and equipment	-	77,741
Total Non-Current Assets	-	77,741
TOTAL ASSETS	31,831	156,163
CURRENT LIABILITIES		
Trade and other payables	948,077	969,820
Interest bearing liabilities	8,561	8,561
Non-interest bearing liabilities	291,006	3,052,093
Provisions	-	32,850
Total Current Liabilities	1,247,644	4,063,324
Non-interest bearing liabilities	-	2,000,000
Total Non-Current Liabilities	-	2,000,000
TOTAL LIABILITIES	1,247,644	6,063,324
NET ASSETS / (NET ASSET DEFICIENCY)	(1,215,813)	(5,907,161)
EQUITY		
Issued capital	63,294,571	63,294,571
Reserves	-	175,338
Accumulated losses	(64,510,384)	(69,377,070)
TOTAL EQUITY / (DEFICIENCY IN EQUITY)	(1,215,813)	(5,907,161)

- c) **Effect of the Proposed Transaction on the Company’s business model:** The disposal of the Wowo Gap Project will allow the Company to focus its efforts on its newly acquired, underexplored Kabulwanye Nickel Project in Tanzania. The Company’s initial work program will involve locating historical pits and resampling, conducting systematic soil samples, geological remapping and further trenching and pitting of the area.
- d) **Effect of the Proposed Transaction on the Board and the Company’s senior management:** The completion of the Proposed Transaction will not result in any change to composition of the Board or the Company’s senior management.
- e) **Effect of the Proposed Transaction on the capital structure:** The completion of the Proposed Transaction will not impact the capital structure of the Company.
- f) **Use of proceeds of the Proposed Transaction:** The consideration for the proposed transfer of the Sale Shares to REX is, in effect, the extinguishment of the Corcel Debt – there will be no proceeds available to the Company from the Proposed Transaction.
- g) **Tax Impact of the Sale:** Any gain on the Proposed Transaction will be offset against tax losses brought forward. No income tax will be paid.

Directors’ interests and recommendation

Other than Andy Zhang (by virtue of Base Asia Pacific Limited, an entity owned and controlled by director Andy Zhang, holding 9.62% of Corcel), no Director has a material interest in the outcome of the Proposed Transaction, other than as a result of any interest arising solely in their capacity as a Shareholder.

The Directors (other than Andy Zhang, who declines to give a recommendation in respect of Resolution 1 due to his material personal interest) have unanimously concluded that, following the assessment of the advantages and disadvantages of the Proposed Transaction discussed above and after considering the Independent Expert’s Report, the Proposed Transaction is in the best interests of the Company and represents the best outcome for Shareholders (in the absence of a superior proposal).

Accordingly, the Directors (excluding Andy Zhang) **unanimously recommend** that Shareholders vote in favour of Resolution 1.

Indicative timetable

The anticipated timetable for completion of the Proposed Transaction is as follows:

Event	Date
Latest date and time for receipt of Proxy Forms	6 October 2021
Meeting Date – Disposal of Sale Shares approved	8 October 2021
Completion of disposal of Sale Shares	Around 15 October 2021

These dates are indicative only and subject to change. Subject to the Corporations Act and Listing Rules, the above dates may be varied. Any changes to the above timetable will be announced to ASX. The Company reserves the right to amend or withdraw the from the Proposed Transaction, subject to the terms of the Share Purchase Agreement and applicable legal requirements.

ASX

The ASX does not take any responsibility for the contents of this Notice.

ENQUIRIES

Shareholders are invited to contact the Managing Director, Mr Warwick Davies, on (08) 6494 0025 or rmc@resmin.com.au if they have any queries in respect of the matters set out in these documents.

Competent Persons Statement

The information in this document that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Mark Hill, a Competent Person who is a member of the Australian Institute of Geoscientists. Mark Hill is an employee of Exman Consultancy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Information on the Wowo Gap Nickel Laterite Project was prepared and first disclosed under JORC Code 2004*. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mark Hill consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

* Refer to ASX announcement 14 December 2011, RMC confirms that it is not aware of any new information or data that affects the information included in that market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. RMC's policy for Mineral Resources estimates is to have the estimates prepared by a suitably qualified and experienced external consultant and have these estimates reviewed internally by the Board periodically.

GLOSSARY

\$ and **AUD** mean Australian dollars.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Company means Resource Mining Corporation Limited ABN 97 008 045 083.

Corcel means Corcel Plc (formerly Regency Mines plc) (UK company no. 05227458).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Group means the Company and its subsidiaries (as defined in the Corporations Act).

Independent Expert means BDO Corporate Finance (WA) Pty Ltd.

Independent Expert's Report means the Independent Expert's Report contained in Annexure A.

Kabulwanye Nickel Project means the Kabulwanye Nickel Project in Tanzania.

Listing Rule means a Listing Rules of ASX.

Niugini Nickel means Niugini Nickel Pty Ltd (ACN 071 497 884).

Notice means this notice of meeting including the Explanatory Memorandum and the Proxy Form.

PNG means Papua New Guinea.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution set out in the Notice.

REX means Resource Exploration Pty Ltd (ACN 074 686 776).

RMA means Regency Mines Australasia Pty Ltd (ACN 133 853 424).

Sale Shares means 100% of the issued share capital in Niugini Nickel Pty Ltd.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Purchase Agreement means the share purchase agreement dated 12 August 2021 between REX and RMA.

Wowo Gap Project means the Wowo Gap Nickel Laterite Project in PNG.

WST means Western Standard Time as observed in Perth, Western Australia.

RESOURCE MINING CORPORATION LIMITED
Independent Expert's Report

OPINION: Fair and Reasonable

25 August 2021





Financial Services Guide

25 August 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Resource Mining Corporation Limited ('RMI' or 'the Company') to provide an independent expert's report on the proposed sale of its 100% interest in Niugini Nickel Pty Ltd ('Niugini Nickel') to Regency Mines Australasia Pty Ltd ('Regency Mines'), which is a wholly-owned subsidiary of the Company's major debtholder, Corcel Plc ('Corcel'). As consideration for the sale, Corcel will release all liabilities and obligations in connection with its \$4,781,087 of loans owing by RMI (the 'Proposed Transaction'). You are being provided with a copy of our report because you are a shareholder of RMI and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by RMI to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or do not fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement (inclusive of Original Report as explained in 'Other assignments' below) is approximately \$30,000.



Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in RMI.

Other assignments

BDO Corporate Finance (WA) Pty Ltd prepared a draft report for the Directors of RMI consistent with the approach taken for an independent expert's report ('**Original Report**'), to express an opinion on whether the Proposed Transaction was fair and reasonable if deemed a related party transaction. The fee for the Original Report was not linked in any way to the opinion expressed. This report updates the Original Report to ensure currency and meet the requirements for a transaction under the related party provisions of the ASX Listing Rules 10.1 and 11.2.

BDO Audit (WA) Pty Ltd is the appointed Auditor of RMI. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from RMI for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('**AFCA**').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('**FOS**') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.



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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Valuation Report prepared by VARM

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PO Box 700 West Perth WA 6872
Australia

25 August 2021

The Directors
Resource Mining Corporation Limited
Suite 14, Level 2
210 Bagot Road
Subiaco WA 6008

Dear Directors,

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 12 August 2021, Resource Mining Corporation Limited ('RMI' or 'the Company') announced on the Australian Securities Exchange ('ASX') that its wholly-owned subsidiary, Resource Exploration Pty Ltd ('REX') had signed a binding, but conditional, Share Purchase Agreement ('SPA') with Regency Mines Australasia Pty Ltd ('Regency Mines') to sell 100% of the issued share capital in REX's subsidiary, Niugini Nickel Pty Ltd ('Niugini Nickel'). Niugini Nickel owns 100% of the Wowo Gap Nickel Laterite Project ('Wowo Gap Project') in Papua New Guinea ('PNG'), which has historically represented the flagship operations of RMI.

Regency Mines is a wholly-owned subsidiary of Corcel Plc ('Corcel'), a major debtholder of RMI. In consideration for the sale of the 100% issued share capital in Niugini Nickel, Corcel will release all liabilities and obligations in connection with its \$4,761,087 of loans owing by RMI ('Corcel Debt').

The original debtholder, Sinom (Hong Kong) Limited ('Sinom'), is the largest shareholder of the Company. RMI's non-executive director, Mr Zhang Chi (Andy Zhang), is a director and controlling shareholder of Sinom. ASX has exercised its discretion under Listing Rule 10.1.5 and determined that Andy Zhang is a person whose relationship to RMI is such that, in ASX's opinion, the transaction should be approved by security holders (see Section 6 for further details).

All monetary amounts stated in our report ('our Report') are denoted in Australian Dollars ('A\$') unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The independent directors of RMI ('the Directors') have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report to express an opinion as to whether or not the transfer of ownership of Niugini Nickel to Corcel in exchange for the release of the Corcel Debt ('Proposed Transaction') would be fair and reasonable to the non-associated shareholders of RMI ('Shareholders').

Our Report is prepared pursuant to ASX listing rules 10.1 and 11.2 and is to be included in the Notice of Meeting for RMI in order to assist the Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guides Regulatory Guide 76 'Related party transactions' ('RG 76'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this Report. We have considered:

- How the value of Niugini Nickel compares to the value of the consideration to be "paid" for Niugini Nickel, implied by the value of the Corcel Debt to be released;
- The likelihood of an alternative offer being made to RMI;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction; and
- The position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Proposed Transaction is fair and reasonable to Shareholders.

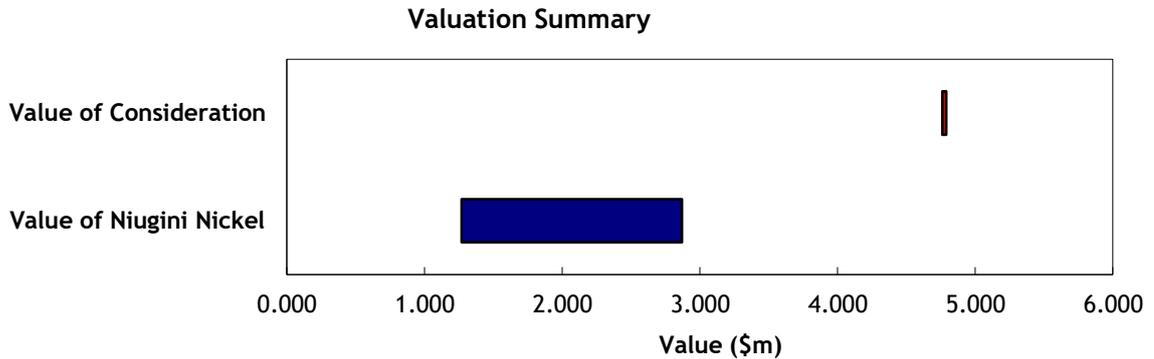
2.4 Fairness

In Section 12 we determined that the value of consideration compares to the value of Niugini Nickel, as detailed below.

	Ref	Low \$m	Preferred \$m	High \$m
Value of Niugini Nickel	10	1.20	2.00	2.80
Value of Consideration	11	4.76	4.76	4.76

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, and an alternative offer, the Proposed Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 13 of this report, in terms of both

- advantages and disadvantages of the Proposed Transaction; and
- other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.3	The Proposed Transaction is fair	13.4	Loss of accumulated experience and know-how with the disposal of the Company's main undertaking
13.3	The Proposed Transaction will improve RMI's financial position		
13.3	The Proposed Transaction will avoid the risk of the tenement not being renewed		
13.3	The Proposed Transaction will not change the shareholder's investment profile		

Other key matters we have considered include:

Section	Description
13.1	Alternative Proposal
13.2	Consequences of not Approving the Proposed Transaction

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of, or agrees to acquire or dispose of, a substantial asset when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules. Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or person of influence of the listed entity as defined under the ASX Listing Rules.

Based on the reviewed accounts as at 31 December 2020, the value of the consideration to be "paid" for Niugini Nickel, implied by the value of the Corcel Debt to be released (being \$4,761,087) is more than 5% of the equity interest of RMI.

ASX has exercised its discretion under Listing Rule 10.1.5 and determined that Andy Zhang is a person whose relationship to RMI is such that, in ASX's opinion, the transaction should be approved by security holders.

Listing Rule 10.5.10 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act 2001 ('Corporations Act' or 'the Act') defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111, which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Proposed Transaction to be a control transaction as the Proposed Transaction does not involve the exchange of shares in RMI. As such, we have used RG 111 as a guide for our analysis but have considered the Proposed Transaction as if it were not a control transaction.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the assets which are subject of the offer. In the case of RMI the value of Niugini Nickel is the subject of the transaction. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

RG 111 states that when considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, as stated in Section 3.2 we do not consider that the Proposed Transaction is a control transaction.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternate options.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of the asset being transferred, being the 100% interest in Niugini Nickel, and the value of the consideration being "paid", being the value of the Corcel Debt to be released (fairness - see Section 12 'Is the Proposed Transaction Fair?'); and
- An investigation into other significant factors to which the Directors might give consideration, prior to presenting the Proposed Transaction to Shareholders for approval, after reference to the value derived above (reasonableness - see Section 13 'Is the Proposed Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Proposed Transaction

Overview

Under the terms of the Proposed Transaction, RMI through its wholly-owned subsidiary, REX, will transfer its 100% interest in Niugini Nickel to Regency Mines, which in turn is a wholly-owned subsidiary of the Company's major debtholder, Corcel. In consideration for the sale of the 100% issued share capital in Niugini Nickel, Corcel will release RMI of all liabilities and obligations in connection with its \$4,761,087 of Corcel Debt owing by RMI.

Niugini Nickel is the entity within the RMI group ('the Group') that holds the tenement and right to the Wowo Gap Project in PNG, which has constituted the major operational focus of RMI until recently.

The SPA for the Proposed Transaction was executed on 12 August 2021 between REX and Regency Mines and is subject to the following conditions precedent:

- RMI obtaining the approval of its Shareholders in general meeting to the Proposed Transaction for the purpose of ASX Listing Rules 10.1 and 11.2 and all other purposes; and
- The purchaser (Regency Mines) being provided with evidence, to its satisfaction (acting reasonably), that the intercompany loan will be capitalised in its entirety (in full satisfaction of the intercompany loan, such that it is no longer owned by Niugini Nickel to RMI), immediately prior to completion, without any liability to Niugini Nickel (see Section 5.5.1 for details of the intercompany loan).

Corcel Debt

Corcel is a UK-incorporated company listed on the Alternative Investment Market ('AIM') (a sub-market of the London Stock Exchange). Further information of Corcel is detailed in Section 6 of our Report.

The Corcel Debt represents a proportion of historical debt that RMI had drawn down to fund general working capital and its operations at the Wowo Gap Project. The original debtholder, Sinom, is the current largest shareholder of the Company. A director and controlling shareholder of Sinom is also non-executive director of RMI, Mr. Andy Zhang.

Over the course of 2020, Sinom assigned a significant proportion of its loans receivable to Corcel:

- The first instance for which debt was assigned to Corcel was in April 2020, whereby Sinom assigned \$1.71 million of loans payable by RMI to Regency Mines plc, which was the previous name of Corcel before its name change in August 2020. The \$1.71 million of loans payable comprised two separate tranches, being \$1.21 million in the first tranche ('Tranche A') and \$0.50 million in the second tranche ('Tranche B').
- In November 2020, Sinom assigned a further two tranches of loans comprising \$1.05 million in one tranche ('Tranche C') and \$2.00 million in the second tranche ('Tranche D') to Corcel. Tranche D specifically related to a \$2.00 million unsecured loan originally granted by Sinom to RMI for the purposes of the redemption of two convertible loan notes worth \$1.00 million each.

A summary of the key terms of the Corcel Debt is outlined in the table below:

Tranche	Loan Balance (\$)	Interest rate	Repayment date	Security
A	1,210,000	Non-Interest Bearing	30-Sep-21	Unsecured
B	500,000	Non-Interest Bearing	30-Sep-21	Unsecured
C	1,051,087	Non-Interest Bearing	30-Sep-21	Unsecured
D	2,000,000	Non-Interest Bearing	14-Jan-22	Unsecured
Total	4,761,087			

Source: RMI's reviewed financial statements for the half year ended 31 December 2020.

The total outstanding balance of Tranches A, B, C and D will be released by Corcel in exchange for the transfer of the Company's 100% equity interest in Niugini Nickel.

5. Profile of RMI

5.1 History

RMI is an Australian mineral exploration company focused on the development of nickel assets. The Company's flagship project is the Wowo Gap Project located 200 kilometres ('km') from the PNG capital of Port Moresby. The Wowo Gap Project is operated through RMI's wholly-owned subsidiary, Niugini Nickel,

which is also the registered holder of 100% of the tenement relating to the Wowo Gap Project, being Exploration License ('EL') 1165.

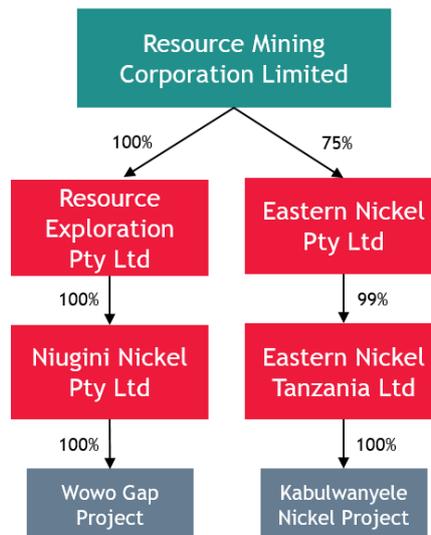
The Company also holds a 75% interest in Eastern Nickel Pty Ltd ('Eastern Nickel'), which holds 99% of the Kabulwanyele Nickel Project ('KNP') in Tanzania. The acquisition of the interest in Eastern Nickel was completed on 11 February 2021. In the quarter ended 30 June 2021, the Company commenced preliminary exploration work on KNP primarily focussed on geological mapping and comprehensive soils sampling program.

RMI is listed on the ASX and is headquartered in Subiaco, Western Australia. RMI's current board members and senior management comprise:

- Mr. William Mackenzie - Non-Executive Chairman;
- Mr. Warwick Davies - Managing Director;
- Mr. Zhang Chi (Andy) - Non-Executive Director; and
- Ms. Amanda Sparks - Company Secretary.

5.2 Corporate Structure

An extract of the corporate structure of RMI is outlined in the chart below:



Source: RMI Half Yearly Report for the period ended 31 December 2020.

5.3 Wowo Gap Project

Acquired in 1996, the Wowo Gap Project hosts nickel-cobalt mineralisation, with exploration work to date outlining a total Indicated and Inferred mineral resource estimate of 125 million tonnes ('Mt') at 1.06% Nickel and 0.07% Cobalt. The Company's goal has been to develop the Wowo Gap Project to capture the increase in demand from the growth in the global stainless steel industry and forecast growth of nickel use in lithium ion batteries.

The mineral resource estimate (JORC 2004) for the Wowo Gap Project is outlined in the table below:

Mineral Resource Classification (JORC 2004)	Mt	Nickel (%)	Cobalt (%)
Indicated	72	1.03	0.07
Inferred	53	1.09	0.06
Total	125	1.06	0.07
Contained Metal (tonnes)		1,325,000	83,000

Source: RMI Annual Report for the year ended 30 June 2020.

Further information on historical exploration work and the geology of the Wowo Gap Project is contained in Appendix 3.

Under the exploration license, Niugini Nickel is able to access 28 blocks with a total area of 94.4 km². We note that EL 1165 expired on 28 February 2020 with a renewal application submitted and accepted on 24 February 2020. The first stage of the license renewal process, the conduct of a Warden's Court Hearing, has been deferred on multiple occasions due to the restrictions of the coronavirus outbreak ('COVID-19') in PNG. On the 10 March 2021, Niugini Nickel was advised that the Warden's Court Hearing would take place on the 15th of April 2021. Subsequent advice received on 7 April 2021 from the warden is that the hearing had been adjourned to a future date based on the recent surge in COVID-19 cases. Notification has been received that the Warden's Court Hearing will now take place on the 14th of September 2021.

From the time the renewal application was lodged to date, the tenement remains in force, with the Company meeting its obligations under the terms and conditions of the PNG Mining Act. Exploration camp facilities have been in maintenance and work programs have been arranged to tasks involving two or three operators at a time in consideration for social distancing. However, until the renewal is officially confirmed the possibility exists that exploration licence may not be renewed.

5.4 Kabulwanyele Nickel Project

The KNP is located south west of Mpanda in the west of Tanzania. The project includes two prospecting licences, with a total area of approximately 20.5 square kilometres. The KNP covers part of the Ubendian rock system of lower Proterozoic rocks, comprising mainly of acidic gneisses, granulites, amphibolites and ultramafic rocks. After first discovery in 1944, continuing exploration in 1947, 1955, 1960 and 1973 has reported intercepts of nickel, cobalt and manganese. Without any modern exploration, RMI's initial work program involves locating historical pits and resampling, conducting systematic soil samples, geological remapping and further trenching and pitting of the area. In the quarter ended 30 June 2021, the Company commenced preliminary exploration work on KNP primarily focussed on geological mapping and comprehensive soils sampling program.

5.5 Historical Statement of Financial Position of RMI

Statement of Financial Position	Reviewed as at 31-Dec-20 \$	Audited as at 30-Jun-20 \$	Audited as at 30-Jun-19 \$
CURRENT ASSETS			
Cash and cash equivalents	62,435	43,962	49,962
Trade and other current assets	15,987	19,200	14,251
TOTAL CURRENT ASSETS	78,422	63,162	64,213
NON-CURRENT ASSETS			
Plant and equipment	77,741	95,531	109,521
TOTAL NON-CURRENT ASSETS	77,741	95,531	109,521

Statement of Financial Position	Reviewed as at 31-Dec-20 \$	Audited as at 30-Jun-20 \$	Audited as at 30-Jun-19 \$
TOTAL ASSETS	156,163	158,693	173,734
CURRENT LIABILITIES			
Trade and other payables	969,820	898,708	740,443
Interest bearing liabilities	8,561	5,956	5,712
Non-interest bearing liabilities	3,052,093	4,912,427	4,659,794
Provisions	32,850	38,149	38,246
TOTAL CURRENT LIABILITIES	4,063,324	5,855,240	5,444,195
NON-CURRENT LIABILITIES			
Non-interest bearing liabilities	2,000,000	-	-
TOTAL NON-CURRENT LIABILITIES	2,000,000	-	-
TOTAL LIABILITIES	6,063,324	5,855,240	5,444,195
NET ASSETS / (LIABILITIES)	(5,907,161)	(5,696,547)	(5,270,461)
EQUITY			
Issued capital	63,294,571	63,294,571	63,294,571
Reserves	175,338	585,555	586,363
Accumulated losses	(69,377,070)	(69,576,674)	(69,151,395)
TOTAL EQUITY	(5,907,161)	(5,696,547)	(5,270,461)

Source: RMI's reviewed financial statements for the half year ended 31 December 2020 and audited financial statements for the years ended 30 June 2020 and 30 June 2019.

We note that in RMI's reviewed accounts for the half year ended 31 December 2020 and audited accounts for the years ended 30 June 2020 and 30 June 2019, the Company's auditor highlighted the existence of a material uncertainty relating to the Company's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Commentary on Historical Statement of Financial Position

- Cash and cash equivalents increased from \$43,962 as at 30 June 2020 to \$62,435 as at 31 December 2020. The increase in cash and cash equivalents of \$18,473 was primarily the result of cash proceeds from borrowings and advances of \$154,961, which was primarily offset by payments to suppliers and employees of \$124,525 and repayment of advances of \$15,295;
- Trade and other current assets of \$15,987 as at 31 December 2020 relate to \$10,152 of GST receivables, \$3,462 of secured cash and \$2,373 of insurance prepayments;
- Plant and equipment of \$77,741 as at 31 December 2020 solely relate to plant and equipment held in Niugini Nickel for the Wowo Gap Project;
- Trade and other payables of \$0.97 million primarily relate to \$0.64 million of trade payables and \$0.33 million of accruals;
- Current non-interest bearing liabilities decreased by approximately \$1.86 million from \$4.91 million as at 30 June 2020 to \$3.05 million as at 31 December 2020, with the majority of the movement attributable to the Company redeeming two convertible notes for a total of \$2.00 million;
- As part of the redemption of the convertible notes, Non-Executive Director, Andy Zhang through his controlled entity Sinom agreed to lend RMI \$2.00 million in the form of a non-interest bearing

unsecured loan, repayable no earlier than 14 January 2022. This is reflected by the \$2.00 million increase in non-current non-interest bearing liability. On 17 November 2020, Sinom assigned this loan to Corcel;

- Of the total non-interest bearing liabilities balance (current and non-current) of \$5.05 million, \$4.76 million of unsecured loans are due to Corcel, with the breakdown as follows:

Loans - Corcel	\$
Loans A & B - repayable no earlier than 30/09/2021	1,710,000
Loan C - repayable no earlier than 30/09/2021	1,051,087
Loan D - repayable no earlier than 14/01/2022	2,000,000
	4,761,087

Source: RMI Annual Report for the year ended 30 June 2020.

- Provisions of \$32,850 as at 31 December 2020 relate to a provision for compensation which is solely held within the Niugini Nickel entity (see Section 5.5.1 below); and
- Reserves decreased by \$0.41 million from \$0.59 million as at 30 June 2020 to \$0.18 million as at 31 December 2020 primarily attributable to \$0.40 million of convertible note share reserves being transferred to accumulated losses upon the redemption of the convertible notes. The residual decrease of \$0.01 million in the Company's reserves related to the decrease in the foreign currency translation reserve.

5.5.1. Historical Statement of Financial Position of Niugini Nickel

On the basis that the subject of the Proposed Transaction involves the valuation of Niugini Nickel, we have presented the historical statement of financial position of the Niugini Nickel entity for the purpose of our assessment.

Statement of Financial Position	31-Dec-20	30-Jun-20	30-Jun-19
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	33,379	39,843	42,403
Other current assets	13,212	12,060	6,394
TOTAL CURRENT ASSETS	46,591	51,903	48,797
NON-CURRENT ASSETS			
Plant and equipment	77,741	95,531	109,521
TOTAL NON-CURRENT ASSETS	77,741	95,531	109,521
TOTAL ASSETS	124,332	147,434	158,318
CURRENT LIABILITIES			
Trade and other payables	21,742	29,583	7,554
Provisions	32,850	38,149	38,246
TOTAL CURRENT LIABILITIES	54,592	67,732	45,800
NON-CURRENT LIABILITIES			
Non-interest bearing liabilities	15,027,134	14,929,352	14,741,882
TOTAL NON-CURRENT LIABILITIES	15,027,134	14,929,352	14,741,882

Statement of Financial Position	31-Dec-20	30-Jun-20	30-Jun-19
	\$	\$	\$
TOTAL LIABILITIES	15,081,726	14,997,085	14,787,682
NET ASSETS / (LIABILITIES)	(14,957,394)	(14,849,650)	(14,629,365)
EQUITY			
Issued capital	154,301	154,301	154,301
Reserves	2,422,580	205,355	158,369
Accumulated losses	(17,534,275)	(15,209,306)	(14,942,035)
TOTAL EQUITY	(14,957,394)	(14,849,650)	(14,629,365)

Source: RMI's consolidation workbook for the half year ended 31 December 2020 and years ended 30 June 2020 and 30 June 2019.

Commentary on Historical Statement of Financial Position

- Non-interest bearing liabilities of \$15.0 million as at 31 December 2020 relate solely to an intercompany loan between Niugini Nickel and RMI, which is eliminated upon consolidation. We note that the RMI parent entity has provided for the intercompany loan and therefore does not deem it to be recoverable. Niugini Nickel does not hold any of the loans owing to Corcel or Sinom; and
- Reserves of \$2.42 million as at 31 December 2020 relate to the foreign currency translation reserve account which relates to foreign currency exchange differences on translation of the intercompany loans.

5.6 Historical Statement of Profit or Loss and Other Comprehensive Income of RMI

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the six months ended 31-Dec-20	Reviewed for the six months ended 31-Dec-19	Audited for the year ended 30-Jun-20	Audited for the year ended 30-Jun-19
	\$	\$	\$	\$
Revenue				
Other income	-	101	103	104
Expenses				
Administration and corporate expenses	(110,404)	(116,290)	(221,383)	(253,924)
Exploration expenditure and project costs	(84,701)	(99,608)	(202,436)	(193,526)
Borrowing costs	(787)	(400)	(1,562)	(1,567)
Total expenses	(195,892)	(216,298)	(425,381)	(449,017)
Loss before income tax	(195,892)	(216,197)	(425,278)	(448,913)
Income tax benefit/(expense)	-	-	-	-
Loss after income tax for the year	(195,892)	(216,197)	(425,278)	(448,913)
Other comprehensive profit/(loss)				
Exchange translation difference	(14,722)	(1,593)	(808)	(3,016)
Other comprehensive profit/(loss)	(14,722)	(1,593)	(808)	(3,016)
Total comprehensive loss for the year	(210,614)	(217,790)	(426,086)	(451,929)



Source: RMI's reviewed financial statements for the half years ended 31 December 2020 and 31 December 2019, and audited financial statements for the years ended 30 June 2020 and 30 June 2019.

Commentary on Statement of Profit or Loss and Other Comprehensive Income

- Administration and corporate expenses of \$110,404 as at 31 December 2020 primarily related to compliance and regulatory expenses of \$37,415, consultant costs of \$28,390, Non-Executive directors' fees of \$25,000 (accrued, not yet paid) and occupancy expenses of \$11,485; and
- Exploration expenditure and project costs of \$84,702 as at 31 December 2020 primarily related to other exploration and project costs of \$79,859. We note that the Company's accounting policy is to expense all exploration and evaluation expenditure incurred during the period through the profit or loss statement.

5.6.1. Historical Statement of Profit or Loss of Niugini Nickel

We have presented the historical statement of profit or loss and other comprehensive income of the Niugini Nickel entity.

Statement of Profit or Loss and Other Comprehensive Income		31-Dec-20	31-Dec-19	30-Jun-20	30-Jun-19
	Notes	\$	\$	\$	\$
Revenue		-	101	102	95
Expenses					
Administration and corporate expenses		(8,324)	(8,856)	(17,145)	(20,140)
Exploration expenditure and project costs	1	(84,702)	(99,608)	(202,436)	(193,526)
Foreign exchange gain/(loss)		(2,231,943)	-	(47,791)	380,688
Total expenses		(2,324,969)	(108,463)	(267,373)	167,022
Loss before income tax		(2,324,969)	(108,363)	(267,271)	167,117
Income tax benefit/(expense)		-	-	-	-
Loss after income tax for the year		(2,324,969)	(108,363)	(267,271)	167,117
Other comprehensive profit/(loss)		-	-	-	-
Total comprehensive loss for the year		(2,324,969)	(108,363)	(267,271)	167,117

Source: RMI's consolidation workbook for the half years ended 31 December 2020 and 31 December 2019 and years ended 30 June 2020 and 30 June 2019.

Commentary on Statement of Profit or Loss and Other Comprehensive Income

- The Papua New Guinea kina depreciated against the AUD from 2.38 in 31 December 2019 to 2.39 in 30 June 2020 which resulted in a foreign exchange loss of \$47,791 during the six months period since the loan balance has not changed. Subsequently, the Kina has further depreciated to 2.70 at 31 December 2020 resulting in a further exchange loss of \$2.23 Million.

5.7 Capital Structure

The share structure of RMI as at 13 August 2021 is outlined below:

	Number
Total Ordinary Shares on Issue	325,894,082
Top 20 Shareholders	258,752,584
Top 20 Shareholders - % of shares on issue	79.40%

Source: RMI share registry information as at 13 August 2021.

The range of shares held in RMI as at 13 August 2021 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	490	176,975	0.05%
1,001 - 5,000	542	1,487,344	0.46%
5,001 - 10,000	225	1,746,797	0.54%
10,001 - 100,000	500	18,101,745	5.55%
100,001 - and over	160	304,381,221	93.40%
Total	1,917	325,894,082	100.00%

Source: RMI share registry information as at 13 August 2021.

The ordinary shares held by the most significant shareholders as at 13 August 2021 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Sinom (Hong Kong) Limited (Andy Zhang)	136,793,768	41.97%
Kabunga Holdings Pty Ltd <Kabunga Family A/C>	22,220,053	6.82%
Century Three X Seven Resource Fund Inc	10,656,250	3.27%
Ms Nada Saade	10,622,146	3.26%
Subtotal	180,292,217	55.32%
Others	145,601,865	44.68%
Total ordinary shares on issue	325,894,082	100.00%

Source: RMI share registry information as at 13 August 2021.

We note that the Company has no options or performance rights on issue as at the date of our Report.

6. Profile of Corcel

6.1 History

Corcel (formerly Regency Mines Plc) is an AIM-listed mineral exploration and development company, with interests in battery metals projects and flexible energy storage and production.

Corcel's primary operation is its 41% interest in a joint venture for the Mambare Nickel-Cobalt Project ('Mambare JV Project') also located in PNG. The historic partner to the Mambare JV Project, Battery Metals Pty Ltd, holds the other 59% interest.

Corcel is headquartered in London and its board of directors comprise the following:

- Mr. James Parsons - Executive Chairman;
- Mr. Scott Kaintz - Chief Executive Officer;
- Mr. Nigel Burton - Non-Executive Director; and
- Mr. Ewen Ainsworth - Non-Executive Director.

Source: Corcel Plc Annual Report and Accounts for the year ended 30 June 2020.

6.2 Overview of Operations

Mambare JV Project

The Mambare JV Project is Corcel's legacy project in PNG, for which the company has recently re-initiated exploration activity for the first time since 2012. Similar to RMI, the exploration license for the Mambare JV Project (EL 1390) is still undergoing the process of renewal with Corcel and its partners engaging with the permitting authorities, government and local communities in PNG. On 14 July 2020, Corcel announced a successful Warden's Hearing, which is a key milestone in the process of applying for a mining license in PNG.

Corcel is targeting the development of a direct shipping ore operation at the Mambare JV Project, with low capital requirements, no processing plant and no pipeline or tailings.

Flexible Grid Solutions

Corcel also holds a 50% interest in Weirs Drove Development Limited ('WDD'), a developer of energy storage and solar projects in the UK. WDD holds a number of battery storage projects, including the flagship energy storage project in Burwell, Cambridgeshire.

Corcel believes that such energy storage and production projects present an attractive upside opportunity for its investors with a relation to the Company's battery metals projects.

Wowo Gap Project

Corcel does not hold any direct interest in the Wowo Gap Project, however, as a senior lender to RMI, had disclosed its intention to coordinate with RMI to explore synergies between the two PNG projects and teams, with a view to pursuing regional organic growth and development in an operationally effective and cost-efficient manner.

Source: Corcel Plc Annual Report and Accounts for the year ended 30 June 2020.

6.3 Relation to RMI

Apart from being a significant debtholder of RMI, Corcel is largely unrelated to RMI. However, we note that as at 12 May 2021, Base Asia Pacific Limited, an entity related to a non-executive Director of RMI, Mr. Andy Zhang, held a 9.62% interest in Corcel.

7. Economic analysis

RMI is headquartered in Australia but the Wowo Gap Project is primarily exposed to the risks and opportunities of the PNG market. Therefore, we have presented an analysis of the current economic context and outlook in PNG and Australia and consider the implications for RMI and the mining industry.

Papua New Guinea

Papua New Guinea is a country that is well-endowed with mineral, agricultural, forestry and fishery resources. Development is still in the early stages, and growth has historically been impeded by volatile prices for agricultural and mineral exports. In addition, the areas with greatest population density are separated by either ocean or inhospitable terrain. Since mining and oil production commenced in 1989 and 1992, respectively, both have made a significant contribution to the country's Gross Domestic Product ('GDP'). Another major contributor to PNG's GDP is the LNG industry centred on the ExxonMobil PNG

Limited facility close to Port Moresby which began operations in April 2014, with a capacity to produce more than 8.3 million tonnes of LNG each year.

More recently, the economy has experienced a slowdown in GDP growth since 2014, which has been exacerbated by the COVID-19 pandemic, economic contraction and political uncertainty. The outbreak of COVID-19 triggered a state of emergency and lockdowns that impacted the mobility of labour, resources and disrupted supply chains. The impact upon business operations significantly depressed economic growth. The World Bank reported a decline in real GDP of 3.8% in 2020, compared to pre-crisis projections of 2.9% GDP growth.

In 2020, PNG had largely avoided the health emergency experienced elsewhere, but has recently been affected by a significant outbreak that began in February 2021, where case numbers have increased significantly. The outbreak has caused further lockdowns that are expected to impact the PNG economy as fly-in fly-out ('FIFO') workers from Australia have been banned from entering PNG. Resource sector GDP is expected to have contracted by 5.8% in 2020 as compared to the non-resource sector GDP contraction of 0.2%. Papua New Guinea is dependent on international trade as their main economic driver. As PNG's main trading partners—Australia, China, and Japan—saw a slowdown in their GDP growth, PNG's commodity-based exports were significantly impacted. The World Bank forecasts PNG economic growth to rebound to about 3.5% in 2021-22, with the economy also expected to be 9% smaller in 2023 compared to pre-pandemic forecasts.

On top of these challenges, the government faces political uncertainty, with a threatened no-confidence vote and delays in approving the 2021 National Budget. In April 2020, the PNG Government announced that it would not be renewing the Porgera gold mine lease that contributes approximately 10% to the country's exports. However, in April 2021, the PNG National Government and Barrick (Niugini) Limited announced an in principle agreement had been reached to reopen the Porgera mining operations under revised ownership and profit sharing arrangement designed to provide significantly improved returns to PNG and its people. Political uncertainty has impacted the PNG economy and diminished investor confidence towards PNG projects and investments. The PNG resource industry is not currently at a point where it can extract its resources without foreign capital and expertise. Formal job opportunities in PNG are limited in relation to the growing employment age population. Other risks include environmental management, population growth, political fragmentation, inequalities in PNG's resource dominated economy, and social exclusion.

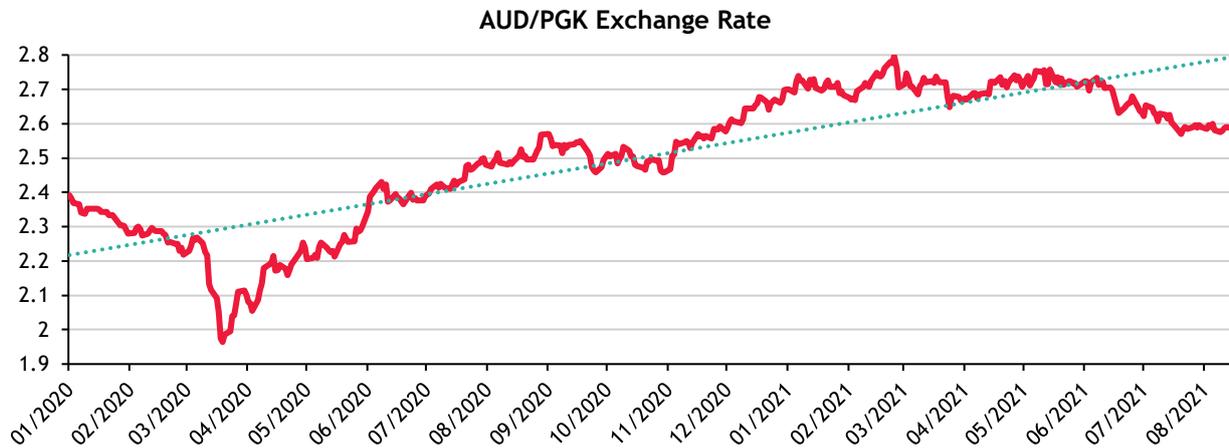
In April, the Government announced a 1.8 billion Kina (about US\$500 million or 2.2% of GDP) stimulus package to aid in the COVID recovery. Due to the pandemic, PNG's public debt is expected to grow further than the estimated 49% of GDP at the end of 2020. Consequently, the International Monetary Fund ('IMF') has raised PNG's debt distress risk from moderate to high. In June 2021, the World Bank approved US\$30 million in funding to support the country's COVID-19 response, aiding in processes such as vaccine rollouts, testing, waste management and communications.

Bilateral relations

Geographical proximity and historical links have given Papua New Guinea a unique place in Australia's foreign relations and the bilateral relationship is considered to be complex and wide-ranging. Australia is PNG's largest trading and investment partner, with bilateral trade worth AUD \$6.7 billion in 2018. PNG exports gold, crude petroleum, silver and platinum to Australia, whilst importing meat, wheat, civil engineering equipment and specialised machinery from Australia. The resource sector is a large portion of Australian investment into PNG, with a particular focus on gold mining and oil and gas. Australian ministers are in close

and regular contact with PNG officials, including the 27th Ministerial Forum. In the Forum, ministers agreed upon cooperative trade and investment arrangements, development cooperation and other policies.

Exchange rate



Source: Bloomberg

From March 2020 through February 2021, the Australian Dollar appreciated in respect to the PNG Kina as displayed by the upward trend line in the graph above, before facing a minor decline to August 2021. The depreciation of the Kina reflects deteriorating terms of trade and high import demand. Cross-currency movements have also contributed to the weakening of the Kina.

The cross-currency movements were the result of strong Australian mineral exports and a depreciation of the Kina against the United States Dollar ('USD'). The USD safe haven status during the pandemic put downward pressure on the Kina, while the Kina remained relatively stable. The AUD/PGK exchange rate reached a high point of K2.80 on the 24th of February 2021, from a low point of K1.96 nearly a year earlier. Over the 1.22 year period, the AUD/PGK exchange rate has averaged K2.45.

Source: *The World Bank, Papua New Guinea Economic Update January 2021 and Monetary Policy statement by the Governor of The Bank of Papua New Guinea, Mr. Loi m. Bakani.*

Australia

Overview

The Australian economy is expected to have contracted by 1.1% over 2020, a smaller decline than was initially anticipated in the wake of the global pandemic.

COVID-19 has led to the largest contraction in global economic activity since the 1930s. Labour markets have been severely disrupted, and inflation has declined. The easing of containment measures in some nations led to a new surge in infections, postponing a fuller and faster economic recovery. The global economic downturn has been concentrated in the services (mainly travel and hospitality) sector, with the manufacturing sector staging a recovery, initially in China, but then in other industrial nations.

The pandemic has had a significant impact on the Australian economy and financial system, along with creating considerable volatility in financial markets. Equity prices experienced sharp declines and the yield on government bonds reached historic lows in March 2020 and have continued to decline through to

December 2020. Measures taken by the Australian government and the RBA have improved stability in equity and bond markets over recent months.

Globally, financial market conditions have rebounded from the period of dislocation in March 2020, and over the past few months, financial conditions have improved and remained accommodative due to the successful development of COVID-19 vaccines, historically low interest rates and asset prices, including housing prices, mostly increasing. The expectation that significant fiscal and monetary stimulus will be provided for an extended period, is supporting sentiment in financial markets.

According to the Australian Bureau of Statistics ('ABS'), Australia's mining and resources industry contributed 10.4% (\$202 billion GDP) to the Australian economy in the 2020 financial year, making it the largest economic contributor. The industry experienced growth of 4.9% over this period, largely attributable to strong demand for iron ore due to international supply issues and increased demand from China.

Government and RBA Policies

The Australian Government introduced a range of stimulus measures in response to the economic impact of COVID-19, totalling \$507 billion since the beginning of the pandemic.

Support from public policy has cushioned the effects of the health-related activity restrictions on incomes and will shape the recovery of the economy. In aggregate, household disposable income has increased throughout the pandemic, despite the large contraction in economic activity and even as many people lost their jobs or worked fewer hours. The largest contributor to this support has been the \$101 billion JobKeeper program, which is estimated to have supported more than 25% of all workers nationwide.

In mid-March 2020, the Reserve Bank of Australia ('RBA') introduced a comprehensive package of policy measures to support the Australian economy. The RBA announced it would lower the cash rate and reduce the target on the 3-year government bond yield to 0.25%. Subsequently, in November 2020, the RBA further reduced the cash rate and the target on the 3-year government bond yield to 0.10% and announced a program to purchase \$100 billion of government bonds over the next six months. After its February 2021 meeting, the RBA decided to purchase an additional \$100 billion of government bonds. Following the completion of the second \$100 billion government bond purchase in September, the board will continue to purchase longer-term bonds at a slower rate of \$4 billion a week until mid-November.

Given the outlook for both employment and inflation, the RBA will not increase the cash rate until inflation is sustainably within the 2% to 3% target range, which the RBA does not expect to be met until 2024 at the earliest.

In addition, the RBA has introduced a three-year Term Funding Facility which was provided for authorised deposit-taking institutions, such as commercial banks, unlocking access to additional funding, equivalent to approximately 3% of their outstanding credit, at a fixed rate of 0.10% per annum until 30 June 2021.

The 2020-21 Federal Budget provided an additional \$98 billion of response and recovery support in the form of a \$74 billion new JobMaker Plan and \$25 billion in additional temporary and targeted support under the COVID-19 Response Package.

Economic Indicators

According to the RBA's baseline scenario, the Australian economy is expected to grow by approximately 4% over 2022 and 2.5% over 2023. The RBA's August 2021 Statement on Monetary Policy outlined the strong performance of the Australian economy, however it noted that current outbreaks of the virus are

interrupting the recovery of GDP. The outlook for investment has improved as household and business balance sheets are generally in good shape. National income is also being supported by strong commodity prices whilst minor depreciations in the exchange rate have supported domestic financial conditions.

Following a quarterly decline in the Consumer Price Index ('CPI') inflation of 1.9% in the June 2020 quarter which resulted in annual deflation of 0.3%, CPI inflation has since rebounded, with the CPI inflation rate at 3.8% for the year to 30 June 2021. The rebound was supported by the rise in automotive fuel prices, as global demand began to recover, growing 8.7% in the March 2021 quarter and the annual excise tax increase of 12.5% on tobacco. Some investors view gold as a hedge against inflation and its appeal increases when there are concerns of rising inflation.

The COVID outbreak has severely affected the labour market. The measured unemployment rate increased by more than 2% over the course of a few months, reaching 7.4% in June 2020, the highest rate in more than two decades. However, since June 2020, the unemployment rate has declined to 4.9% as of June 2021 and remains lower than the pre-pandemic levels of 5.2% in March 2020. There has been a welcome decline in underemployment and labour force participation is nearing record highs. Job vacancies are high, and more firms are reporting shortages of labour, particularly in areas affected by the closure of international borders. The RBA expects the unemployment rate to be around 4.25% at the end of 2022, declining gradually to 4% by the end of 2023.

The Australian dollar depreciated significantly during the height of the market turmoil in March 2020. However, as at August 2021, the Australian dollar has appreciated to above its level prior to the onset of COVID. This appreciation was in line with the currencies of a range of other developed economies against the backdrop of a depreciation of the United States dollar over recent months, as well as an increase in the demand for Australian commodity exports.

Outlook

Despite the recent improvement of financial conditions, uncertainty still remains for the near term outlook of the Australian economy with the outcome dependent both on the health situation, containment measures and ongoing fiscal and monetary policy support. Further outbreaks of the virus and associated restrictions on activity are the key risks to the outlook.

While uncertainty exists, the RBA is predicting GDP growth of 4% over 2022 and 2.5% over 2023, based on a significant share of the Australian population being vaccinated by the end of 2021 and a gradual opening up of the international border from the middle of 2022.

For RMI, operations at the Wowo Gap project did not go unhindered by the COVID-19 pandemic. However, The Company established local COVID-19 protocols in advance of national requirements. Local protocols were based on WHO guideline as well as Australian Government guidelines. Given its position in the local communities, the Company's 'village liaison officers' provided information on social distancing, hygiene and other health related matters to the local communities. Using its satellite communications facility, the Company disseminated national government information regarding COVID-19 to villages and local communities.

Source: www.rba.gov.au *Statement by Phillip Lowe, Governor: Monetary Policy Decision* dated 3 August, 6 July and prior periods, www.abs.gov.au Consumer Price Index March 2021 and prior periods, www.rba.gov.au *Statement on Monetary Policy* dated 2 February 2021, Australian Government 2020-21 Budget Overview, Department of Foreign Affairs and Trade (accessed March 2021).

8. Industry analysis

RMI is a mineral exploration company with two metals of economic interests being nickel and cobalt. As such, we have presented an update on the Australian exploration sector, as well as an industry analysis on the nickel and cobalt mining industries.

8.1 Exploration Sector

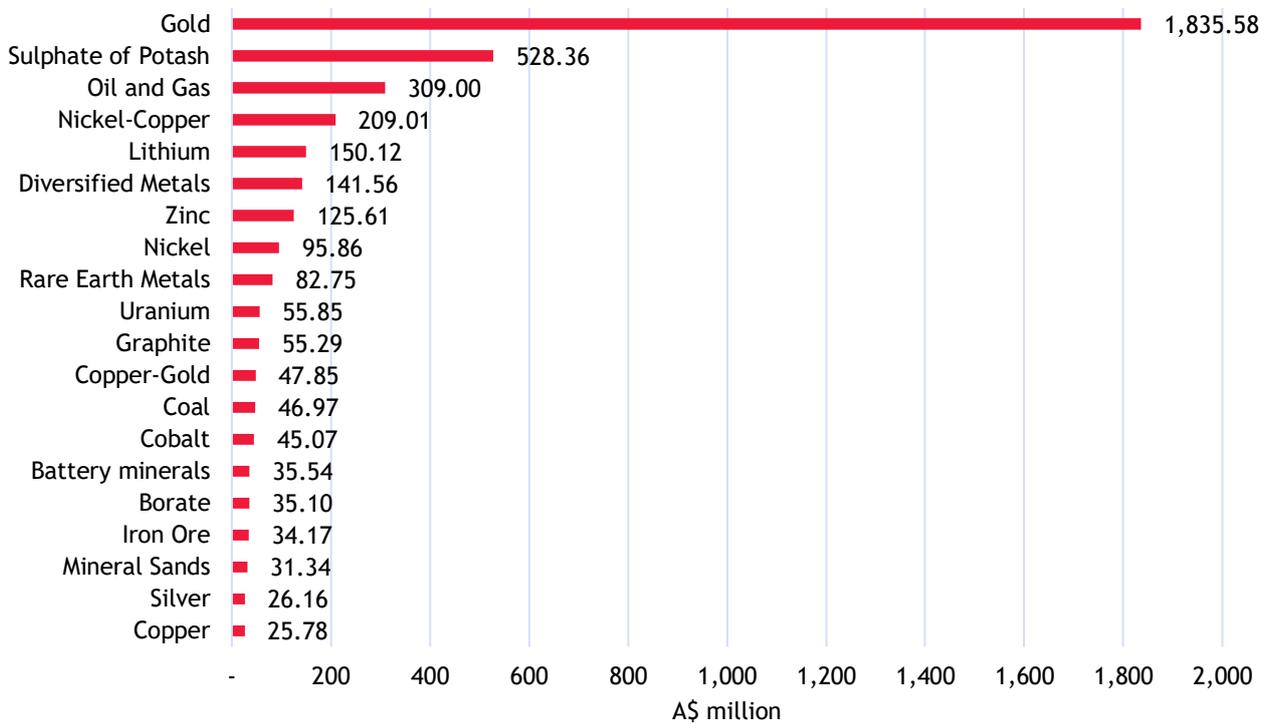
BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the March quarter of 2021 identified positive signs for the exploration sector, with investment and exploration activity growing for a fourth consecutive quarter.

Financing inflows continued to grow in the March 2021 quarter with explorers raising a total of \$2.37 billion in funds. This represents a 7% increase since the December 2020 quarter, but also highlights the stark contrast between the start of COVID and the present day, with financing inflows being 184% more than they were in the March 2020 quarter, suggesting that economic confidence within the sector is improving. Whilst the total financing funds raised showed a slight increase, there is some evidence to suggest that the frequency of capital raises in the sector had slowed in the March quarter, which implies that the 7% growth was mainly attributed to several large raises within the sector.

During the March 2021 quarter, funds raised by gold companies continued to be robust, but not as dominant as it has been in prior quarters, with lithium attracting significant funds during the March 2021 quarter. The funnelling of capital towards battery minerals and clean energy companies is in line with growing Environmental, Social and Governance ('ESG') initiatives including global trends of rising electric vehicle adoption and lower carbon emission targets. Investors have certainly appeared to tailor their preference in line with these trends and Australian battery minerals explorers have appeared to capitalise on this opportunity to raise funds for their advancement of operations.

However, as shown in the chart below for the calendar year 2020, gold finished as the leading commodity, with more funds having been raised in relation to gold projects than all other commodities combined.

Financing Inflow by Commodity - Calendar Year 2020



Source: BDO analysis

Cash balances across the sector also strengthened in the March 2021 quarter, with 80% of companies recording a cash balance of \$1 million or more, the highest BDO has seen since the commencement of the explorer quarterly cash update in 2013.

Over the March 2021 quarter, exploration expenditure experienced a small decrease of 6%, which may be due to the limited availability of resources, particularly in relation to drilling services and assay testing. This could in turn have an inflationary effect on exploration costs in the subsequent periods.

Investment expenditure (when adjusted for a significant outlier in the December 2020 quarter) appeared to hold relatively steady with a slight increase of 7%. This was already after an adjusted 164% increase since the September quarter of 2020, indicating that confidence to acquire new tenements and equipment had returned to the sector.

Source: BDO Explorer Quarterly Cash Update: March 2021.

8.2 Nickel

Nickel is primarily sold for use as a refined metal in the form of cathode, powder, or briquette. It is also sold as a ferronickel, and approximately 80% of nickel consumed in the developed world is used to make stainless steel and other non-ferrous alloys. It is widely regarded for its corrosion resistance and is commonly used in super-alloys for fabrication of critical engine components and for other performance products and industries. Other uses include rechargeable batteries, catalysts, plating and foundry products.

Key external drivers

The price of nickel is generally denominated in US dollars and is a key driver of industry revenue. The balance between the demand and supply of nickel greatly influences the US dollar nickel price. Higher prices

can drive revenue growth and provides the industry with the opportunity to expand. Following the cloud of doubt from the COVID-19 pandemic, explorers have appeared hesitant on exploration and investment spending in fear of sudden price changes. However, with prices at long-term high levels and holding steady, confidence has since improved with exploration and investment accelerating.

The global nickel price is denominated in US dollars and therefore, the exchange rate directly affects the returns received by local industry operators. A weaker Australian Dollar benefits the domestic industry by reducing prices in export markets and pushing up demand from overseas markets.

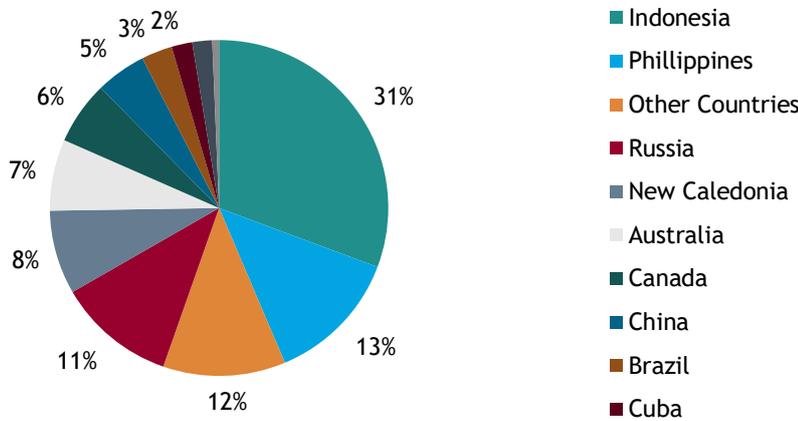
The global price of steel can also impact industry performance with 80% of nickel consumption used in alloys production, such as stainless steel and superalloys. Higher world pricing and demand for steel can therefore have a positive effect on the nickel industry.

Nickel ore mining trends

In 2020, the majority of the world’s nickel was produced in Indonesia (31%), the Philippines (13%), and Russia (11%). Indonesia is the world’s largest nickel producer, with an estimated 760,000 tonnes mined throughout 2020. While overall production has increased in response to higher prices, in recent years production of refined nickel has decreased as the lower relative cost of nickel pig iron has attracted demand from steel producers. Another key production trend has been the increasing volume of nickel sulphate sold, buoyed by increasing demand for batteries used in electric vehicles and energy storage.

The figures below illustrate estimated production output for 2020 by country:

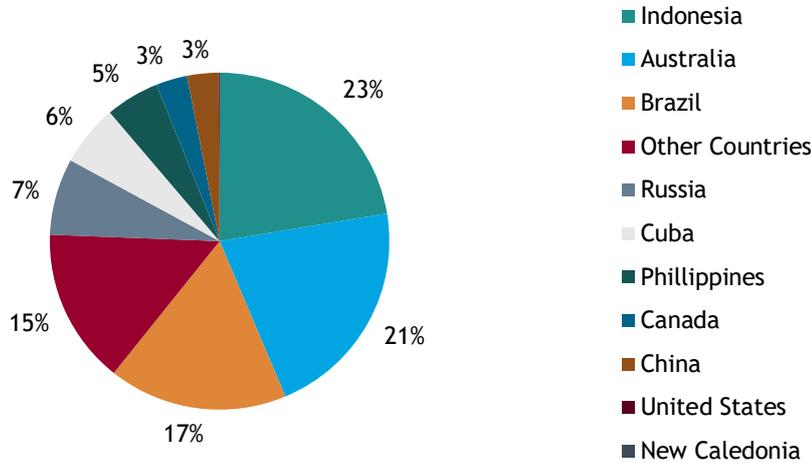
Nickel Production by Country (2020)



Source: U.S. Geological Survey, 2021.

A figure illustrating the world’s nickel reserves by country is illustrated below

Nickel Reserves by Country (2020)



Source: U.S. Geological Survey, 2021.

As a key input for stainless steel, greater global demand for nickel, particularly in China, is expected to drive this surge in nickel demand in 2020-21. This follows a decline in output in 2019-20, due to some firms reducing output in response to COVID-19. Revenue in the Nickel Ore Mining industry is forecast to surge by 39.2% in 2020-21. This is due to a large projected increase in nickel ore output as industry firms look to take advantage of higher nickel prices.

Furthermore, industry profit is anticipated to increase over the period due to higher prices and the major players undertaking cost-cutting programs. Demand for labour in Western Australia, the key Australian nickel mining state, is anticipated to remain high as mining output rises across a range of sectors and demand for workers increases.

Nickel prices

In the aftermath of the global financial crisis, the nickel price fell alongside most other base metals and commodities. The nickel price recovered over 2010 and 2011, reaching a high of US\$29,281 per tonne in February 2011 but has never retraced its pre-crisis highs.

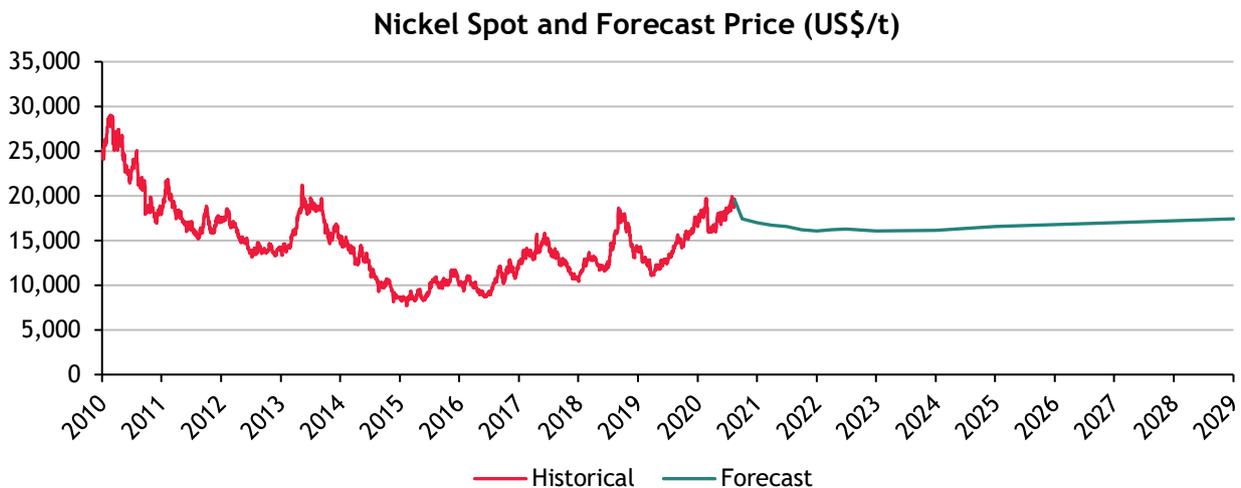
The nickel price steadily trended downwards between 2011 and 2017 with the exception of a significant price spike in mid-2014 resulting from an Indonesian government ban on nickel exports. Indonesia is the world's largest nickel producer, and while the price impact of the ban was short-lived, renewed concerns have begun to push up the nickel price in recent months as speculators and buyers anticipate future supply shortages.

Nickel prices fell sharply in early 2020, reaching lows of approximately US\$11,000 per tonne in March 2020. This was driven by the contraction in demand from global markets resulting from COVID-19. However, recent increases in Chinese consumption, expectations of stimulus spending and concerns about production shortages have contributed to the recovery of prices in the second half of 2020.

The average nickel price from August 2020 through August 2021 was US\$16,742/t. Despite the large decline in prices over the past few years, it is expected that stainless and alloy steel products along with Electric Vehicle (‘EV’) batteries will continue to dominate nickel demand as China increases demand.

According to Consensus Economics, the medium term forecast nickel price from 2023 to 2025 is expected to range between approximately US\$16,006 per tonne and US\$16,566 per tonne, with the long term (2026-2030) forecast at approximately US\$17,431 per tonne.

A summary of the nickel spot price from December 2010 through August 2021 and Consensus Economics’ long-term forecast to 2029 is set out below.



Source: Bloomberg and Consensus Economics

8.3 Cobalt

Almost all global cobalt production occurs as a by-product of mining other commodities, approximately 38% of which comes from nickel mining and 60% from copper mining. Cobalt is principally used as a super alloying agent due to its anti-corrosive properties but is also widely used in the manufacturing of rechargeable batteries.

Most cobalt is sourced from the Democratic Republic of Congo (‘DRC’), however the country is generally thought to be politically unstable with mining operations often employing the use of child labour. Consequently, demand for cobalt produced from Australian mines has also risen as battery manufacturers seek a more reliable and ethical source for the metal.

Key external drivers

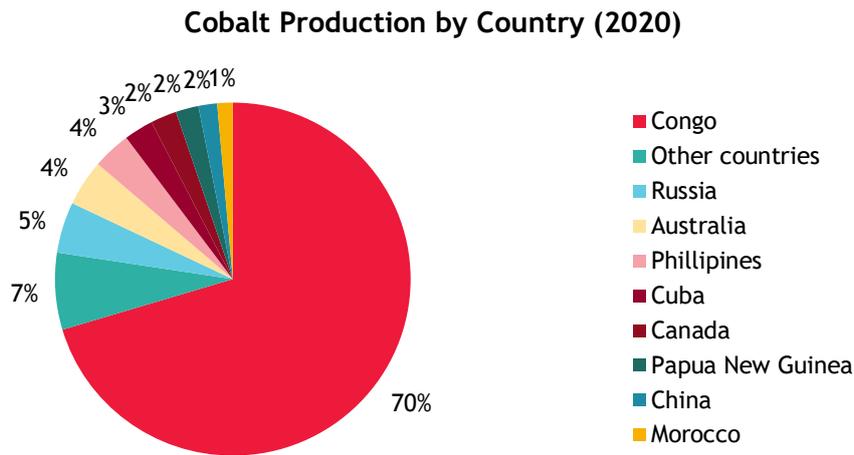
The global price of cobalt is a key driver of industry revenue. The balance between the demand and supply of cobalt greatly influences the cobalt price. Higher prices can drive revenue growth and provides the industry with the opportunity to expand.

The global cobalt price is denominated in US dollars and therefore, the exchange rate directly affects the returns received by local industry operators. A weaker Australian Dollar benefits the domestic industry by reducing prices in export markets and pushing up demand from overseas markets.

Cobalt production primarily occurs as a by-product of nickel and copper mining. Therefore, the performance of these industries are often closely related. When nickel and copper production rises, cobalt production is also expected to rise.

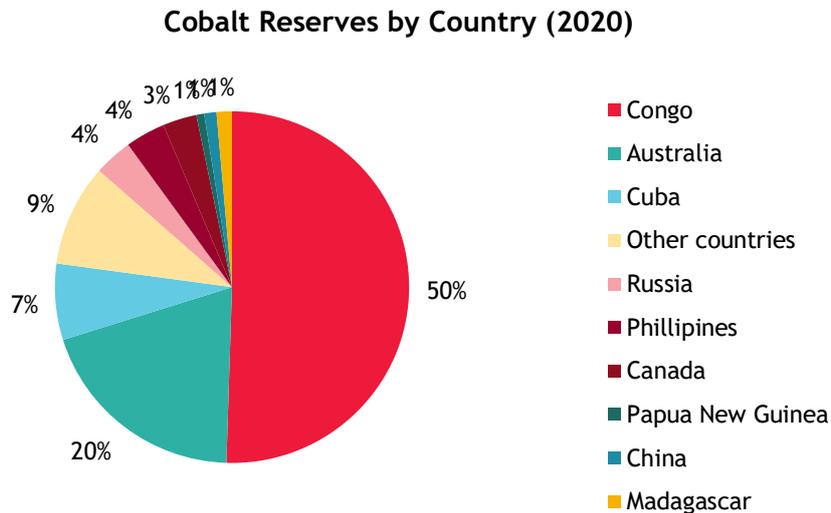
Cobalt ore mining trends

In 2020, an estimated 140,000 metric tonnes of cobalt were produced. The chart below shows the countries in which the majority of cobalt was produced in 2020, with the DRC the clear leader in global cobalt production:



Source: U.S. Geological Survey, 2021.

The chart below shows the location of the world’s cobalt reserves, with DRC once again accounting for the largest proportion of global reserves.



Source: U.S. Geological Survey, 2021.

Price Trends

Over the past five years, demand for cobalt has been supported by an increasing demand from battery manufacturers who use the metal to prevent overheating and to extend the usable life of batteries. As

cobalt is almost entirely produced as a by-product of nickel and copper mining, its production is not easily expanded which explains the high level of volatility of its historical prices. In mid-2016, market expectations of a supply crunch in cobalt production resulted in prices increasing from US\$10 per pound to over US\$40 per pound by 2018.

The falling cobalt price since then has primarily been driven by increasing supply from the DRC. In August 2019, global cobalt producer, Glencore, announced it would suspend its operations at its copper and cobalt mine in DRC by the end of the year. The announcement temporarily boosted cobalt prices, with prices exceeding US\$16 per pound in September 2019.

Cobalt prices remained resilient throughout the uncertainty of 2020 and have trended significantly higher in 2021. This was driven by a growing EV market, which boosted demand from global EV producers like Tesla and BYD in China due to the growing quantity of EV sales.

Global cobalt prices are expected to rise due to the lack of viable cobalt resources globally coinciding with higher global demand. One of the key customers of cobalt is the battery manufacturing industry. While most of the cobalt required by that industry is used in portable electronic devices, the advent of electric vehicles is expected to lead to a step change in demand. An average electric vehicle is expected to require nearly 1,000 times more cobalt than a cell phone. However, in the near term, supply is expected to exceed demand which would limit the price of the metal.

A summary of the historical spot price of cobalt, based on the quoted price on the London Metals Exchange in US\$ per pound, and forecasts to 2029 (in nominal terms) are illustrated in the chart below.

Cobalt Spot and Forecast Price (US\$/lb)



Source: Bloomberg, Consensus Economics

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessments

A summary of each of these methodologies is outlined in Appendix 2.

In our assessment of whether the Proposed Transaction is fair, we have considered how the value of Niugini Nickel compares to the consideration to be "paid" by Corcel, implied by the value of the Corcel Debt to be released, being \$4,761,087.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of Niugini Nickel we have chosen to employ the Sum-of-Parts methodology, which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a control value, which is reasonable for our assessment given that Corcel will acquire a 100% interest in Niugini Nickel.

Our Sum-of-Parts methodology considers the following components:

- Value of the Wowo Gap Project; and
- Value of Niugini Nickel's other assets and liabilities.

We have chosen these methodologies for the following reasons:

- The Wowo Gap Project does not currently generate any income nor are there historical profits that could be used to represent future earnings, so the FME approach is not appropriate;
- The Wowo Gap Project has no foreseeable future net cash inflows, on which we would have reasonable grounds to estimate in accordance with RG 170 and IS 214, hence we do not consider the application of the DCF valuation to be appropriate;
- We have commissioned Valuation and Resource Management Pty Ltd ('VARM'), an independent technical specialist to value the Wowo Gap Project, which will form one component to our Sum-of-Parts methodology; and
- The valuation of the Wowo Gap Project undertaken by VARM employs the use of secondary valuation methodologies. As we expect the value of Niugini Nickel to be primarily driven by the value of the Wowo Gap Project as assessed by VARM, we have not applied a secondary valuation methodology in addition to our Sum-of-Parts assessment; and
- We are unable to use the QMP valuation methodology as Niugini Nickel is not a listed company.

Technical Expert

In performing our valuation of the Wowo Gap Project, we have relied on the Independent Valuation Report prepared by VARM. We instructed VARM to provide an independent market valuation of the Wowo Gap Project.

VARM considered a number of different valuation methods when valuing these assets. We consider the methodologies used by VARM to be reasonable and in accordance with industry practice and regulatory guidelines, including the Valmin Code. The specific valuation methodologies used by VARM are referred to in the respective sections of our Report and in further detail in the Independent Technical Assessment and Valuation Report contained in Appendix 3.

10. Valuation of Niugini Nickel

10.1 Net Asset Valuation of Niugini Nickel

Our net asset valuation of Niugini Nickel has been assessed using the statement of financial position of Niugini Nickel as at 31 December 2020 as a starting point on the basis that these accounts have been reviewed by an independent auditor. RMI has provided us with management accounts for Niugini Nickel as at 30 June 2021, which is a more recent date for our NAV to be assessed upon. Where any material differences arise between the balance dates of 31 December 2020 and 30 June 2021, we have queried these differences and where appropriate have made relevant adjustments to arrive at our assessed NAV.

The value of Niugini Nickel's assets on a going concern basis is reflected in our valuation below:

Net Asset Valuation	Notes	31-Dec-20 \$	30-Jun-21* \$	Low valuation \$	Preferred valuation \$	High valuation \$
CURRENT ASSETS						
Cash and cash equivalents	1	33,379	34,388	34,388	34,388	34,388
Mineral assets - Wowo Gap Project	2	-	-	1,200,000	2,000,000	2,800,000
Other current assets	1	13,212	14,632	14,632	14,632	14,632
TOTAL CURRENT ASSETS		46,591	49,020	1,249,020	2,049,020	2,849,020
NON-CURRENT ASSETS						
Plant and equipment	1	77,741	75,014	75,014	75,014	75,014
TOTAL NON-CURRENT ASSETS		77,741	75,014	75,014	75,014	75,014
TOTAL ASSETS		124,332	124,033	1,324,033	2,124,033	2,924,033
CURRENT LIABILITIES						
Trade and other payables	1	21,742	25,268	25,268	25,268	25,268
Provisions	1	32,850	33,655	33,655	33,655	33,655
TOTAL CURRENT LIABILITIES		54,592	58,922	58,922	58,922	58,922
NON-CURRENT LIABILITIES						
Non-interest bearing liabilities	3	15,027,134	15,122,493	-	-	-
TOTAL NON-CURRENT LIABILITIES		15,027,134	15,122,493	-	-	-
TOTAL LIABILITIES		15,081,726	15,181,415	58,922	58,922	58,922
NET ASSETS		(14,957,394)	(15,057,382)	1,265,111	2,065,111	2,865,111

*Management accounts provided by RMI.

Source: RMI's consolidation workbook for the year ended 30 June 2021 (not reviewed), BDO Analysis

The table above indicates the net asset value of Niugini Nickel is between \$1.20 Million and \$2.80 Million with a preferred valuation of \$2.00 Million.

The following adjustments were made to the net assets of Niugini Nickel as at 31 December 2020 in arriving at our valuation:

Note 1) Cash and Cash Equivalents, Other current assets, Plant and equipment, Trade and other payables and Provisions

We note that the differences in the balance of cash and cash equivalents, other current assets, plant and equipment, trade and other payables and provisions between 31 December 2020 and 30 June 2021 are not material. Furthermore, Management has advised no further material movements in these balances since 30 June 2021. Therefore, we have adjusted the balance of the aforementioned line items as at 31 December 2020 to reflect the 30 June 2021 balance date, and have applied this to our valuation assessment.

Note 2) Valuation of the Wowo Gap Project

We instructed VARM to provide an independent market valuation of the Wowo Gap Project held by Niugini Nickel. VARM considered a number of different valuation methods when valuing the exploration assets of Niugini Nickel. VARM applied the comparable transaction method involves calculating a value per common attribute in a comparable transaction and applying that value to the subject asset. A common attribute could be the amount of resource or the size of a tenement. We consider these methods to be appropriate given the stage of development for Niugini Nickel’s exploration assets.

The range of values for the Wowo Gap Project as calculated by VARM is set out below:

Wowo Gap Project	Low Value \$m	Preferred Value \$m	High Value \$m
Total Wow Gap Valuation	1.20	2.00	2.80

Source: VARM’s Independent Mineral Asset Valuation Report, dated 24 August 2021, Appendix 3.

Note 3) Non-interest bearing liabilities

As outlined in Section 3.5.1 above, non-interest bearing liabilities of \$15.0 million as at 31 December 2020 relate solely to an intercompany loan between Niugini Nickel and RMI, which has been provided for in full by RMI and not deemed to be recoverable since 2019.

11. Valuation of consideration

The value of the consideration to be paid for the 100% interest in Niugini Nickel is implied by the value of the Corcel Debt to be released. The breakdown of the Corcel Debt owing by RMI is as follows:

Tranche	Loan Balance (\$)	Interest rate	Repayment date	Security
A	1,210,000	Non-Interest Bearing	30-Sep-21	Unsecured
B	500,000	Non-Interest Bearing	30-Sep-21	Unsecured
C	1,051,087	Non-Interest Bearing	30-Sep-21	Unsecured
D	2,000,000	Non-Interest Bearing	14-Jan-22	Unsecured
Total	4,761,087			

We have adopted the value of the consideration as the value of the Corcel Debt, which is \$4.76 million.

12. Is the Proposed Transaction fair?

The value of Niugini Nickel against Corcel Debt is compared below:

	Ref	Low \$m	Preferred \$m	High \$m
Value of Niugini Nickel	10	1.20	2.00	2.80
Value of Corcel Debt	11	4.76	4.76	4.76

We note from the table above that the value of Niugini Nickel is lower than the value of the consideration which is Corcel's Debt. Therefore, we consider that the Proposed Transaction is fair.

13. Is the Proposed Transaction reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of RMI a premium over the value resulting from the Proposed Transaction.

13.2 Consequences of not Approving the Proposed Transaction

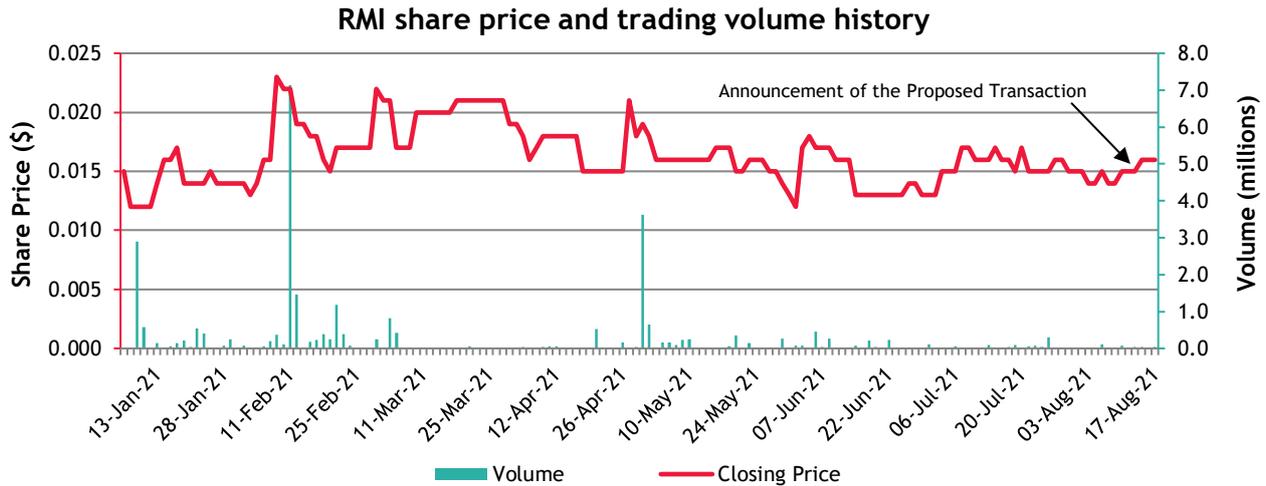
Corcel Debt principal remains payable

If the Proposal is not approved a significant portion of Corcel's loan will become due on the 30th of September 2021. The Directors of RMI would likely be in a difficult position since the Company lacks the source of funds to settle its dues. Furthermore, the Niugini Nickel tenement is still under the renewal process and in the event of non-renewal, the Company will face a greater risk since they will lose the Wowo Gap Project asset and the prospects of returns to shareholders becomes unlikely. Furthermore,

even in the event of renewal, the Company is still unlikely to be able to repay the loan principal given the early stage of the Wowo Gap Project and the current cash balance of the Company.

Potential impact on RMI's share price

We have analysed movements in RMI's share price since the SPA was announced on the ASX on 12 August 2021. A graph of RMI's share price and trading volume leading up to, and following the announcement of the Proposed Transaction is set out below.



Source: Bloomberg

On the date the SPA was announced the share price closed at \$0.015, unchanged from a closing price of \$0.015 on the previous trading day. On that day, no trades were made. Following the announcement of the SPA, the daily share price of RMI increased to \$0.016 on 13 August 2021 and has remained at \$0.016 until 16 August 2021.

Given the above analysis, we note that the announcement had a minor impact on the share price. If the SPA is not approved, the RMI share price is not expected to be significantly impacted.

13.3 Advantages of Approving the Proposed Transaction

We have considered the following advantages when assessing whether the Proposed Transaction is reasonable.

Advantage	Description
The Proposed Transaction is fair	As set out in Section 12 the Proposed Transaction is fair. RG 111 states that an offer is reasonable if it is fair.
The Proposed Transaction will improve RMI's financial position	The Proposed Transaction will reduce the Company's liabilities considerably making it more solvent on the long term. The improved

Advantage	Description
	financial position will make it easier for the Company to acquire potential future funding.
The Proposed Transaction will avoid the risk of the tenement not being renewed	The Barrick Gold mine incident with PNG’s Government shows a trend whereby PNG Government is putting more pressure on mining companies to steer some of their profits to benefit the locals. RMI may face additional scrutiny during the tenement renewal process. In case the tenement is not renewed, the Company will not be able to operate the mine and future benefits may be at risk. The Proposed Transaction eliminate that risk from the Company.
The Proposed Transaction will not change the shareholder’s investment profile	The Proposed Transaction does not involve the issuance of shares and the shareholding will not change. Since the Company’s Directors are well versed in the Nickel Mining business, the Proposed Transaction will allow management to focus their efforts on the new Tanzanian mine and be less pressured on seeking a solution to settle the debts that are near maturity.

13.4 Disadvantages of Approving the Proposed Transaction

Disdvantage	Description
Loss of accumulated experience and Know-how with the disposal of the Company’s main undertaking	The main undertaking of the Company will be disposed of. The Company has spent years managing the project in PNG. The experience and the know-how accumulated over the years will be lost with the disposal of Niugini Nickel. However, in February 2021, the Company acquired a controlling interest in Eastern Nickel, which holds 99% of a nickel project in Tanzania. Management will still be able to capitalise on its experience.

14. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is fair and reasonable to the Shareholders of RMI.

15. Sources of information

This report has been based on the following information:

- Audited financial statements of RMI for the years ended 30 June 2020 and 30 June 2019;
- Reviewed financial statements of RMI for the half year ended 31 December 2020;
- Management accounts of RMI for the year ended 30 June 2021 inclusive of consolidation workbook;
- SPA dated 12 August 2021 between REX and Regency Mines;
- Consolidation workbooks of RMI for the half year ended 31 December 2020, and full years ended 30 June 2021, 30 June 2020 and 30 June 2019;
- Independent Valuation Report of Niugini Nickel's mineral assets dated 24 August 2021 performed by VARM;
- Draft Notice of Meeting for the Proposed Transaction dated 19 August 2021;
- Share registry information as at 13 August 2021;
- Information in the public domain; and
- Discussions with Directors and Management of RMI.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$30,000 (excluding GST and reimbursement of out of pocket expenses) for this Report, which is inclusive of work performed for our Original Report provided to the Directors (see paragraph below). The fees are not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd prepared a draft report for the Directors of RMI consistent with the approach taken for an independent expert's report ('**Original Report**'), to express an opinion on whether the Proposed Transaction was fair and reasonable if deemed a related party transaction. Our Report is an update to the Original Report to ensure currency and meet the requirements for a transaction under the related party provisions of the ASX Listing Rules 10.1 and 11.2.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by RMI in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Company, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to RMI and Corcel and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of RMI and Corcel and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with RMI, or their associates, other than in connection with the preparation of this Report (including the Original Report).

The provision of our services is not considered a threat to our independence as auditors under Professional Statement APES 110 - Professional Independence. The services provided have no material impact on the financial report of RMI.



A draft of our Original Report and this Report which updates the Original Report were provided to RMI and its advisors for confirmation of the factual accuracy of contents. No significant changes were made to either draft report as a result of RMI's review. This Report updates the Original Report to ensure currency and to meet with the related party requirements of the ASX Listing Rules.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 400 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

18. Disclaimers and consents

This Report has been prepared at the request of the independent Directors of RMI for inclusion in the Notice of Meeting which will be sent to all RMI Shareholders. RMI engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed transfer of its 100% interest in Niugini Nickel in exchange for the release of the Corcel Debt.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Corcel and the Proposed Transaction. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Valuation and Resource Management Pty Ltd.

The valuer engaged for the mineral asset valuation, VARM, possesses the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Sherif Andrawes
Director



Adam Myers
Director

Appendix 1 - Glossary of Terms

Reference	Definition
A\$	Australian Dollars
ABS	Australian Bureau of Statistics
The Act	The Corporations Act 2001 Cth
AIM	Alternative Investment Market, a sub-market of the London Stock Exchange
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
The Company	Resource Mining Corporation Limited
Corcel	Corcel Plc
Corcel Debt	Loans payable by RMI to Corcel with a carrying amount of \$4,761,087
Corporations Act	The Corporations Act 2001 Cth
COVID-19	Coronavirus outbreak
CPI	Consumer Price Index
DCF	Discounted Future Cash Flows
The Directors	The Directors of RMI
DRC	Democratic Republic of Congo
Eastern Nickel	Eastern Nickel Pty Ltd
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EL	Exploration license

Reference	Definition
FIFO	Fly-in fly-out
FME	Future Maintainable Earnings
Fund Finders	Companies that have raised \$10 million or more in the December 2020 quarter
GDP	Gross Domestic Product
The Group	The RMI Group
IMF	International Monetary Fund
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
km	kilometres
KNP	The Kabulwanyele Nickel Project
Mambare JV Project	The joint venture between Corcel and Battery Metals Pty Ltd for the Mambare Nickel-Cobalt Project
Mt	Million tonnes
NAV	Net Asset Value
Niugini Nickel	Niugini Nickel Pty Ltd
PNG	Papua New Guinea
Proposed Transaction	The transfer of ownership of Niugini Nickel to Corcel in exchange for the settlement of the Corcel Debt
QMP	Quoted market price
RBA	Reserve Bank of Australia
Original Report	A draft directors' report prepared by BDO Corporate Finance (WA) Pty Ltd that was prepared on the same basis as an independent expert's report pursuant to ASX Listing Rules 10.1 and 11.2, contemplating whether the Proposed Transaction was fair and reasonable to Shareholders if it were deemed a related party transaction.
Our Report	This Report prepared by BDO
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)

Reference	Definition
RMI	Resource Mining Corporation Limited
Shareholders	Shareholders of RMI not associated with Corcel
Sinom	Sinom (Hong Kong) Limited
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Tranche A	The first tranche of the Corcel Debt with a balance of \$1.21 million
Tranche B	The second tranche of the Corcel Debt with a balance of \$0.50 million
Tranche C	The third tranche of the Corcel Debt with a balance of \$1.05 million
Tranche D	The fourth tranche of Corcel Debt with a balance of \$2.00 million
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VARM	Valuation and Resource Management Pty Ltd
WDD	Weirs Drove Development Limited
Wowo Gap Project	The Wowo Gap Nickel Laterite Project

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 BDO Corporate Finance (WA) Pty Ltd
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Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows ('DCF')*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.



Appendix 3 - Independent Valuation Report



Valuation & Resource Management

Wowo Gap Nickel Project

INDEPENDENT TECHNICAL ASSESSMENT & VALUATION REPORT

Presented To:
Resource Mining Corporation Limited



Document Reference	Niugini Nickel Ltd BDO Valuation Report_Rev4
Distribution	BDO Corporate Finance (WA) Pty Ltd Resource Mining Corporation Limited Valuation and Resource Management Pty Ltd
Principal Author	Paul Dunbar BSc Hons (Geology) MSc MinEx M AusIMM M AIG
	 _____
	Date: 24 August 2021
Contributors	Lynda Burnett BSc (Geology) M AusIMM GAICD
Valuation Date	12 August 2021

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Executive Summary

BDO Corporate Finance (WA) Pty Ltd (BDO) engaged Valuation and Resource Management Pty Ltd (VRM) to prepare an Independent Technical Assessment and Valuation report (ITAR or the Report) on a proposed transaction for Niugini Nickel Pty Ltd (Niugini Nickel) a wholly owned subsidiary of Resource Mining Corporation Limited (ASX code RMI) (RMC). RMC is contemplating a transaction in which the Company will transfer 100% interest in its wholly owned subsidiary, Niugini Nickel (“Niugini” or “the Subsidiary”), to major debtholder of the Company, Corcel Plc (“Corcel”) in exchange for the settlement of a significant portion of the debt owing to Corcel (the “Proposed Transaction”). BDO was commissioned by RMC to prepare an Assessment Report consistent with the approach of an Independent Expert’s Report to assist the Shareholders of RMC in relation to the proposed transaction.

This Report is a public document, in the format of an ITAR and is prepared in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code (2015 edition) (VALMIN). VRM understands that BDO will include this Report within its Report relating to the proposed transaction.

This Report is a technical review and valuation opinion of the mineral assets of Niugini Nickel, being the Wowo Gap Laterite Nickel project in Eastern Papua New Guinea. Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the mineral assets. The other assets of RMC have not been valued as part of this Report. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence, this valuation is not a valuation of Niugini Nickel or RMC but rather an asset valuation of the Wowo Gap Laterite Nickel project.

This valuation is current as of 12 August 2021, being the date that RMC engaged BDO to review the proposed transaction.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by RMC along with publicly available data including ASX releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

Wowo Gap Nickel Laterite Project

The PNG tenement is held by Niugini Nickel, a wholly owned subsidiary of RMC, and is located in Papua New Guinea approximately 200km east of Port Moresby, and 35 kilometres from the village of Wanigela, situated on Collingwood Bay. The most recent Wowo Gap Nickel Laterite Deposit Mineral Resource was declared to the ASX on 13 December 2011 (RMI ASX release, 13 December 2011). The deposit area is 100% owned by Niugini Nickel.

In 2015 the company drilled the saprolite portion of the deposit to target a resource capable of providing Direct Shipping Ore (DSO) at 1.6% to 1.8% nickel as an alternative to Indonesian DSO which has intermittently been banned for export (<4% nickel ore).

VRM has estimated the value of the tenement on an 100% ownership basis considering the technical information. The Wowo Gap project has been valued considering all information available as at the valuation date. There are declared Mineral Resource estimates prepared applying the guidelines of the Australasian Code for Reporting of Exploration Targets, Mineral Resources and Ore Reserves - The JORC Code 2004 Edition (JORC) at Wowo Gap. The project was valued using a comparable transaction method as the primary valuation technique. Secondary valuations have been determined based on the yardstick approach and the geoscientific / Kilburn method.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

Conclusions

The Wowo Gap Nickel Laterite Project has reported JORC 2004 Mineral Resource consisting of both indicated and inferred material. The Mineral Resource estimates were reviewed by Lynda Burnett, an associate of VRM and the principal author of this report.

The review found that while the nickel deposits were generally characterised by well-defined zones of consistent mineralisation there is poor definition of the base of saprolite, and a low average drill density given the deposit's 12km of strike. Additional work is required to support the assigned bulk density distribution throughout the deposit and the Mineral Resource estimates need to be updated to a JORC 2012 standard. There has also been additional drilling within the deposit in 2015 which may have an impact on the Mineral Resource. This is discussed in further detail in the body of the report and, where material, has been noted in the valuation.

Considering both the mineralisation currently defined and the exploration potential in VRM's opinion, the Wowo Gap Nickel Project has a market value of between \$1.2 million and \$2.8 million with a preferred value of \$2.0 million.

1. Introduction

Valuation and Resource Management Pty Ltd (VRM), was engaged by BDO Corporate Finance (WA) Pty Ltd (BDO) to undertake an Independent Technical Assessment and Valuation Report (Report or ITAR) on the Wowo Gap Nickel Laterite Project for Resource Mining Corporation Limited (ASX Code: RMI) (RMC or the Company). This is in relation to the proposed sale by RMC of Niugini Nickel Pty Ltd (Niugini Nickel). BDO was engaged by RMC to prepare an assessment of the proposed transaction for inclusion in a Notice of Meeting to assist the Shareholders of RMC in relation to the proposed transaction.

VRM understands that this ITAR will be included in the BDO's report. BDO will refer to, and rely on, the VRM report and mineral asset valuation which will be attached to BDO's report to inform the RMC shareholders as to the fairness and reasonableness of the proposed transaction.

VRM were contacted to undertake a valuation of the mineral assets of Niugini Nickel a wholly owned subsidiary of RMC located in Papua New Guinea (PNG). BDO engaged VRM for the purposes of the ITAR and all correspondence was directed through BDO.

VRM has estimated the value of the Wowo Gap Nickel Laterite project considering the declared Mineral Resource estimates. The technical information supporting the prospectivity of the licences and the valuation of the tenements is on a 100% interest basis to determine a market value for the licences as at 12 August 2021 and considering information up to 12 August 2021.

1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The ITAR is prepared applying the guidelines and principles of the 2015 VALMIN Code and the 2012 JORC Code. Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). These codes are also requirements under Australian Securities and Investments Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by RMC and associated Competent Persons as referenced in this ITAR and additional publicly available information.

1.2. Scope of Work

VRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

VRM has compiled the valuation based upon the principle of reviewing and interrogating both the documentation of RMC and previous exploration within the areas. This Report is a summary of the work conducted, completed and reported by the various explorers to 12 August 2021 based on information supplied to VRM by RMC and other information sourced from the public domain to the extent required by the VALMIN and JORC Codes.

VRM understands that the objective of this study is to provide:

- Summaries of the regional and local geology, the security of the tenure, a summary of the recent and previous exploration,
- Review of the mineral assets to determine the most appropriate valuation techniques for the assets based on the development stages of the projects and amount of available information.
- Provide an independent valuation on the mineral assets of Niugini Nickel as at 12 August 2021.

VRM understands that its reviews and valuations will be relied upon and appended to BDO's report to assist RMC Shareholders in their decision regarding the proposed transaction. As such, it is understood that VRM's review and valuation will be a public document.

1.3. Statement of Independence

VRM was engaged to undertake an ITAR. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of experts (RG112).

Ms Lynda Burnett and Mr Paul Dunbar of VRM have not had any association with RMC, their individual employees, or any interest in the securities of RMC which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. Neither VRM, Ms Burnett nor Mr Dunbar hold an Australian Financial Services Licence (AFSL) and the valuation contained within this Report is limited to a valuation of the mineral assets being reviewed. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is \$30,000 (excluding GST).

1.4. Competent Persons Declaration and Qualifications

This Report was prepared by Ms Lynda Burnett as the primary author and peer reviewed by Mr Paul Dunbar.

The Report and information that relates geology, exploration and the mineral asset valuation is based on information compiled by Ms Lynda Burnett, BSc (Hons), a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM)). Ms Burnett is an Associate of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012

JORC Code). Ms Burnett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Report and information that relates to tenements, mineral asset valuation and peer review of the mineral asset valuation was provided by Mr Paul Dunbar, BSc (Hons), MSc (Minex), a Competent Person who is a Member of the AusIMM and the AIG. Mr Dunbar is a Director of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 JORC Code and a specialist under the 2015 VALMIN Code.

Between 12 August 2021 and the date of this Report, nothing has come to the attention of VRM unless otherwise noted in the Report that would cause any material change to the conclusions.

1.5. Reliance on Experts

The Wowo Gap Nickel Laterite Mineral Resource estimates were updated in 2011 and a Resource estimate announced, in accordance with the guidelines of the JORC Code 2004 and completed by consultants independent of Resource Mining Corporation Limited. VRM has therefore placed reliance on the Competent Persons sign off for the JORC 2004 estimates as reported by RMC (ASX 13 December 2011)

Mr Dunbar and Ms Burnett, the authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the legislative environment and permitting in PNG. In relation to the tenement standing, VRM has relied on the documentation provided by the company. In addition, VRM is relying on the Competent Person regarding the JORC 2004 Mineral Resource estimates, and the resource report dated 10 December 2011 and the associated company ASX release of 13 December 2011. VRM has undertaken an independent review of the Papua New Guinea Mineral Resources Authority (MRA) online tenement cadastre on 12 August 2021. As required by the VALMIN Code the status of the tenements is detailed within this Report.

1.6. Sources of Information

All information and conclusions within this report are based on information made available to VRM to assist with this report by RMC and other relevant publicly available data to 12 August 2021. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by RMC as detailed in the reference list. A draft of this Report was provided to Resource Mining Corporation Limited, via BDO to identify and address any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to the companies until the technical aspects were validated and the Report was declared final.

1.7. Site Visits

No specific site visits have occurred as a part of this Report or valuation. At the valuation date international travel restrictions are in place in Australia to limit the spread of COVID-19.

VRM understands that while the Competent Person for the Mineral Resource estimate has not carried out a site visit, the Competent Persons for the drilling and sampling information have conducted a site visit to the project areas. VRM has relied on the site visits of the latter Competent Persons.

VRM is satisfied that a site visit would not provide any additional material information that would modify the opinion or valuation of the assets.

2. Mineral Assets

The mineral asset included in this valuation is the 100% owned Wowo Gap Nickel Laterite Project. The project consists of a single exploration licence EL1165. The tenement expired in 2020 however the company has lodged all the required documents for the tenement renewal to be considered by the MRA and the Wardens Court. As at the report date the renewal has not been approved. The general location of the property is summarised below in Figure 1.



Figure 1 – Location of the Niugini Nickel project, Papua New Guinea

2.1. Tenure

The tenement portfolio making up the Mineral Assets of Niugini Nickel consists of 1 Exploration Licence EL1165. Niugini Nickel owns 100% of the tenement. The tenement was granted on 1 March 1996 and has been renewed on several occasions. It was most recently renewed by the PNG Mineral Resources Authority (MRA) on 17 December 2018 for a period of 2 years from 1 March 2018 to 28 February 2020. The tenement is under renewal application with written confirmation from the MRA that wardens court hearings to approve the renewal were planned to go ahead on the 15 April 2021. These were delayed due to COVID-19. As at the date of this report the wardens court hearing has still not occurred, and it is unclear when the hearings will occur. VRM has been informed that the wardens court hearing has been re-scheduled and is currently expected to occur on 14 September 2021. Should the tenement not be renewed then the RMC would hold no rights over the existing project and therefore the asset would have no value to RMC. VRM has assumed that the tenement will be renewed.

Tenement information is summarised below Table 1.

Table 1 - Tenement schedule as at 12 August 2021

Tenement Schedule for Niugini Nickel as at 12 August 2021

Project	Licence Holder	Licence No.	Area (sq km)	Equity	Grant Date	Expiry Date
Wowo Nickel	Niugini Nickel Pty Ltd	EL1165	94.4	100%	1/03/1996	28/02/2020

Note: Niugini Nickel is a 100% owned subsidiary of RMC

VRM independently confirmed the status of the Papua New Guinea tenements on the PNG Mineral Resources Authority Mining Cadastre online Portal on the 16 August 2021. Figure 2 is a screen snapshot of the online cadastre on this date.

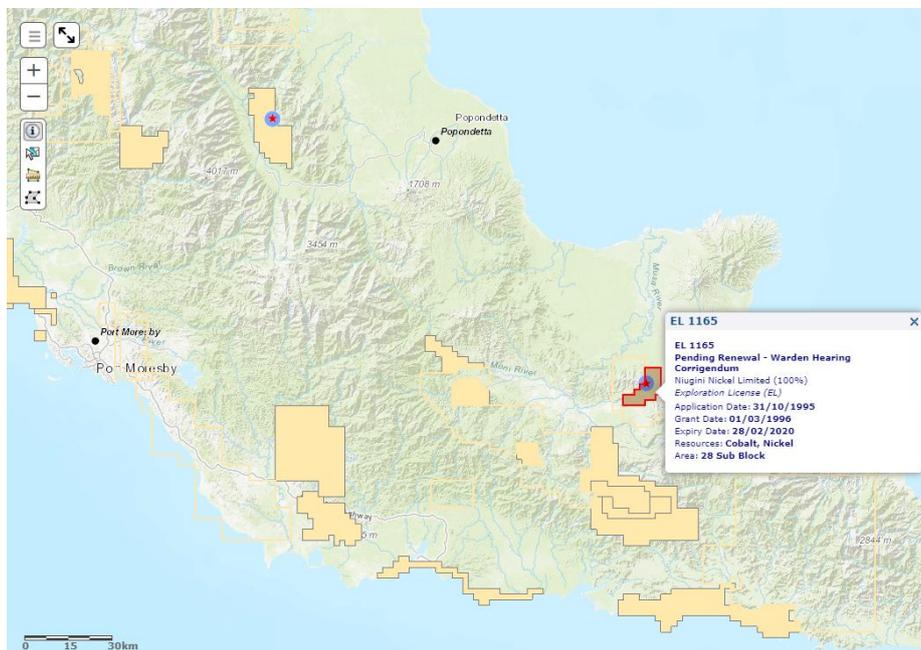


Figure 2 - PNG MRA Cadastre Screen shot taken 16 August 2021

The Wowo Gap Nickel Laterite tenement location with topography and geology is shown in Figure 3.



Figure 3 - Location of the Wowo Gap Nickel Laterite tenement
(Source RMC Wowo Gap Nickel Project Direct Shipping Ore Feasibility Study Report February 2016)

There are two streams of approval required for a mineral development in PNG. The first is the granting of a Mining Lease (ML) is currently controlled by the Mining Act 1992 and administered by the MRA. The second is the grant of the Environmental Permit which is controlled by the Environmental Act, 2000 and administered by the DEC.

Before an ML can be granted the following must be completed and submitted (refer to Figure 4):

- Boundary survey requirements
- Proposals for Development including the submission of a Feasibility Study, and associated studies of Compensation Agreement - negotiated with landowners
- Relocation agreements
- Mining Development Contract must be negotiated with the State
- Applications for associated Infrastructure leases
- Reports from the Wardens hearings
- Memorandum of Agreement
- Financing Plan
- State Equity acquisition Agreement
- Environmental Permit approved for the project

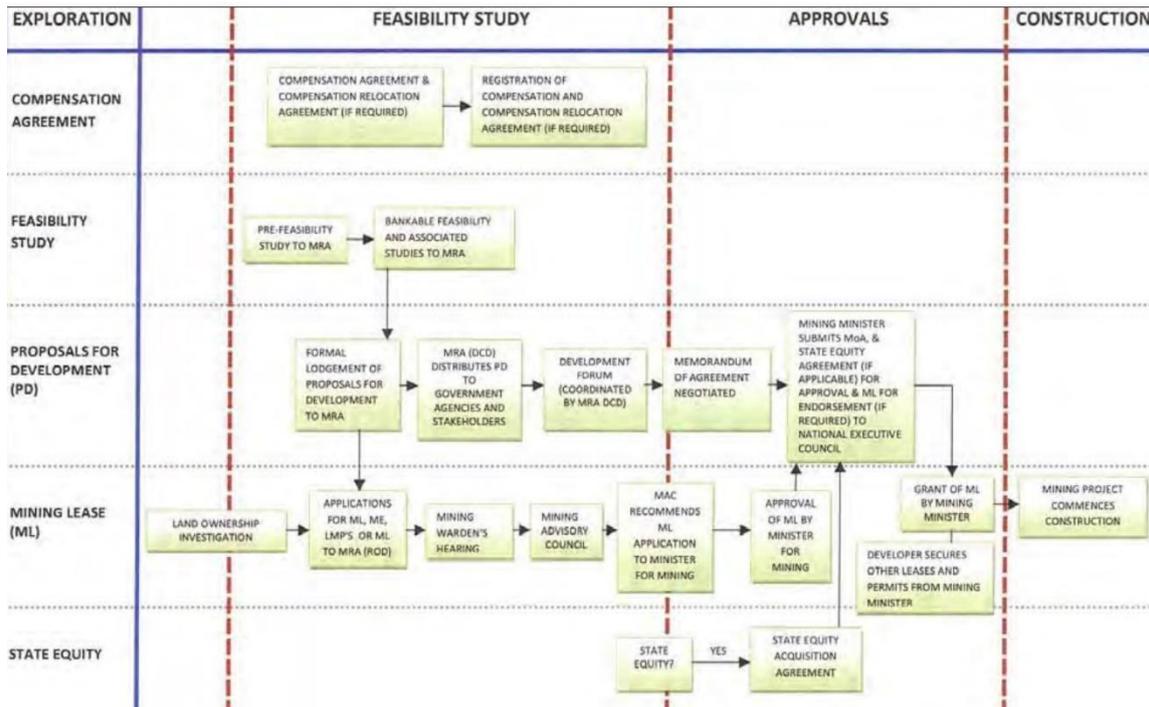


Figure 4 - Project Development Approval Process Flowchart

2.2. Accessibility

The Wowo exploration licence is located in Papua New Guinea approximately 200km east of Port Moresby, and 35kms from the village of Wanigela, situated on Collingwood Bay. Wanigela is serviced by an airstrip with regular commercial weekly flights from Port Moresby and a small wharf servicing the local timber industry. There is no road access to site, with personnel and equipment transported to site by helicopter.

Alternatively access to the area is via foot with personnel, food and equipment for exploration activities flown into the small village of Embessa and transported to site by foot (approximately 1 days walk).

The lack of infrastructure and equipment on site along with the challenging access has impacted (decreased) VRM's opinion as to the likely value of the project.

The topography of the area of the project is generally rugged and covered in rain forest. The maximum elevation is just less than 1500 metres with the valley to the east being at around 200 metres. Ground slopes range from moderate to very steep. A large alluvial fan occupies the coastal plain to the northeast of the project. This plain, which extends to the coast at Collingwood Bay is partly covered with sago palm and swamps.

Vegetation cover comprises of tropical rain forest with moderate to large sized trees, bushes, and undergrowth. The cover is virtually continuous with very few gaps. The region has a tropical monsoonal climate with an average rainfall of 1.5 – 2.0 metres with the wetter part of the year being between December and April as the result of thunderstorms and cyclones.

3. Wowo Gap Nickel Laterite Project

3.1. Geological Setting

The Wowo Gap Nickel Laterite Project 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 Papuan Peninsula consists of a core of Cretaceous Owen Stanley Metamorphics and the Mt Suckling Dome onto which have been thrust Jurassic-Cretaceous ultramafics and basaltic lavas and pillow lavas. The younger volcanics and sediments are associated with thrust structures, particularly to the east. Relatively recent basaltic and andesitic volcanism has occurred in the Didana Range and Group Mountains. Active volcanoes, namely Mt Victory and Mt Trafalgar, occur to the east on the coast.

The ultramafics outcrop at the eastern end of the Didana Range adjacent to and along the western margin of the Wowo Gap. The Sivai Breccia, which hosts the Wowo Gap mineralisation, flanks the ultramafic at the eastern end of the Didana Range and is the physiographic expression of the northeast trending Bereruma. (Figure 5). The nickel mineralisation lies within an erosional regime of an east dipping lateritic profile developed over the underlying ultramafics.

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 30 metres above the Sivai Breccia.

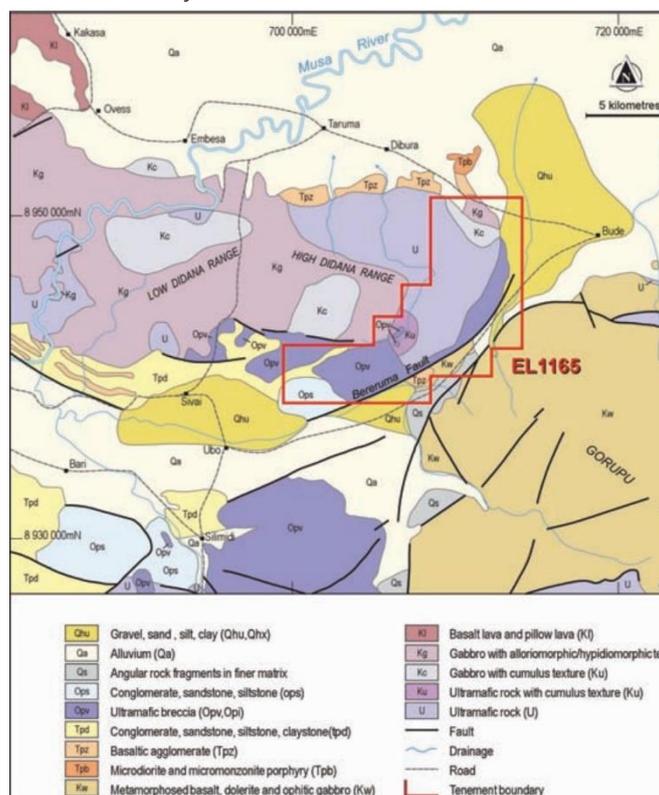


Figure 5 - Wowo Gap Nickel Project Bedrock Geology
(Source RMC Annual Report, 2010 taken from PNG Geological Survey)

Lithology types within the project are described below with **Table 2** ascribing typical nickel, magnesium oxide, iron, and silica ranges to each lithology type.

A thin partially preserved layer of young volcanic ash overlies the limonite and saprolite. Laterite profiles and varies in thickness from 0 to 2m but is typically less than 1 metre. The ash horizon often contains humus and vegetation matter and ranges in colour from dark red brown to orange, brown. It is often incorrectly logged as limonite, but differs geochemically from limonite by the high Al, and low Fe.

The limonite zone varies in thickness from 1 to 15 metres, with an average thickness of the higher-grade zone being in the order of 3 to 5 metres. The limonite horizon varies in colour from yellow brown, orange, brown to red-brown and retains none of the textural characteristics of the parent ultramafic. The limonite is characterised by enriched iron, nickel, cobalt, and magnesium contents. The nickel content ranges between 0.5% to 1.6%.

The saprolite zone varies in thickness from 1 to 27 metres, with an average thickness of 10 metres. The unit varies in colour from orange, brown, khaki, green, brown, to green grey and consists of serpentine and garnierite with clay. This material also contains a significant amount of fresh unenriched ultramafic bedrock boulders. The boulders are interspersed within the saprolite material. The saprolite material is distinguished from the limonite material by lower iron and cobalt and higher nickel and magnesium.

Table 2 - Primary Lithology Types

Lithology	Typical Geochemistry	Typical thickness	Description
Volcanic Ash	<0.3%Ni	< 1 metre	Volcanic ash – barren overburden
Limonite	0.8 – 1.6%Ni, 50% Fe ₂ O ₃ , 2%MgO, 20% SiO ₂	5 metres	Limonitic clay; Ni, Co, Fe, Mn enriched
Saprolite Clay	1.2 to 1.9%Ni, 30% Fe ₂ O ₃ , 15%MgO, 30% SiO ₂	5 metres	Saprolite clay; Ni, Mg enriched
Rocky Saprolite	1.4 to 2.4%Ni, 10% Fe ₂ O ₃ , 30%MgO, 40% SiO ₂	10 metres	Saprolite; Ni, Mg enriched
Bedrock	<0.3% Ni	NA	Ultramafic breccia, peridotite and dunite

3.2. Previous Exploration

Prospecting and exploration drilling to date has identified enriched nickel laterite mineralisation along a 12-kilometre strike length.

The Wowo Gap lateritic nickel/cobalt prospect has been the subject of reconnaissance geological exploration which commenced in 1958, and which was followed by sampling, pitting and diamond drilling by various explorers between 1968-1972.

In 1958, the Bureau of Mineral Resources carried out a brief reconnaissance survey of the Didana Range area which included Wowo Gap. Nickel mineralisation was reported in auger samples of breccia which returned values of up to 1.3% Ni, presumably derived from a peridotite ultramafic having up to 0.18% Ni background values. The permeable nature of the breccia indicated that nickel and cobalt mineralisation could persist to a considerable depth. In both 1967 and 1968, exploration was carried out comprising rock chip and channel sampling and diamond drilling. Cliff-face sampling returned values of 1.30% Ni and 1.20% Cr and 0.06% Co over 15 metres with other cliffs returning overall grades in excess of 1% Ni. Garnierite an important component of nickel laterite ores elsewhere due to its high weight percent NiO was observed being present in the lower part of the lateritic profile. A resource at Wowo Gap estimated at that time amounted to 125 million tonnes grading 1.5% Ni.

Following Niugini Nickel's tenement acquisition in 1996, joint ventures in 1998-2000 with Cobra and Cobra in JV with Anaconda Nickel Ltd (Anaconda) carried out a program of pitting, sampling and wacker drilling followed by a Scoping Study into the potential development opportunities of the project. Anaconda's work estimated a 49 million tonne resource at Wowo Gap, grading 1.22% Ni and 0.084% Co.

Between 2003 and 2005, a total of 26 diamond holes (WGDH001 – 026) and 70 wacker holes (WGW-024 – 093) were drilled for 566 metres. United Pacific Drilling PNG Ltd (UPD) was contracted to drill the diamond holes using an Edson man-portable diamond drill rig. Geological Investigations Pty Ltd was commissioned by Niugini Nickel to provide a Competent Persons Report in 2006 (RMI ASX release 19 July 2006). As part of the report, a JORC (2004) Compliant resource was estimated based on all diamond and Wacker drilling up to 2005.

Exploration activity undertaken at Wowo Gap in 2007 included diamond drilling, ground penetrating radar and LIDAR data acquisition to establish an updated resource estimate of the project followed by the completion of a Scoping Study for a High-Pressure Acid Leach plant and processing. Niugini Nickel completed 47 NQ triple tube diamond holes (WGDH027 – 072) on nominal 800 metre AMG84 grid line spacing, 400 metre hole spacing, with some infill drilling on 400 metre line for 1089 metres of core. Paradise Drilling Pty Ltd (Paradise) was contracted to drill the diamond holes using two LCH-100 man-portable diamond drill rigs.

All samples from the 2007 diamond drilling program were analysed by Intertek method XR81 – Ni laterite, fusion XRF for Ni, Co, Al₂O₃, CaO, Cr₂O₃, Fe₂O₃, K₂O, LOI, MgO, MnO, Na₂O, P₂O₅, SiO₂ and TiO₂.

GroundProbe Pty Ltd was contracted to provide Ground Penetrating Radar (GPR) profiles across the deposit at 200 metre cross section spacing. Ground penetrating radar has been successfully used in many nickel

laterite projects, particularly wet clay rich tropical laterites around the world including Ramu (PNG) and Weda Bay in Indonesia. The main objective of the GPR program was to define the various layers within the laterite profile, i.e.: limonite, rocky saprolite and bedrock interfaces. The profile was used to demonstrate the lateral continuity of these horizons between drill holes, increasing the confidence of the geological model used in the resource estimation (Figure 6).

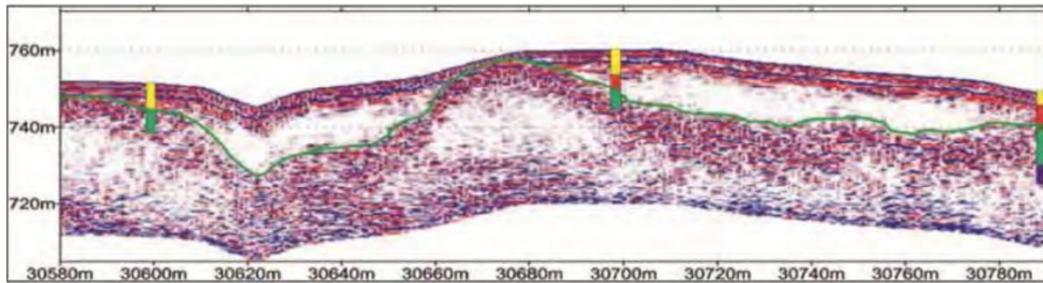


Figure 6 - Ground Penetrating Radar profile through the Wowo Gap deposit area with the saprolite bedrock interface shown in green.

The 2002-3 and 2007-8 diamond drilling campaigns penetrated the entire nickel prospective profile to bedrock on a nominal 400m by 400m spacing. An interpreted average thickness of nickel enriched saprolite clay lithotype was 3-5m.

In contrast, the 2010-2011 drilling only penetrated the upper limonite zone on a 200m by 200m spacing with holes ending in upper saprolite due to penetration issues (Figure 9).

In 2011 the most recent Mineral Resource estimate was completed by Ravensgate. It consists of Indicated and Inferred material and was reported at a 0.8% Ni lower cut-off. This Mineral Resource was reported accordance with the JORC Code (2004) and is detailed in the Resource section below.

Figure 7 below shows the distribution of early campaign (1998-2008) holes and the 2010-2011 holes.

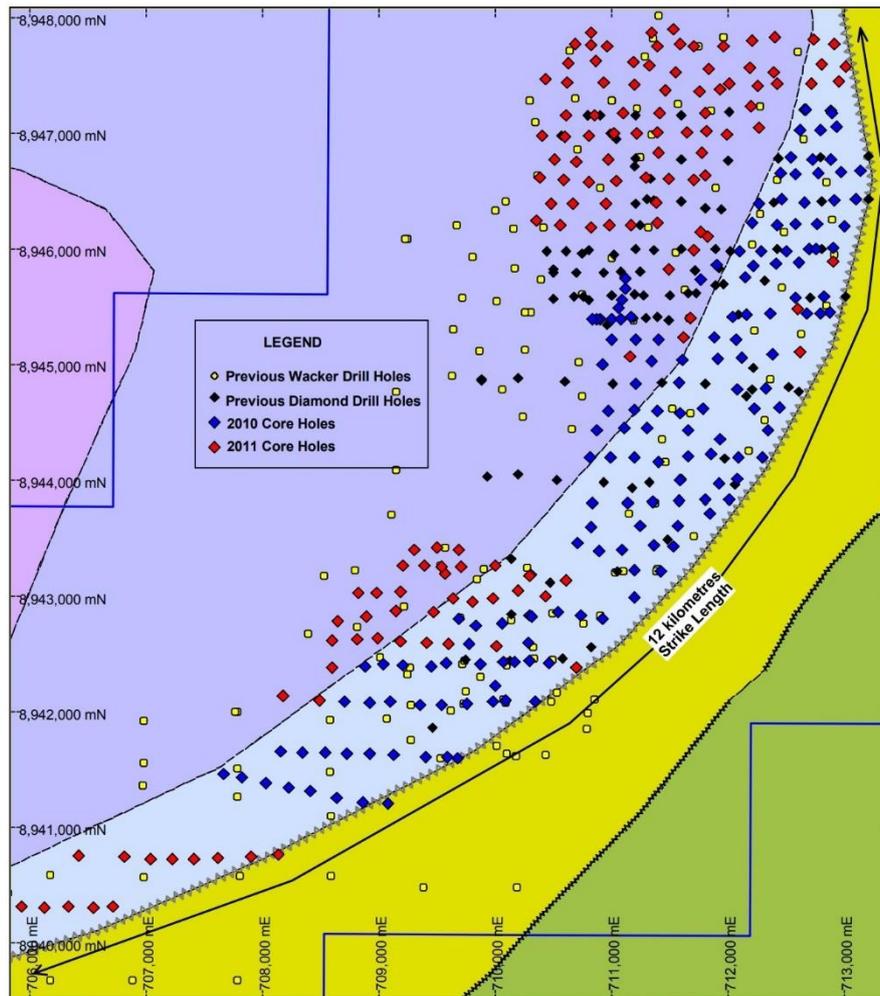


Figure 7 - Drill hole locations up to 2011 and included in 2011 Resource Estimation.

In 2014 an opportunity to supply the nickel laterite market DSO Ore was investigated by Niugini Nickel. Previous drilling results were reanalysed, particularly those holes that ended in the transition zone, (i.e. interface of limonite and saprolite clay) to determine whether any higher-grade potential existed within the resource. The outcome of this investigation was the identification of a DSO “Exploration Target” of 40 to 60 million tonnes at 1.6% to 1.8% Ni (ASX: RMI 24 June 2014).

In 2015 a diamond drilling program using a Niugini Nickel owned and run man portable rig, in addition to further auger core (partial profile drilling) commenced over the Exploration Target areas on a 100 metre by 100 metre spacing to establish confidence in the continuity of mineralisation, define higher grade lower saprolite resources and to define a Mineral Resource for project development studies. Due to the downturn in the industry in 2015, the program was cut short and only one of the 5 target areas (Koyama) was drilled. The diamond drilling completed consisted of 40 holes for 605m on a 100m by 100m spacing with an average hole depth of 15.13m (Figure 10). The auger drilling completed consisted of 125 holes over the Koyama and Joan East Areas. Figure 8 shows the GPR depth to bedrock plan over target areas to the left and to the right the existing drilling over these target areas prior to 2015.

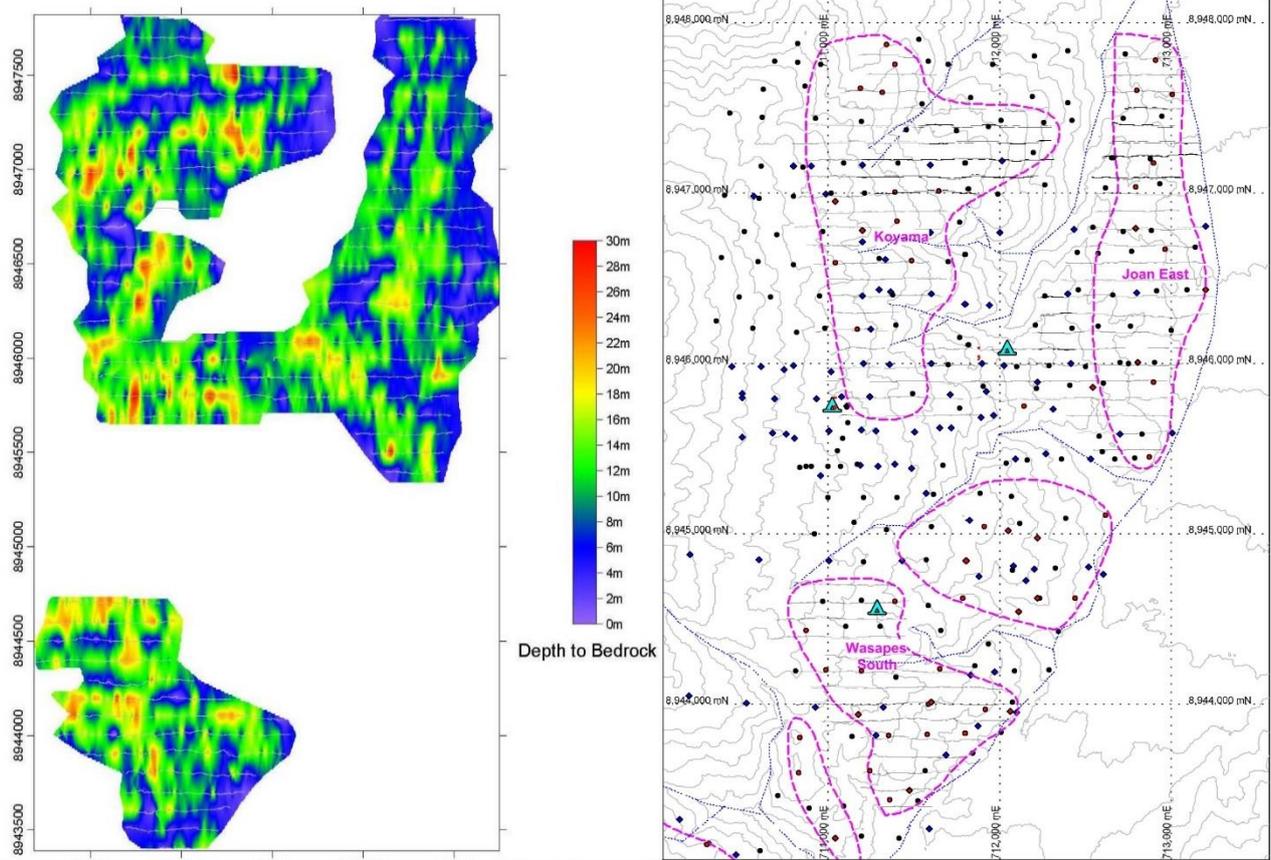


Figure 8 – (a) GPR radar depth to bedrock profile over DSO target areas (left) and (b) DSO target areas showing previous drilling (right).

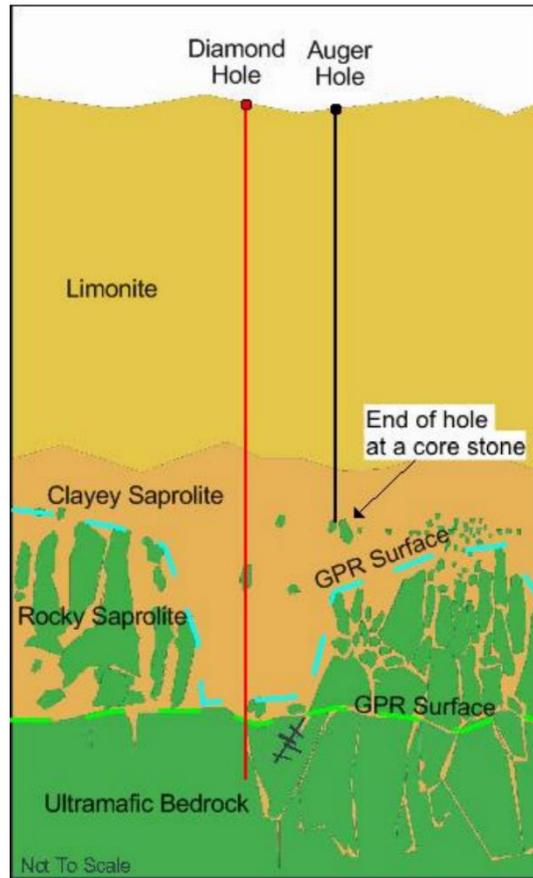


Figure 9 - Typical laterite profile showing target horizon of clayey saprolite, and the relative penetration depths of diamond core compared to auger.



Figure 10 - Man portable diamond rig used for the 2015 drilling campaign.

4. Mineral Resource Estimates

The majority of this section of the report has been sourced from the Ravensgate Mineral Industry Consultants Limited (Ravensgate) Mineral Resource estimate report completed in December 2011.

4.1. High Level Review - Overview

As required by the VALMIN Code, Clause 4.1, VRM has undertaken a high - level review of the Mineral Resource estimation reports and technical data to provide an assessment of the reasonableness of the Mineral Resource estimates for the Wowo Gap Nickel Laterite project as key inputs into the valuation. This section of the report is based on an assessment of the Mineral Resource Estimates released by the company on 13 December 2011 and the source document from Ravensgate 10 December 2011.

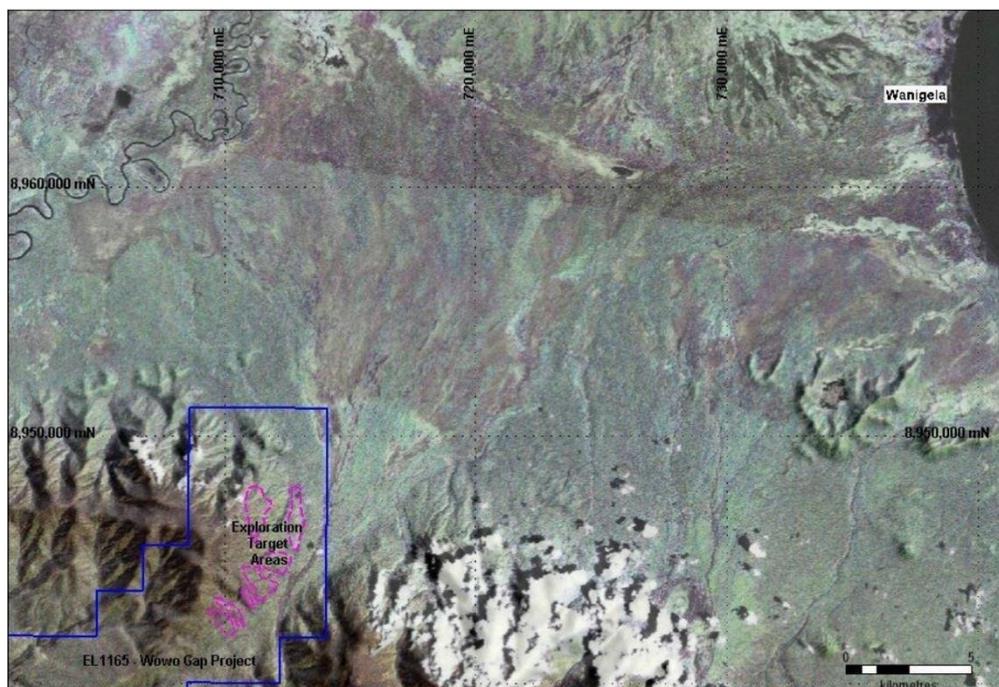


Figure 11 - Location Plan of the Wowo Gap Nickel Laterite deposit with DSO Exploration Target areas (a subset of the 2011 resource as quoted by RMI ASX Dec 2011) shown in pink within EL1165 on Satellite imagery (Source Resource Mining Corporation Limited)

The underlying geological or geochemical datasets have not been validated, nor has there been a complete audit or reassessment of the resource. The Mineral Resources for the Project have not been re-reported or re-estimated as a part of this report. The technical data was reviewed at a high level, however full due diligence was not undertaken.

The Wowo Gap Nickel Laterite Mineral Resources estimates were reported in compliance with the JORC Code (2004) reporting standard and are summarised in Table 3. This Mineral Resource estimate is the most

recent resource estimate conducted on the deposit and the second resource estimate announced by the company on the project. The Resource Estimate was completed by independent consultants Ravensgate Minerals Industry Consultants (Ravensgate) on December 10, 2011, and announced to ASX on 13 December 2011.

The Mineral Resource estimate has not been upgraded to JORC 2012.

Table 3 - Wowo Gap Nickel Laterite Project JORC 2004 Mineral Resource Estimates at a 0.8% Ni cut-off

2011 Mineral Resource Estimate	Mt	Nickel (%)	Cobalt (%)
Indicated	72	1.03	0.07
Inferred	53	1.09	0.06
Total	125	1.06	0.07
Contained Metal (kt)		1,325	83

(Source: RMC ASX 13 December 2011)

Table 4 shows a complete breakdown of the Resource estimation at varying Ni% cut offs and by Indicated and Inferred categories. Figure 12 is a grade tonnage curved derived from the data in **Table 4**.

Table 4 - Resource estimation at varying Ni% cut offs and by Indicated and Inferred Categories

Summary of Wowo Gap - December 2011 OK Model Resource at varying Ni Lower cut-off Levels - Limonite+Rocky Saprolite Zones Combined												
Ni% Cut-Off	Measured Resource			Indicated Resource			Inferred Resource			Total Summary		
	Volume	Tonnes	Ni (%)	Volume	Tonnes	Ni (%)	Volume	Tonnes	Ni (%)	Volume	Tonnes	Ni (%)
0.10	-	-	-	109,436,647	180,423,201	0.74	100,841,862	165,486,758	0.67	210,278,508	345,909,959	0.70
0.20	-	-	-	106,508,107	175,959,443	0.75	92,289,491	152,766,745	0.71	198,797,598	328,726,188	0.73
0.30	-	-	-	102,578,597	169,850,616	0.77	84,943,848	140,857,706	0.75	187,522,445	310,708,322	0.76
0.40	-	-	-	95,215,767	158,383,179	0.80	74,641,541	123,813,633	0.81	169,857,307	282,196,812	0.80
0.50	-	-	-	83,951,049	140,271,378	0.85	65,154,583	108,295,489	0.86	149,105,632	248,566,868	0.85
0.60	-	-	-	70,706,462	118,841,797	0.90	49,804,388	83,267,228	0.95	120,510,850	202,109,025	0.92
0.70	-	-	-	55,757,801	94,128,832	0.97	40,138,358	67,218,250	1.02	95,896,159	161,347,081	0.99
0.80	-	-	-	42,269,556	71,792,319	1.03	31,605,890	53,134,979	1.09	73,875,446	124,927,298	1.06
0.90	-	-	-	30,013,511	51,223,252	1.11	22,331,246	38,151,171	1.19	52,344,758	89,374,423	1.14
1.00	-	-	-	19,988,027	34,083,712	1.19	16,831,203	28,860,468	1.27	36,819,229	62,944,180	1.23
1.10	-	-	-	12,097,909	20,559,496	1.28	11,825,919	20,202,637	1.36	23,923,829	40,762,134	1.32
1.20	-	-	-	7,043,547	11,897,493	1.38	7,861,354	13,599,086	1.47	14,904,902	25,496,580	1.43
1.30	-	-	-	3,997,537	6,630,116	1.49	5,626,180	9,688,459	1.56	9,623,717	16,318,574	1.53
1.40	-	-	-	2,309,490	3,781,529	1.60	3,975,934	6,840,966	1.65	6,285,424	10,622,495	1.63
1.50	-	-	-	1,351,481	2,186,274	1.71	2,970,953	5,088,313	1.73	4,322,433	7,274,586	1.72
1.60	-	-	-	854,554	1,377,808	1.81	1,962,786	3,336,716	1.83	2,817,340	4,714,525	1.82
1.80	-	-	-	442,453	724,633	1.94	1,079,885	1,786,506	1.98	1,522,338	2,511,138	1.97
2.00	-	-	-	59,172	93,751	2.20	218,974	363,283	2.28	278,145	457,034	2.26

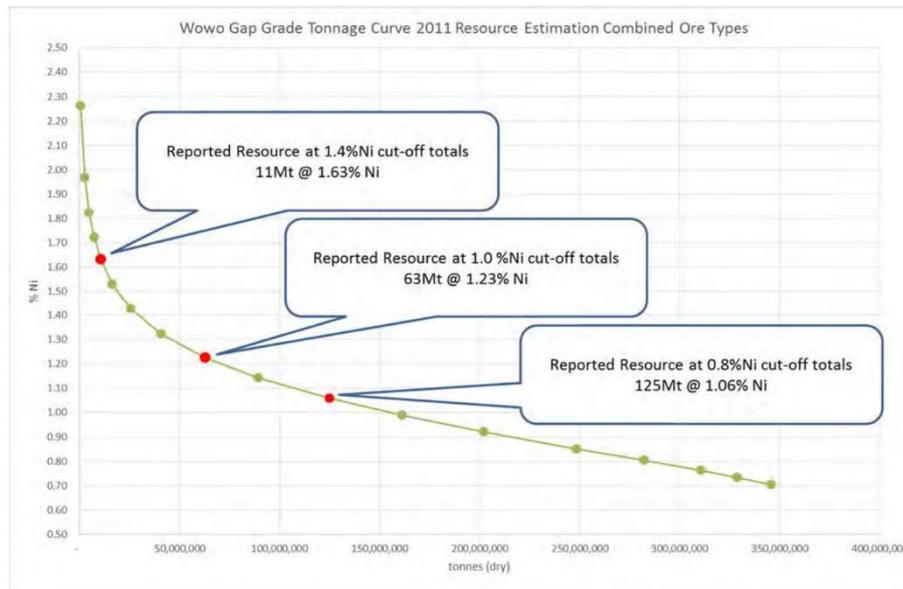


Figure 12 - Grade Tonnage curve 2011 Resource Estimation

The resource used 621 holes, 297 core holes from the 2010 program plus a further 176 diamond holes and 148 wacker holes from prior programs 2003-2008.

The above information is extracted from the announcement entitled 'Outstanding Exploration and Resources Estimation Results at Wowo Gap Nickel Laterite Project' on 13 December 2011 and is available to view at www.resmin.com.au. Table 3 and Table 4 have been extracted from the unpublished resource estimation report 10 December 2011 by Ravengate Mineral Industry Consultants. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Using the 1.4% Ni cut-off and the information contained in **Table 4** above there are 10,622,495t at 1.63% Ni. VRM has used appropriate rounding resulting in a Mineral Resource estimate, at a 1.4%Ni cut-off, of 11Mt at 1.63% Ni for a total of 179,300t of contained nickel. This rounded Mineral Resource estimate is also documented in the labels in **Figure 12** above. It is this contained nickel that has been used in the valuation of the project.

The drilling conducted in 2015 has not been incorporated into a new resource model. Results taken from public releases are generally consistent with previous results and a material upgrade or downgrade to the total tonnes or grade is not anticipated by VRM. It is also VRM's opinion that the drilling did not identify a coherent large body of saprolite hosted DSO suitable ore greater than 1.5% Ni which was the objective of the 2015 drilling.

4.1.1 Information Sources

The contents of this Review have been created using the Mineral Resource estimation data and reports provided by RMC. Estimates for the Wowo Gap Nickel Laterite deposit were completed by Ravensgate Minerals Industry Consultants in 2011 for the deposit reviewed. The relevant data files for these estimates were not provided to VRM.

In addition, RMC ASX announcements dated 27 January 2015, 4 March 2015, 18 March 2015, 8 April 2015, 29 April 2015, and 21 May 2015 detail the results of further exploration drilling designed to test high grade thicker portions of the deposit. In VRM's opinion, the information provided was of reasonable quality and satisfactorily addressed the VALMIN Code requirements for an assessment of the reasonableness of the approach to the Mineral Resource estimates for the deposit reviewed.

4.1.2 Wowo Gap Mineral Resource

No mining has been carried out at the Wowo Gap deposit.

A number of Mineral Resource estimates have been completed for the deposit. The results of the most recent estimate, in December 2011, was undertaken by Ravensgate. The 2011 estimate was completed for RMC and reported at a 0.8% Ni cut-off using Ordinary Kriging.

The 0.8% Ni cut-off reflected the potential of the deposit for open pit mining and on-site processing using a High-Pressure Acid Leach (HPAL) process which is relatively common in the industry for this style of project. The principal changes from the 2009 estimate, also completed by Ravensgate, were primarily due to substantially improved drilling density as well as refinement of the bulk density determination regime.

4.1.3 Geology and Mineralisation (Sourced from Ravensgate 2011)

The most prominent rock types in this tenement 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 the 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 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 breccia also occurs along the south side of the Didana Range on the Ansuna and Boge Plateaux. The ultramafic breccia and tectonite ultramafic have been interpreted as having formed during the thrusting of the oceanic ultramafic-gabbro-basalt crust onto the Papuan Peninsula. These structurally deformed units dip to the southeast and south parallel 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 Wakioki Fanglomerate has been emplaced through Wowo Gap, along the Bereruma and Wakioki Creeks. Similarly, the Ubo Fanglomerates flank the southern edges of the Boge and Ansuna Plateaux.

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 30 metres above the Sivai Breccia.

4.1.4 Informing Data and Quality Assurance Quality Control (QAQC) (Sourced from RMC, 2011)

The full regolith profile of the Wowo Gap deposit with typical average thicknesses from top to bottom is described in **Table 5**.

Table 5 - Regolith Units of the Laterite Profile

Lithology	Database code	Typical thickness	Description
Volcanic Ash	Qva	< 1 metre	Volcanic ash – barren overburden
Limonite	Lim	5 metres	Limonitic clay; elevated Ni, Co, Fe, Mn, Cr
Saprolite	Sap	3 metres	Ultramafic saprolite; elevated Ni, Mg
Rocky Saprolite	Sap_Um	10 metres	Corestones within saprolite clay
Bedrock	Um, Upd, Udn	NA	Ultramafic breccia, peridotite and dunite

A thin partially preserved layer of young volcanic ash overlies the limonite and saprolite laterite profiles and varies in thickness from 0 to 2m but is typically less than 1 metre. The ash horizon often contains humus and vegetation matter and ranges in colour from dark red brown to orange, brown. It is often incorrectly logged as limonite; it differs geochemically from limonite by the high Al₂O₃ and low Fe₂O₃.

The contact with the underlying Limonite is typically gradational with the Al₂O₃ decreasing and Fe₂O₃, Ni and Co increasing (**Table 6**).

Table 6 - Typical Geochemistry of the Regolith Units

Lithology	Ni (%)	Co (%)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	MgO (%)	SiO ₂ (%)
Volcanic Ash	0.2	0.01	25	20	1	30
Limonite	1	0.1	5	60	2	7
Saprolite	1.2	0.02	1	10	30	40
Corestones	0.3	0.01	0.3	8	40	2

The limonite zone varies in thickness from 1 to 20 metres, with an average thickness of 5 metres. The limonite horizon varies in colour from yellow brown, orange, brown to red brown and retains none of the textural

characteristics of the parent ultramafic. The limonite is characterised by enriched iron, nickel cobalt and chrome chemistry. The nickel content is commonly 0.5 to 1.3%, with considerable sections averaging 0.8 to 1%. The lower section of the limonite profile contains significant cobalt, magnesium, and chromite. These zones can contain over 0.1% cobalt and up to 6% chromite.

The saprolite zone varies in thickness from 1 to 27 metres, with an average thickness of 10 metres. The unit varies in colour from orange, brown, khaki, green, brown, to green grey and consists of serpentine and garnierite with clay. The zone has two layers showing different physical characteristics, the upper saprolite clay, and the lower rocky saprolite which consists of weak to moderately weathered core stones of ultramafic rock within a saprolite clay matrix. The rocky saprolite material also contains a significant amount of un-mineralised ultramafic boulders. The boulders are interspersed within the saprolite material. This lower section of the profile has previously not been seen in the pits or wacker drilling, as this material was too hard to penetrate. The saprolite material is distinguished from the limonite material by lower iron and higher magnesium. This material contains significant nickel grades typically associated with garnierite which often occurs on the weathered rims of the corestones, but less cobalt. The magnesium and silica content increases with depth towards the ultramafic bedrock geology.

The mineral deposit type being explored at Wowo Gap is a nickel laterite. Such laterites are common in tropical parts of southeast Asian islands, good examples being those of New Caledonia, Sulawesi, the Philippines, and the Ramu Nickel Laterite Project in PNG. Lateritic ores are typically near surface or outcropping, laterally extensive, mineral deposits created from weathering of underlying ultramafic bedrock lithologies.

The “lateritic” term applies to deposits resulting from chemical processes operating very near to the surface (within the weathering profile often within the upper ten metres). The processes arise through meteoric and groundwater movement over long periods interacting with certain pre-existing in-situ rock types. The process may result in formation of layers enriched in certain elements and depleted in others. For some elements, such as nickel, they typically form a significant deposit type for mining. In nickel deposits other elements may also be of economic importance, such as cobalt and magnesium.

Lateritic nickel ore zones are commonly subdivided vertically into several consistent geochemical horizons. These layers are important for mining and metallurgical processing due to their different physical and geochemical properties.

4.1.5 Drilling, Sampling and Surveying (From RMC 2011)

Since 2004, surveying of drill holes and GPR Lines used in the resource estimate were set out using a handheld GPS in AMG84 projection by Niugini Nickel geologists. The diamond holes from both the 2003 – 2004 and 2007 drilling programs were surveyed by Arman Larmer Surveys Ltd Consulting Surveyors (PNG) using a Wild 805 Total Station, traversing from survey control stations which were located using an Omnistar

DGPS with a reported accuracy of +/- 0.1 metres. The survey work was based on AMG84 projection and was completed in December 2007.

Drill holes in 2008, 2010 and 2011 were set out using a handheld GPS in AMG84 projection by Niugini Nickel geologists. Once the drill holes were completed, they were surveyed by a handheld GPS using AMG84 projection. The level (RL) co-ordinates of all the drill holes and the projected surface profiles were generated from a DEM, captured in July 2007 by Digital Mapping Australia Pty Ltd (DiMap) using LIDAR (Light Detection and Ranging) technology which surveys ground points beneath the forest canopy using lasers providing an accuracy of 0.2 metres in surface elevation. The elevation information was necessary for height (RL) control of drill hole collars and GPR profiles for the resource estimation process.

The Wowo Gap Nickel Laterite Project has been tested by various methods namely auger, excavation of pits, wacker drilling, diamond drilling and auger core drilling. Steep topography, thick vegetation and poor access have caused drilling to date at Wowo Gap to be conducted using man-portable drilling rigs. The nature of the lateritic geology (combining very soft sticky clays with hard core stones) has presented drilling challenges, with both rotary coring and push coring used.

Drilling methods used at Wowo Gap are:

- Wacker rig – push coring (Figure 13) 3cm diameter BQ core
- Conventional diamond core rig – rotary coring UPD and Paradise (Figure 14)
- Niugini Nickel owned custom auger core rig – rotary coring. (Figure 15)
- Niugini Nickel owned man portable custom diamond rig- rotary coring 2015 (post resource estimate) (Figure 16)

Table 7 - Summary of drilling by type and date used in the 2011 Resource Calculation

Type	Year	Drill Company	Number of Holes	Core Size	Metres Drilled
diamond	1972	PNE	17 (PN & PND holes)	NQTT	405.3
wacker	1999	ANL	23 (WGW001 - 23)	BQTT	119.1
wacker	2004	NN	70 (WGW024 - 93)	BQTT	341
wacker	2008	NN	55 (WGW101-155)	BQTT	270.9
diamond	2003	LPD	8 (1 - 8)	HQTT	160.7
diamond	2004	LPD	18 (9 - 26)	HQTT	404.6
diamond	2007	Paradise	45 (27 - 72)	NQTT	1085.4
diamond	2008	Paradise	11 (73 - 83)	HQTT	235.7
diamond	2008	Paradise	17 (84 - 98)	HQTT	277.5
core	2010	NN	159 (101 - 258)	NQTT	1007.5
core	2011	NN	138 (259 - 395)	NQTT	738.3

4.1.6 Wacker Drilling

Initial drilling at Wowo Gap used a petrol powered wacker machine, which produced small 3cm diameter core. This method hammers down 1m lengths of drill pipe Figure 13.



Figure 13 - Wacker rig used for core drilling in 1999, 2004, 2008 programs.

Core is recovered every 0.8m, with the core pushed out of the barrel using a rod. This drilling method was confirmed as an effective method of sampling the laterite profile at Wowo Gap in 1999, although the 'drilling' ceased once corestones were encountered in the holes, which meant that wacker drilling only effectively tested the clay portion of the profile. In 1999 Anaconda Nickel Ltd (ANL) completed the drilling of 23 Wacker hoes for 119.1 metres. Co-ordinates of these holes were measured in reference to AMG84.

The drilling of 70 Wacker drill holes (WGW024-93) for 341 metres was completed during 2004 by Niugini Nickel. Core from the hole was laid out in BQ core trays and logged and sampled on one metre intervals by the supervising geologist in accordance with Niugini Nickel's Drilling and Sampling Protocols. The whole sample was sent to the Townsville Analabs Laboratory for analyses.

Analysis was by the automated multi-element induced couple plasma technique (ICPOES) 1105Q – Total Digest Oregrade Analysis. Each sample was analysed for nickel, cobalt, iron, manganese, magnesium, aluminium, chromium, vanadium, scandium, and calcium.

In 2008 a further 55 wacker holes were drilled to the north and south of the resource area. Core from the hole was laid out in BQ core trays and logged and sampled on one metre intervals by the supervising geologist in accordance with Niugini Nickel's Drilling and Sampling Protocols. The whole sample was sent to the Intertek Laboratory in Jakarta for fusion XRF analysis for Ni, Co, Al₂O₃, CaO, Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, P₂O₅, SiO₂ and LOI. Due to the lightweight nature of the rig, this was a very effective method for first pass scout drilling, however the good sample quality and recoveries also provides confidence in the use of this data for the resource estimation.

4.1.7 2003 – 2004 Diamond Drilling

In 2003 Niugini Nickel contracted United Pacific Drilling PNG Ltd (UPD) to conduct diamond drilling using an Edson man-portable diamond drill rig (Figure 14).



Figure 14 - Man portable diamond rig used for HQ core during 2003-2004 drilling campaigns

During the program, twenty-six diamond drill holes (WGDH 001-026) for 565.8 metres were completed. The drill hole collars were surveyed using a handheld GPS in AMG84. The holes were positioned on 400 to 500m grid across the deposit.

Core from the hole was laid out in HQ core trays and logged and sampled by the supervising geologist in accordance with Niugini Nickel's Drilling and Sampling Protocols. Following the completion of each hole, the core trays were carried to the core shed at the main Koyama Camp, where the core was logged and photographed by the supervising geologist. The Supervising Geologist marked up the core sampling sheet based on lithological intervals where possible, with a minimum sample interval of 0.4 metres and a maximum interval of 1.2 metres. The senior field technician would cut the clay portions of the hole in accordance with the sample sheets. Only half core was sampled with the remaining core stored onsite, but the hard ultramafic corestones were not sampled. The remaining core has since been transported to RMC's Perth Office.

The samples were sent to the Townsville Analabs Laboratory for analyses. Analysis was by the automated multi-element induced couple plasma technique (ICPOES) 1105Q – Total Digest Oregrade Analysis. Each sample was analysed for nickel, cobalt, iron, manganese, magnesium, aluminium, chromium, vanadium, scandium, and calcium.

4.1.8 2007 – 2008 Diamond Drilling

In 2007, Niugini Nickel contracted Paradise Drilling to commence diamond drilling using two LCH-100 man-portable diamond rigs (F).



Figure 15 - Man portable rig used by Paradise Drilling Pty Ltd for 2007-2008 program

A total of 47 diamond holes were drilled (WGDH027 – 072) obtaining NQ triple tube size core. Following the completion of each hole, the core trays were carried to the core shed at the main Koyama Camp, where the core was logged and photographed by the supervising geologist. The Supervising Geologist marked up the core sampling sheet based on lithological intervals where possible, with a minimum sample interval of 0.4 metres and a maximum interval of 1.2 metres. The senior field technician would cut the clay portions of the hole in accordance with the sample sheets. The hard corestone samples were cut using the onsite diamond saw. Only half core was sampled with the remaining core stored onsite. The remaining core has since been transported to RMC's Perth Office.

Nickel standards were added to the samples at rate of approximately one standard for every 20 core samples (5%). Drilling, sampling, and logging procedures followed the recommendations of Niugini Nickel's Drilling and Sampling Protocols. An International Mining Consultants Pty Ltd (IMC) geologist, Mr Ian Hamilton

visited the Wowo Gap Nickel Project in August 2007 to independently assess site conditions and assess the site drilling, logging, and sampling procedures.

In 2008, Paradise Drilling returned to Wowo Gap with an upgraded LCH-100 capable of drilling HQ size core. Eleven HQTT diamond holes were completed (WGDH073 – 083) for the primary purpose of obtaining metallurgical samples. The holes were logged and photographed prior to being sent to Perth. On arrival in Perth the core was sampled using a channel sampler where approximately quarter of the core was cut from the HQ core and sent to Ultratrace Laboratories for fusion XRF analysis for Ni, Co, Al₂O₃, CaO, Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, P₂O₅, SiO₂ and LOI.

Nickel standards were added to the samples at rate of approximately one standard for every 20 core samples. The remainder of this core is stored in the shed at the rear of the RMC office in West Perth. Following the completion of the metallurgical holes, a further 17 HQTT diamond holes were drilled and processed according to Niugini Nickel's Drilling and Sampling Protocols (Sharpe, 2007) with half core samples being sent to Intertek, Jakarta for fusion XRF analysis for Ni, Co, Al₂O₃, CaO, Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, P₂O₅, SiO₂ and LOI.

In 2010 RMC designed and built two custom man-portable rotary core rigs (Figure 16) capable of drilling NQ triple tube core and commenced drilling operations in August 2010.



Figure 16 - Niugini Nickel man portable rotary auger core rig 2011

Drilling was initially planned on 200 metre spaced grid along the strike of the Sivai Breccia. This program was completed in early 2011 with 158 holes (WGDH101 – 158) drilled. A further 137 holes were drilled, infilling previous areas of drilling to a nominal 200 metre grid spacing.

The 295-hole drill program was completed in August 2011. As the drilling equipment was only capable of penetrating the clay portion of the laterite profile, once hard ultramafic corestones were encountered, drilling would cease, however an added advantage of this drilling method was that water was not required to penetrate the sticky limonite clays, thus providing excellent core recovery in the clay profile. A site geologist was present at the drill rig for each hole. As the core came out of the core barrels, it was logged. Once the hole was completed, the core trays were photographed and sampled by the site geologist at the drill hole site.

Full core samples were sampled at nominal 1 metre intervals except near lithological contacts where the minimum sample length was 0.4 metres to a maximum length of 1.2 metres. The core samples were sent to Intertek in Lae for sample preparation, with the pulps being sent to Intertek Jakarta for fusion XRF analysis for Ni, Co, Al₂O₃, CaO, Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, P₂O₅, SiO₂ and LOI. Nickel standards were added to the samples at rate of approximately one standard for every 20 core samples (5%).

Drilling, sampling, and logging procedures followed the recommendations of Niugini Nickel's updated Exploration Standards and Procedures Manual. In February 2011, Independent Geologist, Mr Robin Rankin from GeoRes conducted a site visit to Wowo Gap to observe and verify the drilling and sampling procedures used on site.

4.1.9 QAQC

For historical drilling, no information on QAQC was available.

Maxwell Geoservices (Maxwells) provided an independent database hosting service to RMI. Maxwells was responsible for data import and export, database auditing, and QAQC reporting.

Each hole was logged by the site supervising geologist and entered in to Maxwells Logchief software loaded onto the site computer. Data was downloaded from Logchief weekly to 'xml' file and 'csv' files and emailed to RMI's Perth Office. The xml file was then forwarded to Maxwells to be loaded into the Wowo Gap Dashed Database.

Every few months after assays are received and loaded into the database, an Access database export was provided to RMC for verification. During this verification process, drill hole lithologies were adjusted to reflect the geochemistry, hole co-ordinates and sample intervals checked, RL's were processed from the LIDAR DEM and assay quality control is assessed from the standards.

After each drilling campaign, the pulp samples were retrieved from Intertek, Jakarta and sent to Perth. Approximately one sample in every 20 samples were sub-sampled into a new pulp bag and sent to Ultratrace Laboratories in Perth for XRF analysis for Ni, Co, Al₂O₃, CaO, Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, P₂O₅, SiO₂ and LOI. These assay results and the interval details are loaded by Maxwells into the database as laboratory check assays.

At the completion of drilling, once all assays were received and loaded into the database, Maxwells provided RMI's Perth based Exploration Manager with a full database audit. All issues were then rectified where possible before a final database is exported for the resource modelling process. Once the database was finalised, a QAQC Report was produced by Maxwells to assess the quality control of the assay data. Maxwells conclusions from the analysis indicated that all standards were within 2 standard deviations of the expected mean values of the standards, the Q-Q plots of the original verses pulp checks showed a small negative bias, the Intertek lab duplicates show very little bias, but there was a notable bias with the field duplicates.

As the origin of the field duplicate samples were from the second twin hole (used for the Insitu Bulk Density determinations) located next to the original hole, this bias or variance between the two samples would be considered as or similar to the short-range variance (Co-efficient of Variance) of the mineralisation, rather than being representative of a quality control sample. The short-range variance for these 'duplicates is 0.52.

4.1.10 Bulk Density Measurements

Bulk Density and associated tonnage calculations have been systematically carried out. A large program of dry basis bulk density measurements has allowed for reliable tonnage estimation. The nominally assumed bulk density assignment regime used in 2009 has been updated in consideration of the relatively high-water content of the Wowo Gap mineralised material. The global bulk density of limonite material is now estimated to be in the order of 1.00 tonnes / cubic metre whilst the bulk density of rocky saprolite material is now estimated to be in the order of 2.00 tonnes / cubic metre. Basement (waste) rock material is assumed to be on the order of 2.40 tonnes / cubic metre. These bulk densities have been adopted and used for the December 2011 resource block model.

Sampling programs for Insitu Bulk Density (IBD) determination were undertaken in the 2008 and 2010/11 drilling programs. In 2008, 29 samples of whole core were obtained from the HQ core trays (WGDH073 – 083) stored in Perth, as well as another 48 half HQ core samples from holes WGDH090 – 097. The dry density measurements were conducted by Amdel Laboratories in Perth by the water displacement method.

In 2010 – 2011, a second twin hole was drilled within one metre of the original hole for every fourth or fifth hole drilled during 2010 – 2011. The hole was drilled to a pre-determined depth to obtain a field duplicate sample that was captured and sealed within a plastic core tube. 52 bulk density samples were sent to Amdel in Perth for moisture and dry IBD determinations. At the completion of this test work the samples were sent to Ultratrace Laboratories for fusion XRF analysis for Ni, Co, Al₂O₃, CaO, Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, P₂O₅, SiO₂ and LOI.

Clay Profile Bulk Density Estimate

The IBD values range from less than 1 to 1.72 for the clay zone (limonite and clayey saprolite). As the method for IBD determination involves the requirement of the sample to sink (i.e., it needs to be heavier than water (SG >1)), where the core sample floated on the water, the IBD could not be determined as it is less than 1. Seven samples were assigned a value in accordance with the linear relationship presented in Figure 17, to estimate the average and median IBD for this data set. The average IBD for this data was estimated to be 1.40t/m³ with a median of 1.49t/m³ (Table 9).

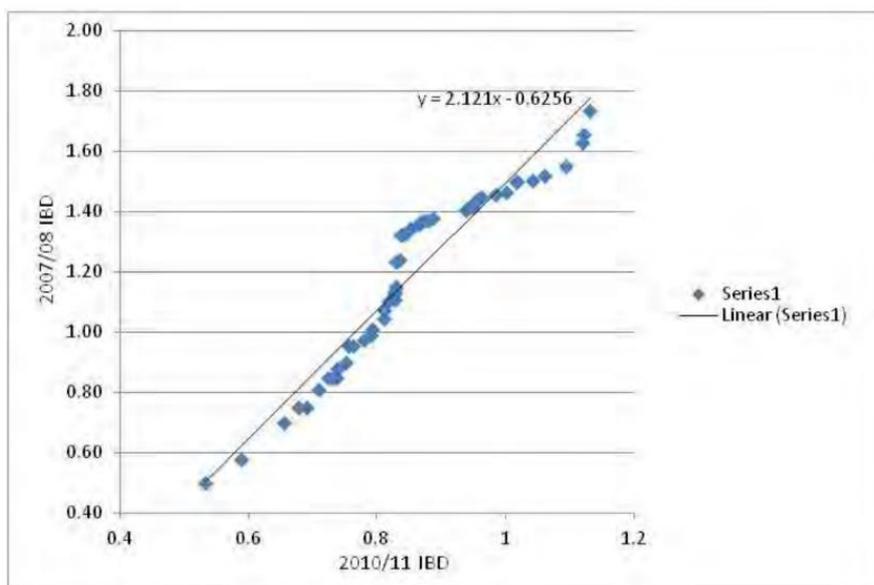


Figure 17 - QQ Plot of all IBD values showing the linear relationship

Core from the 2010 – 2011 drill program was sealed within plastic tubes 73.3cm long, 4.2cm inside diameter (NQTT) and sent to Amdel Laboratories in Perth for processing. Both moisture and dry IBD was calculated from measurements from the core and the wet and dry mass of the samples. The average dry IBD of the 52 samples from the upper limonite horizon from the clay zone was 0.82t/m³ with a median of 0.80t/m³. Past experience has noted a swelling effect of the clays when the moisture content appeared high. Considering the moisture content of these samples ranged from 37 – 62%, there was a concern that the swelling of the clays may have affected the calculated volume of the core with a caused effect of reducing the IBD since IBD = mass/volume.

In order to clarify the effect of moisture on calculated dry IBD, the 2 variables were plotted on an XY plot (Figure 18). The plot shows a linear relationship between moisture and dry IBD ($y = -0.0221x + 1.8817$), with samples of higher retained moisture showing a lower measured dry IBD. A factor of 2.21% based on the gradient of the trend has been applied to the dry IBD values to “correct” for the varying moisture content of the samples. This has increased the average dry IBD from 0.816 to 0.834t/m³ (Table 8).

Table 8 - Calculated Dry IBD values (t/m3) for the clay profile

	2007- 2008 samples	2010 – 2011 samples	Average Dry IBD
Mean Dry IBD	1.40	0.83	1.11
Median Dry IBD	1.49	0.82	0.97

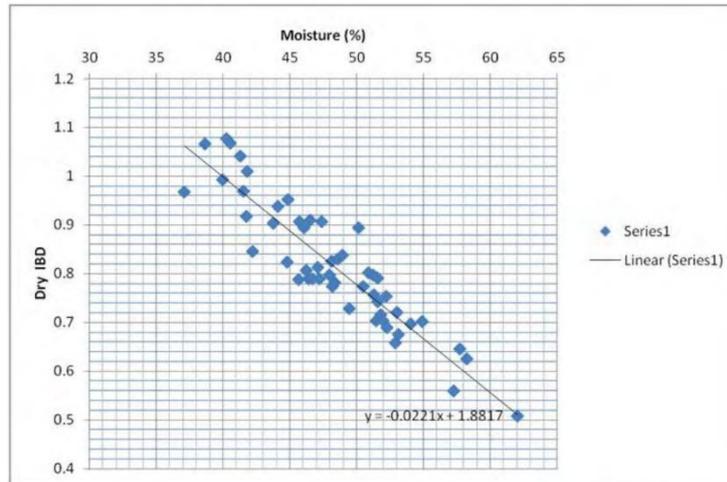


Figure 18 - Plot of Moisture Content vs Dry IBD from the 2010/11 drill holes

The average IBD values from each data set are very different with an average of 0.83 for the recent samples and 1.40 for the 2007/08 samples. The samples have been plotted on a QQ Plot to assess the relationship between both IBD data sets. Both datasets were listed from largest to smallest IBD and plotted accordingly on the graph (Figure 18). The overall relationship appears to be linear, therefore an average between the two data sets is justifiable.

The preferred value to be assigned to the clay zone in the resource modelling is 1.0t/m3.

Rocky Saprolite Profile Bulk Density Estimate

The rocky saprolite profile consists of slightly weathered ultramafic corestones within a saprolitic clay matrix. Analysis of 72 diamond drill holes (WGDH001 – 072) that penetrated through the rocky saprolite horizon was conducted to assess the average volume of corestones compared to saprolite clay (Hill and Dumpleton, 2008). The analysis indicated that the rocky saprolite profile consisted of 36% clayey saprolite and 64% core stones. The average density of the 35 saprolite, sap rock and ultramafic samples from holes WGDH090 – 098 is 2.5, which is a reasonable value to assign to the corestones density. Using the average density of the clay of 1.1, the calculated IBD for the rocky saprolite equates to 2.0t/m3, which will be used as the preferred value. The preferred IBD values to be used in the modelling are presented in **Table 9**.

Table 9 - Preferred Dry IBD values (t/m3) for the Resource Modelling

Preferred IBD	(g/cm3)
Clay Profile	1.0
Rocky Saprolite Profile	2.0

4.1.11 JORC 2004 Mineral Resource Estimate

The two Wowo Gap laterite mineralisation domains comprise limonite and rocky saprolite. These domains were targeted as the primary material to be modelled using refined surface analysis and construction. These major material type domains were refined and updated in selected local areas following on from the initial surface modelling work carried out by Ravensgate in 2009. The modelled limonite and rocky saprolite surfaces show variable thicknesses and extents. Generally, the domains are thinnest towards the steeper slopes within the steeper valleys. This is primarily due to erosion and some gravitational rock mass creep. The limonite and saprolite domains combined can reach a thickness of approximately 10 metres. The limonite and rocky saprolite profiles generally display the layered characteristics of tropical laterites and exhibit strong vertical geochemical trends. These trends include both gradual and sharp chemical and physical discontinuities. The physical changes are interpreted from material density changes detected from the Ground Penetrating Radar (GPR) profiles which were used to subdivide the profile into the two major lithological zones used for surface modelling purposes.

83 kilometres of GPR profiles were taken, in 2007, on 400m spaced AMG84 grid east lines across the current resource area and along the strike extensions followed by 200 metre infill lines in 2008 (Figure 19). All GPR lines were surveyed by using theodolites and digital elevation model (DEM), and the height control for the GPR survey traverses was derived from the detailed LIDAR DEM. The main objective of the GPR program was to define the various layers within the laterite profile, i.e., limonite, saprolite and bedrock interfaces. The profile was used to demonstrate the lateral continuity of these horizons between drill holes, increasing the confidence of the geological model used in the resource estimation.

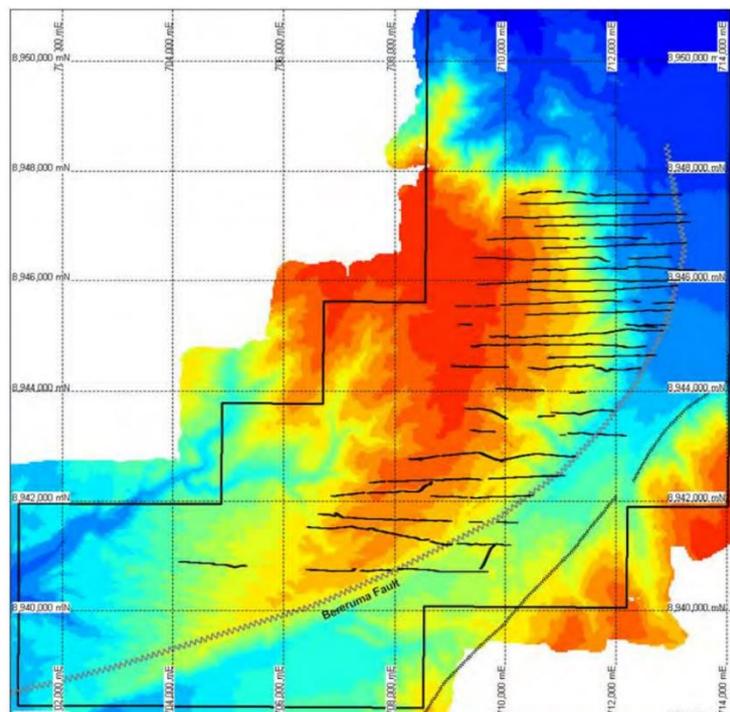


Figure 19 - DEM model of resource showing location of GPR profiles.

The main material type domain interpretation strings as developed in the 2009 modelling were again updated in local areas using the previously used ~20m east west and north south section planes primarily based GPR profiles and to some extent on some of the drill hole logging. These strings were adjusted sometimes where necessary to ensure all mineralised material at an approximate ~0.3-0.5% Ni lower cut-off was included in either the limonite or rocky saprolite domains.

Two sets of east west and north south string sets were interpreted as a broad mesh which covered most of the Wowo Gap mineralised areas. These interpreted meshes were then triangulated to generate representative material type interface surfaces which were then converted to 3- D solids in conjunction with the LIDAR topographic surface.

The Wowo Gap area geological interpretation and subsequent modelling was carried out using all available ground penetrating radar, data from drill hole logging as well as limited surface mapping. Generally, the different identified material type domains were delineated by broad 3-D triangulated wireframe surfaces based on relatively detailed interpreted interface strings used to define a surface 'mesh'. The process for geological modelling was undertaken usually by digitizing section strings which outlined broad lithology boundaries. These were then triangulated to build full 3-D solid lithology surfaces that were then 'intersected' to develop true 3-D solid models and subsequently used to code the respective composite and block model file item codes. These material type surfaces were also developed or adjusted where necessary in conjunction with the understood nickel distribution information.

The resource estimation carried out for this study utilised MineSight software. One large block model was constructed for the deposit which covered and extended where necessary beyond the current extent of drilling. In addition to the underlying geological and material type coding in the model a set of grade interpolation items for Ni, Co, Al₂O₃, CaO, Cr₂O₃, Fe₂O₃, Fe, K₂O, MgO, MnO, SiO₂ and TiO₂ were incorporated. The method of grade interpolation used for all elements was the Ordinary Kriging technique which used calculation parameters based upon localised geostatistical and associated variography studies.

The dimensions of the blocks were set at 40 metres East x 40 metres North x 2.5 metres RL and these were proportionately coded with a precision to the nearest 1% by the wireframes 'solids' constructed from drill hole logging and ground-penetrating-radar, which reliably shows the limonite and saprolite / rock material type interfaces and profiles. The primary search used in the Ordinary Kriging algorithm interpolation runs was generally 600m N-S and 800m E-W. The secondary search ellipsoid dimensions of 427m(long), 351m(short) and 8m(z-axis), are an updated refinement of the dimensions used in 2009 which were 560m(long), 450m(short) and 40m(z-axis).

The optimal estimation block size used for block modelling was 40m x 40m x 2.5m - (East (X), North(Y), Elev(Z)). This block size is relatively large; however, it is consistent with the general block model requirements given that the overall Wowo Gap project area is quite large and the vertical extent of mineralisation due to

the large range in topography is also high. These dimensions chosen for the Wowo Gap project area were considered to represent a compromise between drill density, sample spatial continuity and possible selective mining units and the quite large scale of the project area being considered. The relatively thin block height was expected to closely match the expected bench height and scale of mining equipment required to achieve relatively 'high resolution' ore recovery practices that may be required at the Wowo Gap Nickel Laterite Project.

4.1.12 Mineral Resource Classification and Reporting

The resource classification was carried using a 'quality' of estimate approach which reflected the distance from a block to drill composites (DIST), the number of composites used to estimate the block (COMPS) and their kriging variance (KERR1).

The available DIST and COMPS and KVAR items were analysed from a probability statistics standpoint and a selection of ranges were incorporated into a series of MineSight® M612V1 subroutine calculations to determine values for a new item called CONF which in turn was re-condensed into a final 'reporting item' called QLTY.

No measured resources are defined for Wowo Gap at this stage of the project development. Indicated resource category areas are those that are contained within relatively densely drilled areas with (150-200m centres). Inferred Resources tend to be assigned to areas where drilling density has a 200-400m spacing or greater.

4.1.15 Review Comments

Approximately 7% of the informing data for the Mineral Resource estimate was from historic drilling, prior to Niugini Nickel's drilling programs.

QAQC protocols were documented and reviewed in the RMC 2011 report but not reviewed by VRM. Niugini Nickel's drilling had comprehensive QAQC programs in place and these were refined for each drilling program, which appear to have confirmed the precision and accuracy of the Niugini Nickel's data.

Bulk density measurements were based on a reasonable number of determinations and the methodology incorporating moisture into the calculation and allowing for swelling appears sound.

The topographic profile at Wowo Gap is extreme and Ground Penetrating Radar has been used in an innovative way combined with LIDAR derived DEM data to provide a good estimation of the 3d distribution of litho types, without solely relying on drill hole data.

The resource estimate used 297 NQ triple tube core holes drilled using the in-house portable rotary core rig drilled in 2010-2011. This amounts to some 48% of the drilling. Further, the Wacker holes comprise a another 24% of the drill holes. Neither the NQ triple tube holes or the wacker holes were able to satisfactorily penetrate into fresh rock and often stopped once a cobblestone was intersected within the saprolite. The

effect of not obtaining a full section through the weathered profile could have consequences in potentially underestimating grade given the highest grades occur frequently in the saprolite. Further there may also be tonnage gains or losses due to an inaccurate modelling of the bedrock interface, increasing local uncertainty in the block model.

The premise that the higher grade lower saprolite horizon had not been adequately tested was made by Niugini Nickel in 2015 in order to justify drill testing for higher grade +1.5% Ni DSO ore. A drilling program consisted of 40 holes for 605m on a 100m by 100m spacing with an average hole depth of 15.13m using man portable diamond rigs capable of penetrating bedrock was undertaken in January to March 2015 in conjunction with further infill auger drilling.

4.2. Status of Technical Studies

Niugini Nickel conducted a Feasibility Study in January 2010, which assessed the economic viability of the Wowo Gap Nickel Laterite Project using High Pressure Acid Leach (HPAL) technology to produce a mixed nickel and cobalt hydroxide. This study determined that whilst technically feasible, the project was uneconomic using this processing technology.

A Direct Shipping Ore (DSO) study was conducted in 2016. The 2016 study was not at a standard or level classify as a Scoping Study or a Pre-Feasibility Study according to JORC 2012 as there are no JORC 2012 Mineral Resources within the project. The study was a preliminary technical and economic study and used information compiled in the 2010 study. The 2016 study was based on "Conceptual Mining Inventory" using the JORC 2004 Mineral Resource Estimates, technical information at a lower level than those required to support the JORC 2012 studies and did not use the information from the 2015 drilling. The modifying factors were not understood to a level to allow an Ore Reserve to be reported. The 2016 study determined that the project was not viable at the prevailing DSO nickel laterite prices. Sustained elevated prices were considered by Niugini Nickel to result in a viable project.

No economic studies (scoping study, pre-feasibility, or feasibility study) as defined by JORC 2012 have been completed.

5. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in **Table 10** and provides a guide as to the most applicable valuation techniques for different assets.

Table 10 - VALMIN Code 2015 valuation approaches suitable for mineral Properties

Valuation Approaches suitable for mineral properties				
Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

The Wowo Gap Nickel Laterite project is best described as an exploration project. There are Mineral Resource estimates within the Wowo Gap Nickel Laterite project which are reported under the JORC Code (2004). Development Projects are defined in VALMIN as tenure holdings for which a decision has been made to proceed with construction or production or both, but VRM understands this decision has not yet been made.

As there are some risks noted regarding the Mineral Resources, VRM is of the view that a market-based approach is more suitable than an income-based method. On that basis the valuation of the tenements that host Mineral Resources is based on a comparable transaction (market-based approach) with supporting valuation methods used including a yardstick approach (market-based approach). A geoscientific (Kilburn) approach was also used, this valuation method being cost-based.

5.1. Previous Valuations

A Previous valuation that VRM is aware of consists of Wyatt Jan 2010 (ASX: RMI December Quarterly Report 2009) using the NPV of the 2009 scoping study for HPAL and comparative transactions of Mt Thirsty and Ravensthorpe Nickel, both in WA. VRM is not aware of any other relevant valuation reports over the tenement. VRM does not consider either of these projects comparable in terms of the stage of development or jurisdiction.

5.2. Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 12 August 2021 being the valuation date of this Report and considering information up to 16 August 2021. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the

current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

5.3. General assumptions

The Mineral Assets of Niugini Nickel are valued using appropriate methodologies as described **Table 10** and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

- That all information provided to VRM is accurate and can be relied upon,
- The valuations only relate to the Niugini Nickel's Mineral Assets located within the tenement controlled by the Company and not the Company itself nor its shares or market value,
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licence will remain active,
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe,
- That the owners of the mineral assets can obtain the required funding to continue exploration activities,
- The LME cash nickel and cobalt prices assumed (where used / considered in the valuation) is as at 12 August 2021, being US\$19,659/tonne and US\$52,350.50 /tonne respectively (www.lme.com London Metal Exchange (LME) Spot price sourced from S&P Global),
- DSO 1.8% Ni FOB Nickel prices in April 2021 were around US\$75 per tonne and around US\$50 per tonne of 1.5% Ni FOB product (source Pacific Nickel presentation June 2021)
- The US\$ - AUS\$ exchange rate of 0.73447(www.xe.com) resulting in an Australian dollar price of AUS\$26,766.14/tonne and AUS\$71,276.30/tonne respectively for nickel and cobalt.
- All currency in this report are Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

5.4. Market Based Valuations

As the projects being valued in this Report are dominantly prospective for nickel it is important to note the current market conditions and supply and demand fundamentals of the commodity markets.

The nickel price is fundamentally related to demand from China who currently makes up around 50% of the demand in the form of both concentrate and DSO ore for Nickel Pig Iron (NPI) smelters. Nickel and cobalt prices are subject to large volatility swings with price often related to the level of LME stocks. The 5-year

historical price graph (Figure 20) is broadly positive from a low of around US\$8,735.50 a pound in 12 June 2017 to US\$19,833.00 per tonne on 29 July 2021. Global uncertainty in regard to the outbreak of COVID-19 and the resulting impact to the world economy has driven an increase in volatility in the past two years.

Commodity Price

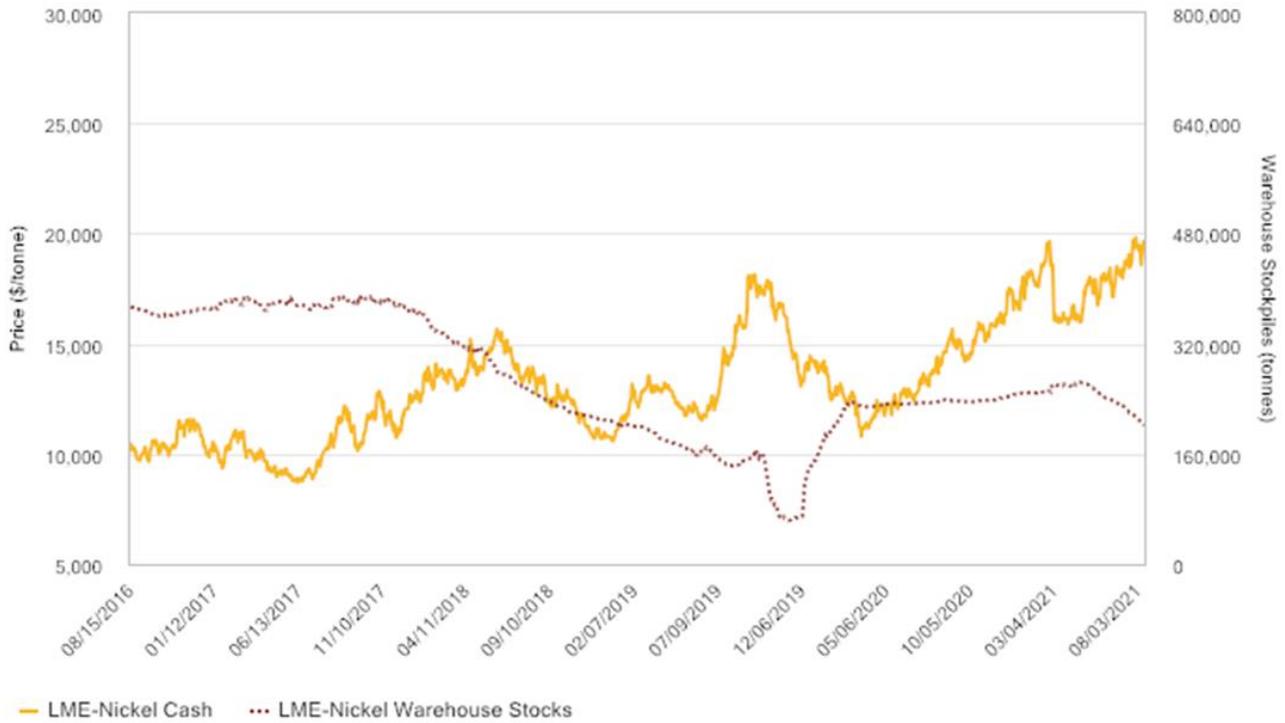


Figure 20- Five-year Nickel price graph (August 2016 to August 2021). (Source: www.spglobal.com)

Commodity Price

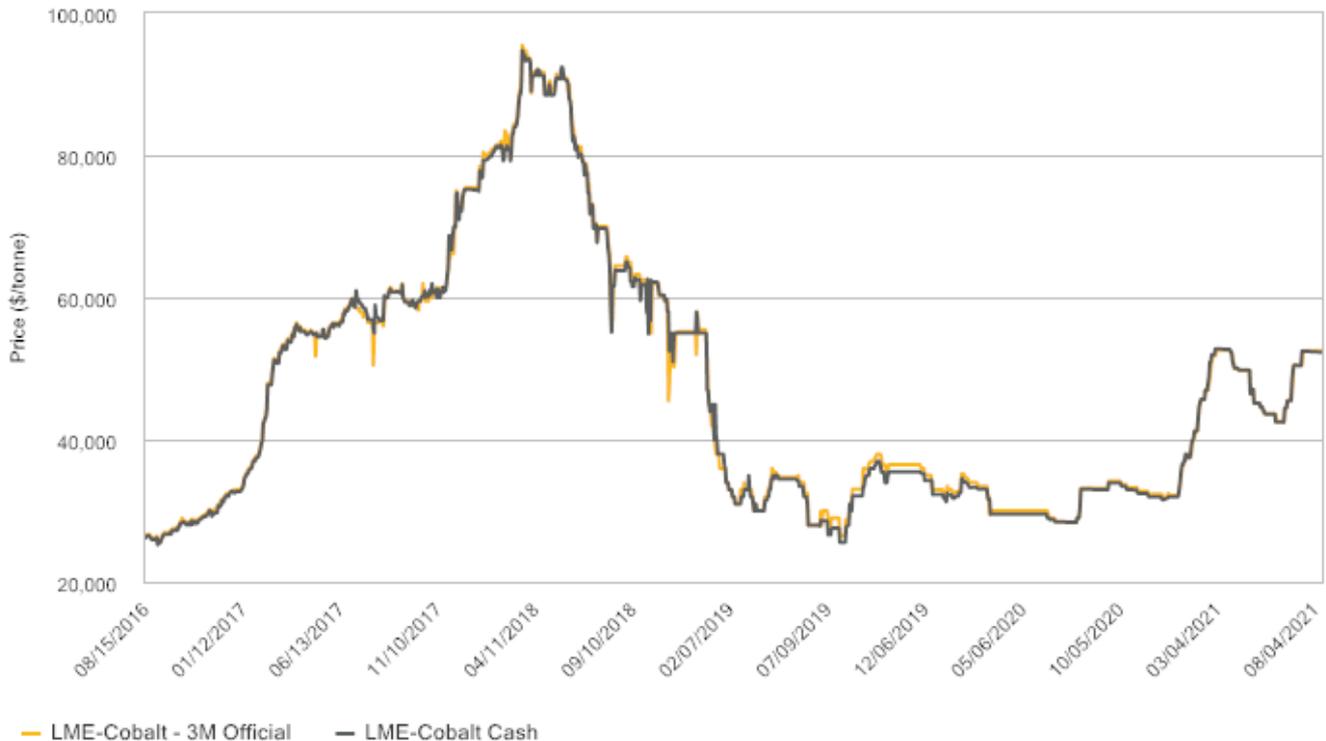


Figure 21 - Five-year Cobalt price graph (August 2016 to August 2021). (Source: www.spglobal.com)

5.5. Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

As at the Valuation Date there were no current Ore Reserves estimated for the Wowo Gap Nickel Laterite project. VRM does not consider an income - based valuation approach is preferred as a primary valuation method at this time.

5.5.1 Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource or Ore Reserves estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement

area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, the valuation method is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is typically the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would generally be valued using an income approach due to the modifying factors for a mining operation being better defined.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to three years in either the same geopolitical region or same geological terrain, however for the current valuation a period of 15 years was used in order identify enough comparable transactions. The comparable transactions have been compiled where Mineral Resources been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the Wowo Gap Nickel Laterite Project.

5.5.2 Yardstick Valuation

A yardstick valuation was undertaken as a check of the comparable transactions. This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot price. The yardstick valuation factors used in this report are in line with other yardstick valuation factors commonly used by other independent specialists and used in other VALMIN reports associated with bulk commodities. The US\$-AUS\$ exchange rate and nickel price as of 12 August 2021 and documented above (Figure 20) have been used to determine the yardstick valuation.

5.5.3 Exploration Asset Valuation

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation
- Comparable transactions (purchase) based on the Properties' area
- Joint Venture terms based on the Properties' area
- A prospectivity enhancement multiplier (PEM)

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves. The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The area based comparable transaction multiples can also be useful in valuations but are strongly related to the projects tenement area so can be conservative for small areas and overstated for large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

5.5.4 Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the

geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 11 documents the ranking criteria that were used in conjunction with the base acquisition cost (BAC) for the one project tenement to determine the technical valuation of the project.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. For the Wowo Gap tenement the BAC has been determined using the exploration commitments for the tenement and the annual rent payments and then converting these to Australian Dollars from PNG Kina.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from **Table 11** along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

Table 11 - Ranking criteria are used to determine the geoscientific technical valuation

Geoscientific Ranking Criteria					
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor	
0.1				Generally unfavourable geological setting	
0.5				Extensive previous exploration with poor results	Poor geological setting
0.9				Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting	
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	Favourable geological setting	
2.0	Resource targets identified	Exploration targets identified			
2.5			Significant intersections – not correlated on section	Mineralised zones exposed in prospective host rocks	
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production	Several significant ore grade intersections that can be correlated		
3.5					
4.0	Along strike from a major mine(s)	Major mine with significant historical production			
5.0	Along strike from world class mine				

The total technical valuation was discounted to derive a total market valuation by making a market factor adjustment and a locational adjustment. A market factor was derived to account for the status of the nickel market which is currently elevated as shown in Figure 20. On that basis, the technical valuations are kept at 100% for the status of the nickel market conditions and there has been an 20% discount applied for the locational risks associated with the project.

For early-stage Projects (where there are no Mineral Resources estimated), VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used. In this case VRM has used the Kilburn Method as a secondary valuation method of the project with the ranking criteria used have been elevated to account for the Mineral Resource within the tenement. The Kilburn valuation is for the entire project and not the surrounding exploration potential.

6 Niugini Nickel Project Valuation

6.1 Wowo Gap Nickel Laterite

The principal mineral asset valued as a part of this ITAR is the Wowo Gap Nickel Laterite Project. There are reported Mineral Resource estimates for this Project JORC (2004) as at December 2011, as well as some surrounding land which is variably prospective and has had some previous exploration in the form of geochemistry but no drilling.

In VRM's opinion an income valuation approach is not considered a viable valuation method for the Wowo Gap Nickel Laterite Project due to the concerns noted above in relation to the Mineral Resource estimates and there being no completed feasibility studies. Therefore, VRM has undertaken a valuation using market-based methods using three separate techniques, these being a comparable transaction (resource multiplier) and Yardstick method as a cross check for the reported Mineral Resource estimates and a Kilburn or Geoscientific valuation method. VRM has used a higher cut-off grade (1.4% Ni) than the cut-off that company usually uses (1.0% Ni) to report the Mineral Resource. VRM has used a higher cut-off due to the challenges in advancing the project. Issues include logistical difficulties and costs for additional exploration and advancing any feasibility studies. VRM does not consider that on site processing of the ore is viable especially given the moderate to small scale of the Mineral Resource. If the project were to be developed as a direct shipping operation there would also be significant costs associated with the development due to the distance from site to a potential export port and topographical difficulties in any transport routes.

6.1.1 Comparable Transactions – Nickel Resource Multiples

VRM reviewed a series of nickel laterite resource transactions, globally over the past twenty years. A large period of time was considered as to bring a larger number of transactions into the valuation. Four transactions were identified relating to nickel laterite assets in PNG, Indonesia and Philippines that occurred in the past fifteen years. Nickel sulphide assets were not considered in the review as the projects are fundamentally different from a resource, capital intensity and processing standpoint. A resource multiple was calculated for each transaction to determine the nickel price paid per tonne contained nickel (AUS\$/oz) and a resource multiple was also calculated as a value normalised to the transaction date considering the relative nickel prices to account for market fluctuations. A number of other transactions were also not considered comparable due to the assets being related to operating mines, the deals including a mill, or the transaction being terminated prior to completion. The final set of data used to derive the valuation including the four transactions highlighted as at a similar stage style and jurisdiction is detailed in Appendix A.

From the analysis of completed transactions, VRM determined average, median, and various percentiles of the data at the transaction date as well as normalised to the valuation date (refer Appendix A). For a recent JORC (2012) resource, the 25th, median and 75th percentile values would generally be applied to estimate a valuation range using this method. The four comparable data points show a large range in values. Based on this observation VRM elected to use higher multiples of the subset of comparable transactions with the

high being the average of all four transactions and the lower being the average of the lower three transactions. The preferred valuation is the midpoint of the two averages. These correspond to a lower multiple of \$2.26/tonne, a preferred multiple of \$6.43/tonne and an upper multiple of \$10.61/tonne.

In VRM’s opinion these multiples can be applied to the Niugini Nickel Wowo Gap Nickel Laterite Mineral Resource estimates as reported in **Table 12**, with any appropriate discounting to account for identified risks relating to the Mineral Resource estimates.

The resource review described above noted a number of risks to the Mineral Resource estimates. At Wowo Gap VRM considers that purely applying cut-off grades to the resources does not reflect the viability to extract that resource to the cut-off grade given the large area the resource covers and low drilling density. For example, DSO ore feed is typically greater than 1.5% Ni. However, it is uncertain whether any extractable zones of mineralisation greater than 1.5% Ni exist despite the completion of a drilling program in 2015 designed to define such resources. These concerns result in the potential risk of overstatement of the Mineral Resource estimates at the higher cut off grades which have been factored into our valuation as discussed further below. Given that only Direct Shipping Material is typically >1.5% Ni is the most likely development option the resource estimate at the 1.4% Ni cut off. At the 1.4% Ni cut-off there are 179,300t of contained Nickel in the Mineral Resource with this contained metal was used to calculate the Project value.

The resource multiples detailed above and supported by the information in Appendix A have been used along with the Nickel Mineral Resources (Ravensgate Mineral Industry Consultants, 2011) to derive the value of the nickel mineralisation in the Wowo Gap Nickel Laterite deposit (**Table 12**). Cobalt was not included in the value due to the lack of data in the comparable transactions and its negligible impact on the value.

Table 12 - Comparable transaction valuation of the Wowo Gap Nickel Laterite Resource

Comparable transaction valuation summary			
	Lower (\$ million)	Preferred (\$ million)	Upper (\$ million)
Contained Ni at a 1.4% cut-off	179,300	179,300	179,300
Resource Multiple (\$/t contained Ni)	\$2.26	\$6.43	\$10.61
Total Wowo Gap Valuation	\$0.41	\$1.15	\$1.90

Notes 1. Rounding has been applied to the Resource estimate and valuation.

VRM considers the Wowo Gap Nickel Laterite project to be valued, based on the Mineral Resource estimates based at a 1.4%Ni cut-off and comparable transactions, at between \$0.41 million and \$1.90 million with a preferred valuation of \$1.15 million.

6.1.1 Yardstick Method

As detailed above the yardstick method can also be considered as a valuation approach, particularly as a cross check or secondary valuation technique to support the valuation generated by a comparable transaction method. This method is typically used as a secondary approach for valuation of Mineral Resources and is based on a percentage of the current metal price.

For Mineral Resource Projects where a nickel sulphide concentrate is the likely product, a typical yardstick value would be between 0.5% and 5% of the current nickel price, dependent on the classification as at the valuation date. For lower classification levels such as Inferred Mineral Resources this percentage is lower reflecting the higher uncertainty compared to Indicated or Measured categories. The risks relating to the resources described above have been incorporated into the Yardstick approach as footnoted below. In this approach the valuation method does not draw a comparison with any other stated resources, instead it only considers the declared resources at the current metal price. As the likely product for the Wowo Gap Nickel Laterite project is a direct shipped nickel laterite ore for use in direct feed blast furnaces to produce nickel pig iron the likely payability on any product is likely to be significantly lower than for a nickel sulphide product. On that basis a yardstick multiple more comparable to Direct Shipping products is more applicable. VRM considers a yardstick multiple depending on the resource classification of between 0.05% to 0.1% is a more accurate estimate of the project valuation.

The stated cobalt resources have not been separately valued as these are not, in VRM's opinion material to the project valuation.

Due to the lack of infrastructure, remoteness of the project and the jurisdiction VRM has applied a of Yardstick value range of 0.05% - 0.1%, corresponding to the classification of the JORC 2004 Wowo Gap Nickel Laterite Mineral Resource estimate. When this yardstick percentage is used along with the nickel price at the valuation date (A\$26,766.13) and the contained nickel in the JORC 2004 resource this results in the yardstick valuation of the project. This valuation is summarised in Table 13.

Table 13 - Yardstick valuation of the Wowo Gap Nickel Laterite Mineral Resource estimates

Yardstick Valuation Summary of Wowo Gap Nickel Laterite Resource

Classification	Yardstick Factors	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Wowo Gap JORC 2004 Inferred Ni Resource (179,300t contained Ni)	0.05% – 0.1%	2.32	3.47	4.63

Therefore, based on the yardstick method with appropriate rounding VRM considers the Wowo Gap Nickel Laterite Project to be valued at between \$2.3 million and \$4.6 million with a preferred valuation of \$3.5 million.

6.1.2 Geoscientific Valuation

There are several specific inputs that are critical in determining a valid Geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the projects. In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. In this case the BAC is derived by the exploration commitment to maintain the tenement in good standing while the costs of the tenement applications, annual tenement rents and targeting have not been included.

The Geoscientific rankings were derived for each of the Kilburn ranking criteria with the off-property criteria, on-property criteria, the anomaly factor and geology criteria estimated for each tenement following the ratings listed in **Table 11**. When these ranking criteria are combined with the base acquisition cost this has determined the technical value as shown in **Table 14**.

Table 14 - Technical Valuation for the Niugini Nickel exploration tenement

Technical Valuation Summary by Tenement				
Project	Tenement	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Wowo Gap	EL1165	0.73	1.17	1.62

Note Appropriate rounding has been undertaken

Table 14 details the technical value of the exploration potential of the tenement while the Market Value of the project is based on a location and market discount or premium. The current nickel market is considered to represent a premium and therefore a factor of 120% was applied to the technical value with the location value discount of 10% applied. Overall, the market valuation is detailed in **Table 15**.

Table 15 - Market Valuation for the RMC exploration tenements

Market Valuation Summary by Tenement				
Project	Tenement	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Wowo Gap	EL1165	0.78	1.27	1.75

Note Appropriate rounding has been undertaken

For the Niugini Nickel exploration properties the fair market valuation as determined by the Geoscientific or Kilburn valuation method has resulted in a value between \$0.8 million and \$1.7 million with a preferred valuation of \$1.3 million.

6.1.1 Replacement Valuation

VRM has also considered the potential cost to replace the existing exploration data as a potential valuation method of the project. This valuation provides an estimate of the cost to replace the extensive exploration activities including the auger, wacka and diamond drilling, assay data, feasibility studies, mineral resource estimation, GPR survey and the project specific geological database that has been the focus for the company over an extended period. This valuation provides an estimate of the cost to replace the data irrespective of how successful that exploration has been in delineation of mineralisation that has potential for future exploitation. This is essentially a Prospectivity Enhancement Multiplier (PEM) valuation. Typically, the PEM would be assigned based on an assessment of the successfulness of the exploration to advance the project and hence an assessment of how effective the expenditure has been over the term of the lease. VRM would usually use this method with the limit of the expenditure being for the past five years however in this valuation the cost to generate the exploration data has been extended from the commencement of the current tenement to the valuation date and the multiple for the effectiveness of the exploration assigned as 1, being no improvement or decrease in the potential. As VRM has been unable to attain the detailed expenditure on the tenement VRM has made an assumption of the likely current cost to undertake the exploration activities. The total exploration activities and likely current costs to undertake each activity are documented in Table 16 below.

Table 16 – Summary of Exploration Activities and likely replacement costs

Activity	Number	Meters Drilled	Cost per unit	Replacement Cost	Comments
WACCA Drilling	148 holes	270.9	120	87,720	From quotes
Diamond Drilling	453 holes	4920	120	590,400	From quotes
Drill Rig Purchase	1		540,000	540,000	From Invoices
Feasibility Studies	1		200,000	200,000	Estimated
Resource Estimation	1		40,000	40,000	Estimated
GPR Survey	1		100,000	100,000	Estimated
Assays	5,651 samples		50/sample	282,550	Estimated
Field Consumables	5,651 meters		20/meter	113,020	Estimated
Metallurgical studies	1			200,000	Estimated
Processing studies	1			100,000	Estimated
Gridding	>100km			200,000	Estimated
Infrastructure studies	1			50,000	Estimated
Field Staff (non Geological)	1,202 days		1000/day	1,202,000	2 days per hole at \$500/day
Helicopter Support	1		172,900	172,900	From Invoices
Geological Supervision	1,202 days		500/day	601,000	2 days per hole at \$500/day
Travel, Accommodation and Food	1,202 days		500/day	601,000	2 days per hole at \$500/day
Total (A\$)				5,000,000	

Note Appropriate rounding has been applied to the total

Based on an assessment of the accuracy of the assumptions used in the replacement valuation and to generate a range in the market valuation VRM considers that the replacement value would lie within 20% of the value above.

Based on the above assessment of the likely replacement cost of the exploration data and information previously acquired on the Wowo Gap project VRM considers the likely replacement value to be between \$4.0 million and \$6.0 million with a preferred valuation of \$5.0 million.

7 Risks and Opportunities

As with all mineral assets there are several associated risks and opportunities and therefore also with the valuation of those assets. Some non-geological or mining related technical risks and opportunities that are common to most projects include the risks associated with security of tenure, native title claims, environmental approvals, social, geopolitical, and regulatory approval risks. For Niugini Nickel there is a risk that Corcel will not meet the required vendor payments to secure ownership of these key leases.

The Wowo Gap Nickel Laterite Project has declared Mineral Resources of 125Mt at 1.06% Ni for 1325kt contained nickel and 83kt of contained cobalt (Resource Mining Corporation Limited, ASX 13 December 2011). Opportunities to extend the current resource inventory are present in a number of areas, and continued exploration and drilling in prospect areas has a high probability of defining additional Mineral Resources.

Limited bulk density measurements (52 in total)

As with all exploration projects, a key technical risk is that further exploration will not result in identifying a body of mineralisation sufficiently large or high enough grade to be considered an economic resource. While the Wowo Gap Nickel Laterite area is fairly mature in terms of exploration, drill spacing is still largely greater than 200m by 200m and there is still some uncertainty to the resource due to a large number of holes not terminating in bedrock due to penetration issues with drilling. Further, the area is not accessible by road and is remote and mountainous as like many areas of PNG indicating cost of further exploration and development will be somewhat higher for the project compared to other jurisdictions where infrastructure already exists.

8 Preferred Valuations

Based on the valuation techniques detailed above, Table 17 provides a summary of the valuations derived by the various techniques with the preferred valuation range documented in Table 18.

The preferred valuation that VRM has determined is based on the average of the comparable transaction approach, the yardstick and Geoscientific valuation approaches while recognising that most of the value in the lease package is attributed to the Wowo Gap Nickel Laterite Mineral Resource estimate. This valuation

is supported by the replacement valuation approach. Figure 22 below shows the valuation ranges for the four valuation techniques and also VRM’s preferred valuation range and preferred valuation.

Table 17 - Niugini Nickel Mineral Assets Valuation Summary by method

Valuation summary by various methods			
Valuation Technique	Lower (\$ million)	Preferred (\$ million)	Upper (\$ million)
Comparable Transactions (Mineral Resources)	\$0.4	\$1.2	\$1.9
Yardstick (Mineral Resources)	\$2.3	\$3.5	\$4.6
Kilburn / Geoscientific (Exploration properties)	\$0.8	\$1.3	\$1.7
Replacement Cost	\$4.0	\$5.0	\$6.0

Note appropriate rounding has been applied to the valuations.

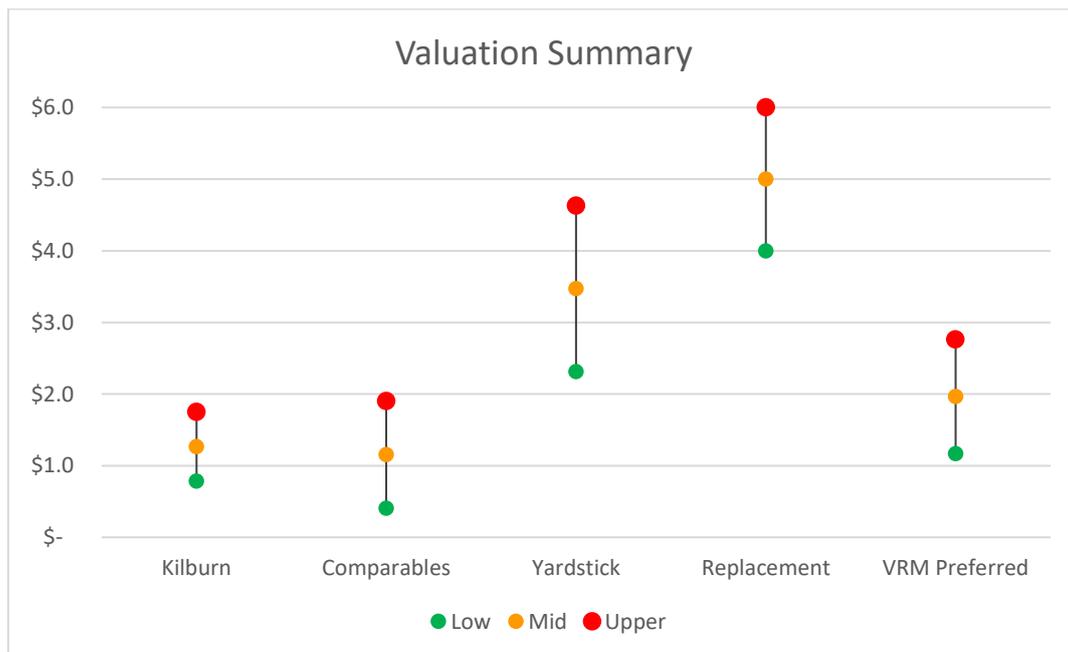


Figure 22 – Summary of Valuation techniques used to determine the preferred valuation and range of likely market values for the Wowo Gap Project.

Table 18 – Niugini Nickel Mineral Assets Valuation as at 12 August 2021

VRM Preferred Valuations			
Project Name	Lower (\$)	Preferred (\$)	Upper (\$)
Wowo Gap Nickel Laterite Project	\$1.2	\$2.0	\$2.8
Total (AUD\$ million)	\$1.2	\$2.0	\$2.8

Note appropriate rounding has been applied to the VRM preferred valuation ranges.

Based on the rationale outlined in the body of this Report, VRM is of the view that the Wowo Gap Nickel Laterite Resource is valued between a low valuation of \$1.2 million to a high valuation of \$2.8 million with a preferred valuation of \$2.0 million as is outlined in Table 18.

9 References

The references below document the main documents referred to in this report however the various ASX releases for the various companies including RMC have not been included in the reference list

JORC, 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Available from: <http://www.jorc.org>

Kilburn, L.C., 1990, Valuation of mineral properties which do not contain exploitable reserve, CIM Bulletin, 83, pp. 90–93.

Ravensgate Mineral Industry Consultants, 2011. Independent Mineral Resource Estimate for The Wowo Gap Nickel Laterite Project Oro Province – Papua New Guinea for Resource Mining Corporation Limited (unpublished).

VALMIN, 2015. Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code). Available from <http://valmin.org/>

10 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral www.webmineral.com, Wikipedia www.wikipedia.org,

The following terms are taken from the 215 VALMIN Code

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the Australian Corporations Act 21 (Cth).

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Independent Expert Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing

buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

Mineral Project means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Mining means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing, and marketing Minerals.

Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience.
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialists are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

Appendix A - Comparable Nickel transactions

Project	Country	Transaction Date	Vendor	Purchaser	Consideration 100% basis AUS\$ M)	Equity acquired %	Resource			Resource Multiple		Status
							Tonnes (Mt)	Grade (% Ni)	Contained Nickel (t)	Transaction (AUS\$/t)	Normalised to valuation date (AUS\$/t)	
Romblon	Philippines	6/12/2019	Sibuyan Nickel Properties Development Corp	Dynamo Atlantic Ltd	3.6	100	7.26	1.54	111,433	\$33.00	\$35.64	Non JORC resources
Cyclops	West Papua	10/10/2017	Private Company	Bolt Metals	2.0	100	37	1.3	481,000	\$4.00	\$5.25	Non JORC resources
Isabella	Philippines	8/04/2015	GeoGen Corp	Nickel Asia Corp	21.14	100	90	1.2	1,073,190	\$19.60	\$22.41	non JORC Philippine Code
Mambare	PNG	22/09/2008	local vendor	Regency Mines	0.376	25	159	0.94	373,650	\$1.00	\$1.43	resource with drilling
Waigeo	Indonesia	14/08/2007	PT Batan Pelei Mining	Metals Exploration	0.1	85	35	1.5	525,000	\$0.19	\$0.10	Non JORC resources

VRM has analysed these transactions and considers the following multiples are applicable to the RMI resources.

Lower multiple of \$2.26/t of contained nickel, based on the average of the Cyclops, Mambare and Waigeo projects

Upper multiple of \$10.61/t of contained nickel based on the average of all five transactions.

Preferred multiple \$6.43/t of contained nickel based on the mid-point of the upper and lower multiples.

These resource multiples when multiplied by the contained nickel at the 1.4% Ni Cut-off of 179,300t determine the comparable transaction valuation ranges for the project.

Appendix B - Geoscientific Valuation

Tenements	Interest	Grant*	Expiry	Area (BL)	BAC (AUS\$)	Equity	Off Property		On Property		Anomaly Factor		Geology Factor	
							Low	High	Low	High	Low	High	Low	High
EL1165	100%	1/03/1996	28/02/2020	28	\$25,915	100%	2	2.5	2	2.5	3.5	4	2.0	2.5

The BAC has been determined based on the tenement rent of 13,160kina and expenditure commitment of 2,000kina per block and the area of 28 blocks for a combined commitment of 69,160kina per year. The exchange rate between the PNG kina and Australian dollar at the valuation date was 2.6687, resulting in a BAC of \$25,915/year.

When these ranking criteria and the BAC are multiplied the technical valuation for the tenement is between \$0.73 million and \$1.62 million with a mid-point of \$1.17 million. The technical valuation is converted to a market valuation after a market and location discount, or premium has been applied. For this report VRM considers that a 20% market based premium should be applied to the technical valuation due to the strength in the nickel price at the valuation date. There has however been a 10% reduction in the technical valuation to account for the location of the project due to the environmental, infrastructure, access and geopolitical risks associated with the project. This results in a market valuation of between \$0.78 million and \$1.75 million with a preferred (mid-point) valuation of \$1.27 million. In this report these valuations have been rounded to account for the accuracy of the valuation method and are reported as between \$0.8 million and \$1.7 million with a preferred (mid-point) valuation of \$1.3 million.

Resource Mining Corporation Limited
 ABN 97 008 045 083

LODGE YOUR VOTE:
 By Email: rmc@resmin.com.au
 By Mail: PO Box 1404,
 Kalamunda, 6926,
 Western Australia

PROXY FORM

GENERAL MEETING

I/We

Address

being a Member of Resource Mining Corporation Limited entitled to attend and vote at the General Meeting, hereby

Appoint **OR**
 The Chair of the Meeting Name of proxy (**Please note:** Leave blank if you have selected the Chair of the General Meeting as your proxy.)

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Resource Mining Corporation Limited to be held at BDO, 38 Station Street, Subiaco, Western Australia on **Friday 8 October 2021** at 10.30am (WST) and at any adjournment or postponement of that Meeting.

The Chair intends to vote undirected proxies in favour of the Resolution.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Ordinary Resolution 1 – Disposal of Sale Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is %.

Signature of Member(s) _____ **Date:** _____

Individual or Member 1	Member 2	Member 3
<input style="width: 270px; height: 20px;" type="text"/>	<input style="width: 270px; height: 20px;" type="text"/>	<input style="width: 270px; height: 20px;" type="text"/>
Sole Director/Company Secretary	Director	Director/Company Secretary

Contact Email: _____ **Contact Phone:** _____ **Date:** _____

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

VOTING INSTRUCTIONS

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

For your vote to be effective it must be received by 10.30am (WST) Wednesday, 6 October 2021

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.