

31 January 2018

QUARTERLY ACTIVITIES REPORT FOR DECEMBER 2017 QUARTER

OPERATIONAL

During the quarter, the Company continued to focus its efforts on resolving historical tenement issues with Queensland Department of Natural Resources and Mines.

Rehabilitation works arising from previous drilling activities on EPC1125, EPC1127 and EPC1128 have been successfully completed in December 2017.

TENEMENT SCHEDULE AS AT 31 DECEMBER 2017

Tenure No/Location	Prospect	Holder	Ownership	Area (blocks)	Grant date	Expiry date
Bulburrum						
EPC 1942	Bulburrum South	RMA Energy Ltd	100%	19	14/01/2013	13/01/2018
Cliffdale Creek						
EPM 15136	Cliffdale Creek	RMA Energy Ltd	Renewal lodged	95	22/07/2009	21/07/2017
Macauley Creek						
EPM 19736	Macauley	RMA Energy Ltd	100%	17	20/10/2015	19/10/2020
Moonie Coal						
EPC 1946	Moonie Coal East	RMA Energy Ltd	100%	37	19/06/2013	18/06/2018

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

CORPORATE

During the quarter, the Company successfully completed a Placement of \$82,183 by the issue of 273,943,777 fully paid ordinary shares to sophisticated investors at an issue price of \$0.0003 per share. The shares were issued within the Company's current 15% placement capacity under ASX Listing Rule 7.1.

On 12 December 2017, Mr Jun Lyu and Mr Ying Liu were appointed as Non-Executive Directors of the Company. Mr Debao Mao stepped down as Chairman effective 12 December 2017 and resigned as Non-Executive Director effective 20 December 2017. Mr Ying Liu was appointed new Chairman effective 12 December 2017. On the same day, Mr Weihong Qin resigned as Non-Executive Director of the Company.

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



ECONOMICALLY SENSIBLE ECOLOGICALLY SUSTAINABLE SOCIALLY RESPONSIBLE

For more information please contact:

TJ Spooner
Joint Company Secretary
+61 (08) 9463 2463

About RMA Energy Limited

RMA Energy Limited ("RMA") listed on the Australian Securities Exchange in June 2007, with a suite of tenements in Queensland, Australia that are prospective for coal, gold and base metals.

RMA is 51.34% owned by CREC Resources (Aust) Pty Ltd, a wholly owned subsidiary of China Rail Group Limited, a PRC incorporated company listed on Hong Kong and Shanghai Stock Exchanges.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

RMA Energy Limited

ABN

79 123 776 652

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(23)	(57)
(b) development	-	
(c) production	-	
(d) staff costs	-	
(e) administration and corporate costs	(24)	(121)
1.3 Dividends received (see note 3)	-	
1.4 Interest received	-	
1.5 Interest and other costs of finance paid	-	
1.6 Income taxes paid	-	
1.7 Research and development refunds	-	
1.8 Other (provide details if material)	-	
GST Refund	4	16
1.9 Net cash from / (used in) operating activities	(43)	(162)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	82	82
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(2)	(2)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Loan received	-	-
3.10 Net cash from / (used in) financing activities	80	80

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	36	155
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(43)	(162)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	80	80

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	73	73

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	73	36
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	73	36

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

12

-

The amount above includes payment for Director's Fees, Accounting Fees and Company Secretarial Services to Nexia Perth.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

Nil

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The Company had 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 (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.

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

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

At the same time, the Company secured the agreement of LC Alliance Pty Ltd to provide ongoing financial support to the Company for day-to-day operations up to at least 14 September 2018.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	10
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	48
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	58

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
 (Joint Company Secretary)

Date: 31 January 2018

Print name: TJ Spooner

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.