



FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

30 JUNE 2016

CORPORATE DIRECTORY

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

Directors

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

Auditor

Bentleys (WA) Pty Ltd
Level 3, 216 St Georges Terrace
PERTH WA 6000
Tel: +61 8 9226 4500
Fax: +61 8 9226 4300

Company Secretary

Mr Leonard Math

Banker

ANZ Banking Group Limited
8 St Georges Terrace
PERTH WA 6000

Registered Office

Level 8, 16 St Georges Terrace
PERTH WA 6000

Solicitor

Kings Park Corporate Lawyers
Level 2, 45 Richardson Street
WEST PERTH WA 6005
Tel: + 61 8 9420 0000
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Share Registry

Computershare Investor Services Pty Ltd
32 Harrogate Street,
LEEDERVILLE WA 6007

Stock Exchange

Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Website

www.rmaenergy.com.au

ASX Code : RMT

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DIRECTORS' REPORT

The Board of Directors of RMA Energy Limited ("RMA Energy" or the "Company") presents its report on the Company for the half-year ended 30 June 2016.

DIRECTORS

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

Debao Mao	(Chairman and Non-Executive Director)
Qin Weihong	(Resigned as Managing Director and remained as Non-Executive Director on 30 March 2016)
Leonard Math	(Non-Executive Director)

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

PRINCIPAL ACTIVITIES

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

REVIEW AND RESULTS OF OPERATIONS

Operating Results

Net operating loss after tax for the half-year ended 30 June 2016 was \$133,306 (2015: \$321,883).

Review of Operations

RMA Energy Limited (**ASX: “RMT”, “RMA” or the “Company”**) is pleased to report its activities for the half-year ended the 30 June 2016.

Corporate

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

As at 30 June 2016, RMA Energy Limited holds 4 granted tenements which have been subjected to varying degrees of exploration activity during the half-year ended 30 June 2016. Details of the tenements are disclosed at note 7.

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

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditor Bentleys (WA) Pty Ltd to provide the directors of RMA Energy Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 7.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'L Math', is positioned above the printed name of the signatory.

Leonard Math
Non-Executive Director
13 September 2016

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

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To the Board of Directors

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

As lead audit director for the review of the financial statements of RMA Energy Limited for the half year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



BENTLEYS
Chartered Accountants



CHRIS NICOLOFF CA
Director

Dated at Perth this 13th day of September 2016

DIRECTORS' DECLARATION

The directors of RMA Energy Limited declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company.

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

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

A handwritten signature in black ink, appearing to be 'L Math', written in a cursive style.

Leonard Math
Non-Executive Director
13 September 2016

RMA ENERGY LIMITED
CONDENSED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2016

	Six Months Ended 30 June 2016 \$	Six Months Ended 30 June 2015 \$
Revenue	649	4,496
Profit from sale of assets	-	35,912
	<u>649</u>	<u>40,408</u>
Expenses		
External professional costs	(28,350)	(47,000)
Employee benefits expense	(6,000)	(191,969)
Impairment of exploration expense	-	(17,492)
Exploration expenses	(675)	-
Office rental and utilities	(32,229)	(42,788)
Travel and accommodation	-	(4,464)
Administration costs	(27,744)	(42,315)
Financial costs	(16,411)	(16,263)
Share based payments	-	-
Loss on sale of assets	(22,546)	-
Loss before income tax expense	<u>(133,306)</u>	<u>(321,883)</u>
Income tax expense	-	-
Loss for the half-year	<u>(133,306)</u>	<u>(321,883)</u>
Other Comprehensive Income	-	-
Total Comprehensive loss for the half-year	<u>(133,306)</u>	<u>(321,883)</u>
Basic loss per share (cents per share)	(0.01)	(0.02)
Diluted loss per share (cents per share)	(0.01)	(0.02)

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

RMA ENERGY LIMITED
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

		30 June 2016 \$	31 December 2015 \$
	Note		
ASSETS			
Current Assets			
Cash and cash equivalents		238,521	91,692
Trade and other receivables		2,589	-
Other Current assets		37,855	41,310
Total Current Assets		<u>278,965</u>	<u>133,002</u>
Non-Current Assets			
Property, plant and equipment		6,263	64,121
Total Non-current Assets		<u>6,263</u>	<u>64,121</u>
TOTAL ASSETS		<u>285,228</u>	<u>197,123</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		42,749	37,744
Total Current Liabilities		<u>42,749</u>	<u>37,744</u>
Non-Current Liabilities			
Loans	8	655,253	438,847
Total Non-Current Liabilities		<u>655,253</u>	<u>438,847</u>
TOTAL LIABILITIES		<u>698,002</u>	<u>476,591</u>
NET ASSETS		<u>(412,774)</u>	<u>(279,468)</u>
EQUITY			
Contributed equity	9	24,362,841	24,362,841
Accumulated losses		(24,775,615)	(24,642,309)
TOTAL EQUITY		<u>(412,774)</u>	<u>(279,468)</u>

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

RMA ENERGY LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2016

	Contributed Equity	Accumulated Losses \$	Total Equity \$
Balance at 1 Jan. 2016	24,362,841	(24,642,309)	(279,468)
Total comprehensive loss for the year	-	(133,306)	(133,306)
Transactions with owners in their capacity as owners:			
Issue of shares, net of transaction costs	-	-	-
Value of options granted	-	-	-
Transfer on expiry of options	-	-	-
Balance at 30 June 2016	24,362,841	(24,775,615)	(412,774)
Balance at 1 Jan. 2015	24,362,841	(24,022,350)	340,491
Total comprehensive loss for the year	-	(321,883)	(321,883)
Transactions with owners in their capacity as owners:			
Issue of shares, net of transaction costs	-	-	-
Value of options granted	-	-	-
Transfer on expiry of options	-	-	-
Balance at 30 June 2015	24,362,841	(24,344,234)	18,607

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

RMA ENERGY LIMITED
CONDENSED STATEMENT OF CASHFLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2016

	30 June 2016	30 June 2015
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(81,168)	(497,903)
Interest received	649	4,496
Interest paid	(5)	(422)
Net cash flows used in operating activities	<u>(80,524)</u>	<u>(493,829)</u>
Cash flows from investing activities		
Purchase of plant and equipment	-	-
Proceeds from sale of plant and equipment	28,636	42,000
Payments for exploration and evaluation tenements	(1,284)	(14,992)
Net cash flows from/(used in) investing activities	<u>27,353</u>	<u>27,008</u>
Cash flows from financing activities		
Repayment of borrowings	-	(8,160)
Loan received	200,000	20,311
Net cash flows from financing activities	<u>200,000</u>	<u>12,151</u>
Net decrease in cash and cash equivalents	146,829	(454,670)
Cash and cash equivalents at beginning of period	<u>91,692</u>	<u>772,469</u>
Cash and cash equivalents at end of period	<u>238,521</u>	<u>317,799</u>

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

RMA ENERGY LIMITED

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2016

1. REPORTING ENTITY

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

Going Concern

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

The company has incurred a net loss after income tax of \$133,306 (2015: \$321,883) and experienced net cash outflow from operating and investing activities of \$53,171 (2015: \$466,821) for the half-year ended 30 June 2016.

The company has a \$5,000,000 credit facility with CREC Resources (Aust) Pty Ltd ("CREC"), of which \$410,500 has been drawn down as at 30 June 2016. The company has received a letter of financial support from CREC stating that the loan will not be called upon within 12 months and that no amount of principal is repayable within 12 months, unless RMA Energy Limited is in the position to repay the loan. The letter also states CREC will continue to provide financial support as is necessary to enable the company to meet its working capital and existing exploration commitments as and when they fall due for a period of no less than 12 months from the date of this report.

The Directors are confident that the Company can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

2. BASIS OF PREPARATION

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2015 annual financial report for the financial year ended 31 December 2015, except for the impact of the standards and interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

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

- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation & Amortisation.
- AASB 2015-3 Amendments to Australian Accounting Standards Arising From Withdrawal of AASB 1031 Materiality.

RMA ENERGY LIMITED

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2016

2. BASIS OF PREPARATION

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

3. DIVIDENDS PAID OR PROVIDED FOR

No dividends have been paid or provided for during the half-year (2015: Nil).

4. SUBSEQUENT EVENTS AFTER BALANCE DATE

No subsequent events have occurred after balance date.

5. SEGMENT INFORMATION

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

6. CONTINGENT LIABILITIES

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

7. COMMITMENTS

(a) Capital commitments

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

Tenure No.	Holder	Area (blocks)	Grant date	Expiry date	Rent	Minimum expenditure
					(\$)	(\$)
EPMs						
EPM 15136	RMA Energy Limited	95	22/07/2009	21/07/2017	13,357	154,800
EPM 18997	RMA Energy Limited	11	23/05/2012	22/05/2017	1,547	100,000
EPCs						
EPC 1946	RMA Energy Limited	37	19/06/2013	18/06/2018	5,202	110,000
EPC 1942	RMA Energy Limited	19	14/01/2013	13/01/2018	2,671	100,000

RMA ENERGY LIMITED

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2016

(b) Operating leases

	Expiry Date	<1 Year \$	1 - 5 Years \$
Perth office (Level 8, 16 St Georges Tce, Perth)	30 Sept 2016	14,394	-
		14,394	-

The company has a term deposit of \$11,765, which provides security for the Perth office lease to Douglas Mann Pty Ltd.

8. BORROWINGS

Loan from parent entity	610,500	410,500
Add: Interest accrued on loan	44,753	28,347
	655,253	438,847

The Company has a \$5,000,000 credit facility with CREC Resources (Aust) Pty Ltd of which \$410,500 was drawn down on 27 November 2014. This loan expires on 27 November 2019. The loan is unsecured and is repayable within 5 years from the dates of draw down. Interest accrues on the loan at the rate of 6.30%.

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

9. EQUITY SECURITIES ISSUED

Issued capital at 30 June 2016 amounted to \$24,362,841 (1,826,291,848 shares) and is unchanged from 31 December 2015.

10. KEY MANAGEMENT PERSONNEL

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

12. RELATED PARTY TRANSACTIONS

The ultimate Australian parent entity is CREC Resources (Aust) Pty Ltd, which at 30 June 2016 owned 59.04% (2015: 59.04%) of the issued ordinary shares of RMA Energy Limited.

The Company has a \$5,000,000 credit facility with CREC Resources (Aust) Pty Ltd of which \$410,500 has been drawn down on 27 November 2014. This loan expires on 27 November 2019.

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

Independent Auditor's Review Report

To the Members of RMA Energy Limited

We have reviewed the accompanying half-year financial report of RMA Energy Limited ("the Company") which comprises the condensed statement of financial position as at 30 June 2016, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and statement of condensed cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Company ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- a. Giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



BENTLEYS
Chartered Accountants



CHRIS NICOLOFF CA
Director

Dated at Perth this 13th day of September 2016