



ABN 79 123 776 652

RMA Energy Limited

**Financial Statements For The Year Ended
31 December 2014**

RMA Energy Limited

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RMA Energy Limited

Corporate information

Directors

Mr Debao Mao (Chairman and non-executive director)
Mr Qin Weihong (Managing director)
Mr Leonard Math (Non-Executive director)

Auditors

Deloitte Touche Tohmatsu
Woodside Plaza Level 14
240 St George Terrace WA 6000
Tel: +61 8 9365 8000
Fax: +61 8 9365 7001

Company Secretary

Mr Leonard Math

Bankers

ANZ Banking Group Limited
8 St Georges Terrace
Perth WA 6000

Registered Office

Level 8/ 16 St Georges Terrace
Perth WA 6000
Tel: +61 8 6218 0200
Fax: +61 8 6218 0222

Solicitors

Kings Park Corporate Lawyers
Suite 8
8 Clive Street
West Perth WA 6005
Tel: + 61 8 9420 0000
Fax: +61 8 9226 5821

Share Registry

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

Stock Exchange

Australian Securities Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000

Website

www.rmaenergy.com.au

ASX Code

RMT

RMA Energy Limited

Directors' report

Your directors present their report on the RMA Energy Limited (the "company") for the financial year ended 31 December 2014.

Directors

The names of the directors in office during the period and until the date of this report are as follows:

Debao Mao (Non-executive director)
Weihong Qin (Managing director)
Leonard Math (Non-Executive director)

All directors were in office for the whole of the financial year unless otherwise stated.

Principal activity

The principal activity of the company during the financial year was mineral resources exploration.

Dividends

No dividend has been paid or recommended by the directors since the commencement of the financial year.

Significant changes in state of affairs

Mr Michael Loh resigned as Joint Company Secretary on 7 November 2014. There were no other significant changes in the state of affairs of the company during the financial year.

Operating result and review of operations

For the year ended 31 December 2014, the loss attributable to members of the company was \$15,451,406 (31 Dec 2013: loss \$866,525).

At the end of the financial year, RMA Energy Limited holds 12 granted tenements which have been subjected to varying degrees of exploration activity during the financial year ended 31 December 2014. Details of the tenements are disclosed at note 22(a).

Matters subsequent to the end of the financial year

There have been no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

- (i) the company's operations in future years; or
- (ii) the results of those operations in future years; or
- (iii) the company's state of affairs in future years.

Likely developments and expected results

The company intends to continue exploration on its existing tenements, to acquire further tenements for exploration of all minerals, to seek other areas of investment and to develop the resources on its tenements.

Greenhouse gas and energy data reporting requirements

The directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement year 1 January 2014 to 31 December 2014 the directors have assessed that there are no current reporting requirements but may be required to do so in the future.

Environmental regulations

The company's environmental obligations are regulated by Australian State and Federal Law. The company has complied with its environmental performance obligations. No environmental breaches have been notified by any Government agency to the date of the directors' report.

Remuneration & Key Management Personnel

Information about the remuneration of key management personnel is set out in the remuneration report of this Director's report. The term key management personnel refers to the person having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any directors (whether executive or otherwise) of the entity.

Unissued shares under options

There are no unissued shares under options as at 31 December 2014.

Shares issued from exercise of options

There are no shares issued during the year ended 31 December 2014 as a result of an exercise of options.

Review of Operations

The principal activity of the company during the course of the 2014 financial year was to concentrate on evaluating and exploring its mining tenements.

Corporate

Due to the current economic climate, the company has continued to limit its exploration activities on its projects to conserve cash. The Board is constantly reviewing any potential project acquisition opportunities to enhance shareholders value in RMA.

Summary of activities

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

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

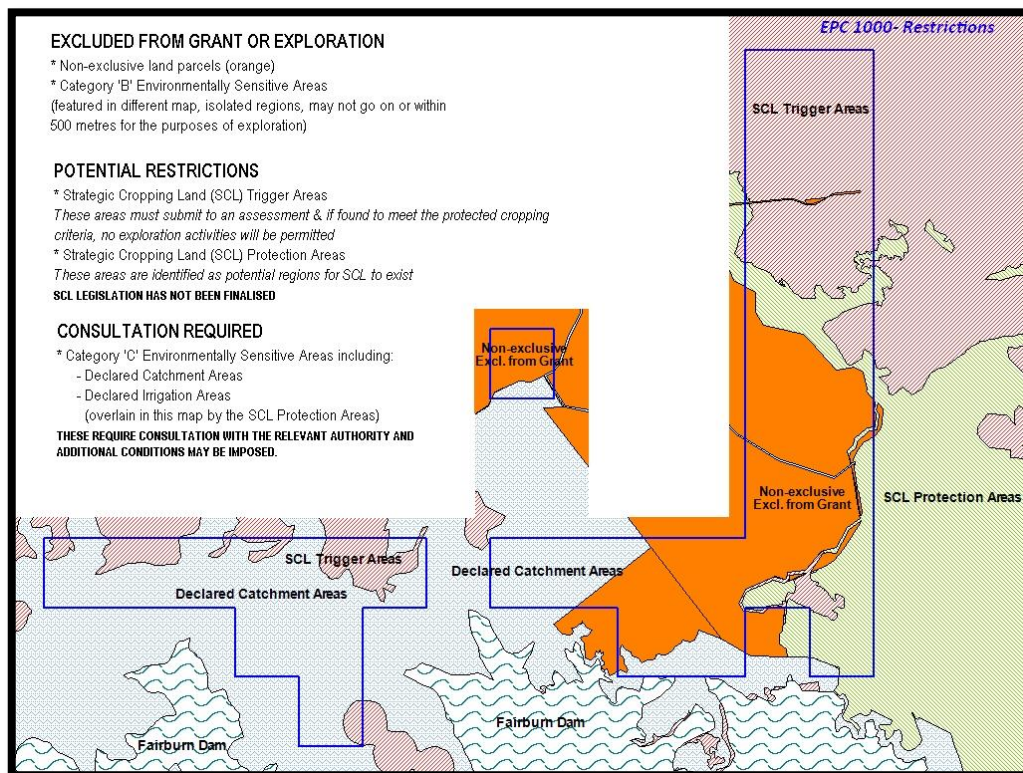


Figure 1: The Spatial Distribution of Formerly Excluded Land (orange coloured area) Within EPC 1000 (boundary in blue line)

RMA Energy Limited Directors' report

Planning was underway for field mapping and a proposed drilling program within tenement EPM 15136 (Cliffdale Creek project) during the September 2014 quarter. (Figure 2). However, due to current financial position of the Company, the proposed drilling program was deferred.

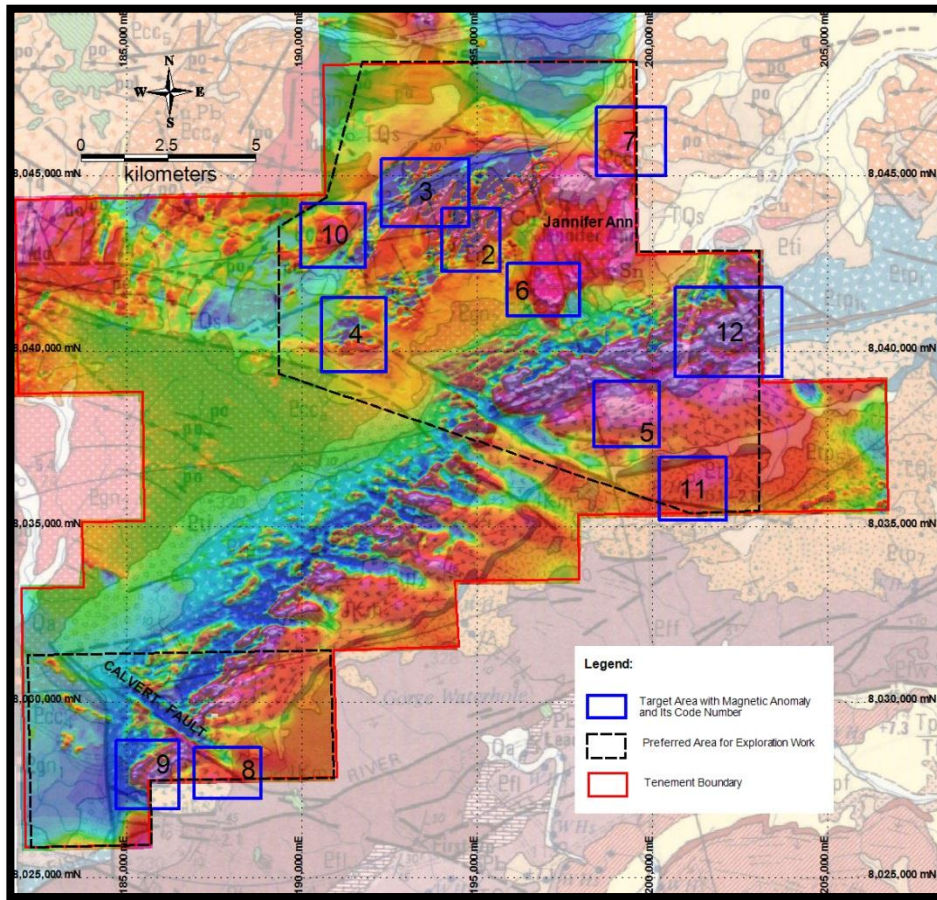


Figure 2: Target Area with magnetic anomaly - EPM 15136

During the September 2014 quarter, the first annual report for tenement EPC 1946 (Moonie Coal East) was lodged with the Department of Natural resources and Mines (DNRM). The completion of this report promotes the understanding of coal geology around the tenement area and will help with the planning of future exploration work within the tenement.

RMA Energy Limited

Directors' report

Information on directors

Mr Debao Mao *Chairman and non-executive director*

Mr Mao has a doctorate in mineral exploration from China University of Geosciences and has more than 15 years' experience in the resources sector. He currently occupies the position of deputy general manager and chief geologist of China Railway Resources Group Co Ltd.

Former directorships in the last 3 years

None

Interests in shares and options

Nil

Mr Qin Weihong *Managing Director*

Mr Qin holds a Ph. D degree in law and held qualifications as a lawyer, accountant and broker in China. He has more than 13 years' experience spread across the investment sector and mining industry with major companies such as Chinalco and China Railway.

Former directorships in the last 3 years

Nil

Interests in shares and options

Nil

Mr Leonard Math *Non – Executive Director and Company Secretary*

Mr Leonard Math graduated from Edith Cowan University, majoring in Accounting and Information Systems, in 2003 and is a member of the Institute of Chartered Accountants. In 2005 Mr Leonard Math worked in the audit division at Deloitte before joining GDA Corporate. He is currently the Manager for Corporate Services at GDA Corporate.

His public company responsibilities include corporate compliance roles, including extensive liaison with ASX and ASIC, control and implementation of corporate governance, completion of annual financial reports and auditor liaison, and shareholder relations with registry and shareholders both retail and institutional.

He is also a director of Kangaroo Resources Ltd and Elemental Minerals Ltd; and the company secretary of Ishine International Resources Limited, Mako Hydrocarbons Ltd and Padbury Mining Limited.

Former directorships in the last 3 years

Nil

Interests in shares and options

Nil

Directors meetings

The number of full directors' meetings and the number of meetings attended by each of the directors of the company for the time the director held office during the financial year are:

	Meetings attended	Meetings held
Debao Mao	2	2
Qin Weihong	2	2
Leonard Math	2	2

RMA Energy Limited

Directors' report

Remuneration report (Audited)

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration (audited)
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Additional information

The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

A. Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

The board has elected not to establish either a Remuneration Committee or an Audit Committee based on the size of the organisation and has instead agreed to meet as deemed necessary and allocate the appropriate time at its monthly board meetings.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board. The maximum currently stands at \$300,000 in aggregate.

Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. This amount is separate from any specific tasks the directors may take on for the company in the normal course of business and at normal commercial rates.

Fees for directors are not linked to the performance of the company, however, to align all directors' interests with shareholders' interests, directors are encouraged to hold shares in the company and may receive options. This effectively links directors' performance to the share price performance and therefore to the interests of shareholders. For this reason there are no performance conditions prior to grant, but instead act as an incentive to increase the value for all shareholders.

The tables below set out summary information about the company's earnings and movements in shareholder wealth up to 31 December 2014.

	31 December 2014	31 December 2013	31 December 2012	31 December 2011	31 December 2010
Income	19,496	68,658	8,966	21,684	78,018
Net loss before tax	(15,451,406)	(866,525)	(1,435,226)	(1,661,759)	(1,051,101)
Net loss after tax	(15,451,406)	(866,525)	(1,435,226)	(1,661,759)	(1,051,101)
	31 December 2014	31 December 2013	31 December 2012	31 December 2011	31 December 2010
Share price at the start of the year (cent)	0.01	0.00	0.03	0.05	0.04
Share price at the end of the year (cent)	0.00	0.01	0.05	0.03	0.05
Basic and diluted earnings per share (cent)	(0.85)	(0.05)	(0.40)	(0.50)	(0.30)

RMA Energy Limited

Directors' report

Additional fees

A director may also be paid fees or other amounts as the directors determine if a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Retirement allowances for directors

Superannuation contributions required under the Australian superannuation guarantee legislation continue to be made and are deducted from the directors' overall fee entitlements.

Executive pay

The executive pay and reward framework consists of base pay and benefits, including superannuation.

The combination of these comprises the executive's total remuneration. The company intends to review its long-term equity-linked performance incentives for executives as deemed necessary by the board.

Base pay

Base pay is structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits, at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Correspondence with external remuneration consultants provides the market analysis to ensure base pay is set to reflect the market for a comparable role. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. There is no formal link between executive remuneration and shareholder wealth.

Benefits

No benefits other than noted above are paid to directors or management except as incurred in normal operations of the business.

Short and long term incentives

At the date of this report, the company has not adopted any employee incentive schemes.

There is no relationship between company performance and remuneration.

B. Details of remuneration

Key Management Personnel (KMP) and other executives of the company:

<i>Name</i>	Short-Term Benefits <i>Base Remuneration</i>	Short-Term Benefits <i>Fees and Disbursements</i>	Post-Employment Benefits <i>Super-annuation</i>	Share Based Payments <i>Value of Options and ESS</i>	Total	Value of Share Based Payments as a Proportion of Remuneration %
Directors						
Debao Mao						
- Dec 31 2014	90,000	-	-	-	90,000	-
- Dec 31 2013	90,000	-	-	-	90,000	-
Qin Weihong						
- Dec 31 2014	150,000	-	14,062	-	164,062	-
- Dec 31 2013	151,613	-	18,301	-	169,914	-
Leonard Math ⁽¹⁾						
- Dec 31 2014	12,000	-	-	-	12,000	-
- Dec 31 2013	7,000	-	-	-	7,000	-
Nigel Ferguson ⁽²⁾						
- Dec 31 2014	-	-	-	-	-	-
- Dec 31 2013	60,000	-	-	-	60,000	-
Total						

RMA Energy Limited

Directors' report

- For 12 months to 31 December 2014	252,000	-	14,062	-	266,062	-
- For 12 months to 31 December 2013	308,613	-	18,301	-	326,914	-

⁽¹⁾ Appointed on 24 May 2013

⁽²⁾ Resigned on 24 May 2013

The percentage of the remuneration of the directors and other key management personnel that is performance based is nil.

C. Service agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of employment for the managing director and the other key management personnel are also formalised in service agreements. Each of these agreements provide for the provision of performance-related conditions, other benefits including car allowances and when eligible, participation in the RMA Energy Employee Option Plan. Other major provisions of the agreements relating to remuneration are set out below.

Mr Qin Weihong:

- Employment commenced on 27 August 2012 with no fixed employment term.
- Salary of \$150,000 per annum (excluding superannuation), inclusive of director's fees, subject to annual review by the company in accordance with the company's annual review of salaries.

Mr Leonard Math:

- Engagement commenced on 24 May 2013 with no fixed engagement term.
- Remuneration of \$12,000 per annum plus applicable GST, inclusive of director's fees.

D. Share-based compensation

During the period no unlisted options were granted to key management personnel as part of their remuneration.

E. Option holdings of key management personnel (KMP)

There were no options exercised during the financial period.

Changes in options held by key management personnel during the period were as follows:

31 December 2014						Vested at 31 December 2014:		
Directors	Balance at beginning of period	Granted as remuneration	Options exercised	Options lapsed	Balance at end of period	Total	Exercisable	Not exercisable
Nil	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

RMA Energy Limited Directors' report

31 December 2013	Balance at beginning of period	Granted as remuneration	Options exercised	Options lapsed	Balance at end of period	Vested at 31 December 2013:		
						Total	Exercisable	Not exercisable
Directors								
N Ferguson	1,250,000		-	(1,250,000)	-	-	-	-
	1,250,000		-	(1,250,000)	-	-	-	-

F. Loans to key management personnel

At the 31 December 2014, no loans had been made to key management personnel.

G. Other transactions with key management personnel

There were no other material transactions with key management personnel.

The directors are satisfied that the company has complied with its policies on ethical standards, including trading in securities.

As at the date of this report there were no unlisted options on issue.

End of audited remuneration report

Indemnification and insurance of officers

The company resolved that it would indemnify its current directors and officers. Coverage in respect of this indemnity has been provided via a *Directors and Officers* insurance policy negotiated at commercial terms. The premium was paid in March 2014 (\$5,750).

Excluding the matter noted above the company has not, during or since the financial period-end, in respect of any person who is, or has been an officer or auditor of the company or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the company are important.

Details of the amounts paid or payable to the auditor Deloitte Touche Tohmatsu for audit and non-audit services provided during the period are set out below.

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

RMA Energy Limited

Directors' report

- all non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor.
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the period the following fees were paid or payable for services provided by the auditor of the company, its related practices and non-related audit firms:

	31-Dec-14	31-Dec-13
	\$	\$
Audit services		
Deloitte Touche Tohmatsu		
Audit and review of financial reports	35,550	37,100
Total remuneration for audit services	<u>35,550</u>	<u>37,100</u>

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.



Signed in accordance with a resolution of the directors.

Mr Qin Weihong
Managing Director

Perth, Western Australia
31 March 2015

Independent Auditor's Report to the members of RMA Energy Limited

We have audited the accompanying financial report of RMA Energy Limited, which comprises the statement of financial position as at 31 December 2014, the statement of profit and loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the entity as set out on pages 14 to 35.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of RMA Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of RMA Energy Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 31 December 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of RMA Energy Limited for the year ended 31 December 2014, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU



Chris Nicoloff

Partner

Chartered Accountants

Perth, 31 March 2015

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

31 March 2015

Dear Board Members

RMA Energy Limited

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

As lead audit partner for the audit of the financial statements of RMA Energy Limited for the year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Chris Nicoloff
Partner
Chartered Accountants

RMA Energy Limited
Statement of profit and loss and other comprehensive income
For the year ended 31 December 2014

	Notes	Dec-2014	Dec-2013
		\$	\$
Income from continuing operations			
Other income	5	19,496	68,658
Total income		<u>19,496</u>	<u>68,658</u>
Expenditure from continuing operations			
External professional fees		(397,098)	(178,550)
Employee benefits expense	6	(403,261)	(440,908)
Impairment of exploration expenses		(14,438,483)	(27,188)
Office rental and utilities	6	(76,132)	(95,810)
Travel and accommodation		(30,267)	(25,353)
Other administrative expenses		(125,608)	(154,410)
Financial costs	6	(53)	(12,964)
Loss before income tax		<u>(15,451,406)</u>	<u>(866,525)</u>
Income tax expense from continuing operations	7	-	-
Net loss after income tax attributable to members of the company		<u>(15,451,406)</u>	<u>(866,525)</u>
Total comprehensive loss for the year attributable to members of the company		<u>(15,451,406)</u>	<u>(866,525)</u>
Basic and diluted loss per share (cents)	8	(0.85)	(0.05)

The above statement of comprehensive income is to be read in conjunction with the accompanying notes.

RMA Energy Limited
Statement of financial position
As at 31 December 2014

	Notes	Dec-14 \$	Dec-13 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	772,469	1,568,964
Other assets	11	53,223	47,728
Total current assets		825,692	1,616,692
Non-current assets			
Property, plant and equipment	12	118,326	146,000
Exploration and evaluation expenditure	13	-	14,146,753
Total non-current assets		118,326	14,292,753
Total assets		944,018	15,909,445
LIABILITIES			
Current liabilities			
Trade and other payables	14	193,027	117,548
Provisions	15	-	-
Total current liabilities		193,027	117,548
Non-current liabilities			
Loans	16	410,500	-
Total non-current liabilities		410,500	-
Total liabilities		603,527	117,548
NET ASSETS		340,491	15,791,897
EQUITY			
Contributed equity	17	24,362,841	24,362,841
Reserves	18	-	-
Accumulated losses		(24,022,350)	(8,570,944)
Total equity		340,491	15,791,897

The above statement of financial position is to be read in conjunction with the accompanying notes.

RMA Energy Limited
Statement of cash flows
For the year ended 31 December 2014

	Notes	Dec-2014 \$	Dec-2013 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		-	-
Payments to suppliers and employees (inclusive of GST)		(934,190)	(996,754)
Interest received		19,496	68,700
Interest paid		(53)	-
Net cash flows used in operating activities	10	<u>(914,747)</u>	<u>(928,054)</u>
Cash flows from investing activities			
Purchase of plant and equipment		(790)	-
Payments for exploration and evaluation tenements		(291,458)	(1,049,221)
Net cash flows used in investing activities		<u>(292,248)</u>	<u>(1,049,221)</u>
Cash flows from financing activities			
Proceeds from issue of shares		-	485,578
Payment of share issue costs		-	-
Proceeds from borrowings		410,500	-
Repayment of borrowings		-	(240,298)
Net cash flows from financing activities		<u>410,500</u>	<u>245,280</u>
Net (decrease)/increase in cash and cash equivalents		(796,495)	(1,731,995)
Cash and cash equivalents at beginning of year		<u>1,568,964</u>	<u>3,300,959</u>
Cash and cash equivalents at end of year	9	<u>772,469</u>	<u>1,568,964</u>

The above statement of cash flows is to be read in conjunction with the accompanying notes.

RMA Energy Limited
Statement of changes in equity
For the year ended 31 December 2014

	Notes	Issued capital \$	Accumulated losses \$	Reserves \$	Total \$
Balance at 1 Jan 2014		24,362,841	(8,570,944)	-	15,791,897
Total comprehensive income for the period		-	(15,451,406)	-	(15,451,406)
Transactions with owners in their capacity as owners:					
Issue of shares, net of transaction costs	17	-	-	-	-
Value of options granted	18	-	-	-	-
Transfer on expiry of options	18	-	-	-	-
		-	-	-	-
Balance at 31 December 2014		24,362,841	(24,022,350)	-	340,491

For the period ended 31 December 2013

Balance at 1 Jan 2013		23,950,099	(8,443,718)	666,463	16,172,844
Total comprehensive income for the period		-	(866,525)	-	(866,525)
Transactions with owners in their capacity as owners:					
Issue of shares, net of transaction costs	17	412,742	-	-	412,742
Value of options granted	18	-	-	72,836	72,836
Transfer on expiry of options	18	-	739,299	(739,299)	-
		412,742	739,299	(666,463)	485,578
Balance at 31 December 2013		24,362,841	(8,570,944)	-	15,791,897

The above statements of changes in equity should be read in conjunction with the accompanying notes.

RMA Energy Limited

Notes to and forming part of the financial statements

For the year ended 31 December 2014

1. Corporate information

The financial statements for profit of RMA Energy Limited for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 31 March 2015.

RMA Energy Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of operations and principal activities of the company are described in the Directors' Report.

2. Statement of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial statements of the company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) Statement of compliance

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, urgent Issues Group Interpretations and the Corporations Act. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

(c) Standards and interpretations adopted in the current year

The Company has adopted all of the new and revised Standards and Interpretation issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period beginning 1 January 2014.

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

Amendments to:

- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements;
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities;
- AASB 1031 Materiality; and
- AASB 2013-9 Amendments to Australian Accounting Standards–Part B: Materiality.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior year.

(d) Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 31 December 2014, the Company recorded a loss of \$15,451,406 (2013: loss \$866,525) and had net cash outflows from operating and investing activities of \$1,206,995. As at reporting date, the Company had cash and cash equivalents of \$772,469. The Company's loss included an impairment loss of \$14,438,483 in relation to its capitalised exploration expenditure on the basis that the directors do not currently expect to meet the Company's minimum spends / commitments on its existing tenements.

The ability of the Company to continue as a going concern is dependent on the ongoing financial support of its ultimate parent company, China Rail Resource Co., Ltd via further drawdowns from its existing loan facility to meet all minimum costs, excluding the exploration expenditure and deferral of repayment of the existing loan balance due for a period of at least 12 months from the date of the financial report.

RMA Energy Limited
Notes to and forming part of the financial statements
For the year ended 31 December 2014

At the date of the financial report the company has received a letter of financial support from China Rail Resource Co., Ltd that confirms deferral of repayment of any loan balance outstanding as at 31 December 2014 for at least 12 months from the date of the financial report.

In addition the company has revised its cash flow forecast for the next 12 months to only include minimum running costs, excluding exploration costs, and currently has sufficient cash to meet the minimum running costs, however should any shortfall occur then the company can draw down on its existing loan facility from China Rail Resource Co., Ltd.

List of Standards and Interpretations in issue not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	31 December 2018
AASB 2014-1 'Amendments to Australian Accounting Standards'	1 July 2014	31 December 2015
- Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'		
- Part C: 'Materiality'		
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	31 December 2016
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	31 December 2016
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	31 December 2016
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	31 December 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	31 December 2016

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Functional and presentation currency

These financial statements are presented in Australian dollars, which is also the company's functional currency.

RMA Energy Limited
Notes to and forming part of the financial statements
For the year ended 31 December 2014

2. Statement of significant accounting policies (continued)

(e) Exploration expenses

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- exploration and evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations in, or relating to, the area are continuing.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Depreciation is calculated using the diminishing value method so as to write off the net cost of each asset during their expected useful life of 3 to 20 years.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not shown in the accounts at a value in excess of the recoverable amount from assets.

(h) Investments and other financial assets

Classification

The company classifies its investments in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after 31 December 2013 which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value

Recognition and derecognition (continued)

through profit or loss is initially recognised at fair value and transaction costs are expensed to the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

RMA Energy Limited
Notes to and forming part of the financial statements
For the year ended 31 December 2014

2. Statement of significant accounting policies (continued)

Impairment

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

(i) Provisions and employee benefits

Provisions and employee benefits

Provisions are recognised when the Company has a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at 31 December 2014 using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(j) Share based payments

The company provides benefits to directors, employees, consultants and other advisors of the company in the form of share-based payments, whereby the directors, employees, consultants and other advisors render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the market price of the shares of the company if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant recipient becomes fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired and
- (ii) the company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

RMA Energy Limited
Notes to and forming part of the financial statements
For the year ended 31 December 2014

2. Statement of significant accounting policies (continued)

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the recipient, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(k) Earnings per share

The calculation of basic earnings per share is determined by dividing the profit/(loss) after income tax attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the period.

(l) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in the active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value of financial instruments traded in active markets (such as shares in listed companies) is based on quoted market prices at 31 December 2014.

The nominal value, less any estimated credit adjustments, of trade receivables and payables are assumed to approximate their fair value.

(m) Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

(n) Payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(o) Revenue recognition

Interest income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

RMA Energy Limited
Notes to and forming part of the financial statements
For the year ended 31 December 2014

2. Statement of significant accounting policies (continued)

(p) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at 31 December 2014 are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(q) Segment reporting

AASB 8 Operating Segments requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

(r) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operates and generates income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(s) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis, inclusive of GST.

RMA Energy Limited
Notes to and forming part of the financial statements
For the year ended 31 December 2014

2. Statement of significant accounting policies (continued)

(t) Leases

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance

leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases (note 22(b)). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

(u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds, net of transaction costs, and the redemption

amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the draw down occurs.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(w) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

RMA Energy Limited
Notes to and forming part of the financial statements
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3. Significant accounting judgements, estimates and assumptions (continued)

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant accounting judgements

Determination of mineral resources

The determination of mineral resources impacts the accounting for asset carrying values. The company estimates its mineral resources in accordance with the *Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004* (the 'JORC' Code). The information on mineral resources was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

Significant accounting estimates and assumptions

Impairment of capitalised mineral acquisition expenditure

The future recoverability of capitalised mineral acquisition expenditure, as disclosed in note 13, is dependent upon a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised mineral acquisition expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

Share based payment transactions

The company measures the cost of equity-settled share based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined by using a recognised option valuation model, with the assumptions detailed in note 20. The accounting estimates and assumptions relating to equity-settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

4. Segment information

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

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

The exploration assets as presented in Note 13 relate to the reporting segment identified above.

All revenue and expenses relate to corporate activities and would not be used to assess segment performance.

Geographical information

The Company operates in one principal geographical area – Australia (country of domicile).

RMA Energy Limited
Notes to and forming part of the financial statements
For the year ended 31 December 2014

	Dec-2014	Dec-2013
	\$	\$
5. Revenues		
(a) Other income		
Interest income	19,496	68,658
	<u>19,496</u>	<u>68,658</u>
6. Expenses		
(a) Finance cost		
Interest expense	53	12,964
	<u>53</u>	<u>12,964</u>
(b) Depreciation		
Depreciation	28,464	40,314
	<u>28,464</u>	<u>40,314</u>
(c) Employee benefits expense		
Wages and salaries	362,425	397,544
Superannuation costs	40,836	43,364
	<u>403,261</u>	<u>440,908</u>
(d) Rental expense		
Rental expenses	76,132	95,810
	<u>76,132</u>	<u>95,810</u>
7. Income tax expense		
The income tax (benefit) for the year differs from the prima facie tax as follows:		
Loss for the year	(15,451,406)	(866,525)
Prima facie income tax (benefit) @30%	(4,635,422)	(259,958)
Non deductible expenses	4,243,999	(322,820)
Deferred tax assets not brought to account	391,423	582,778
Total income tax expense	<u>-</u>	<u>-</u>
The directors estimate that the potential deferred tax asset, at the prevailing rate of 30% (2013:30%), in respect of tax losses not brought to account is	7,584,898	7,193,475
	<u>7,584,898</u>	<u>7,193,475</u>

No income tax expense has been provided in the accounts because the company has an operating loss for the year. No future tax benefit attributable to tax losses has been brought to account as recovery is not probable.

The benefit will only be obtained if the company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised, continues to comply with the conditions for deductibility imposed by taxation legislation and there are no changes in tax legislation adversely affecting the company in realising the benefit.

RMA Energy Limited
Notes to and forming part of the financial statements
For the year ended 31 December 2014

	Dec-2014 \$	Dec-2013 \$
8. Earnings per share		
Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.		
Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.		
(a) Net Loss	(15,451,406)	(866,525)
(b) Basic and Diluted earnings per share – cents per share		
Loss attributable to the ordinary equity holders of the company	(0.85)	(0.05)
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share	1,826,291,848	1,809,440,746

9. Cash at bank and in hand

Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank and on hand	772,469	1,568,964
Deposits at call	-	-
Balance per statement of cash flows	772,469	1,568,964

The company's exposure to interest rate risk is discussed at note 21. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents noted above.

	Dec-2014 \$	Dec-2013 \$
10. Reconciliation from the net loss after tax to the net cash flows used in operations		
Operating loss	(15,451,406)	(866,525)
<i>Add (less) non-cash items</i>		
Depreciation	28,464	40,314
Share based payment expense	-	-
Impairment expenses	14,438,483	-
<i>Increases and decreases in operating assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	(6,371)	(5,702)
(Increase)/decrease in prepayments	876	(153)
(Decrease)/increase in provisions	7,224	(5,548)
(Decrease)/increase in trade and other payables	67,983	(90,440)
Net cash (used in)/from operating activities	(914,747)	(928,054)

RMA Energy Limited
Notes to and forming part of the financial statements
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11. Other assets (current)

Prepaid expenses	4,535	5,411
Deposits	22,500	22,500
Other	26,188	19,817
	<u>53,223</u>	<u>47,728</u>

12. Property, plant and equipment (non-current)

Cost of plant and equipment	453,535	452,745
Accumulated depreciation	(335,209)	(306,745)
Net book amount	<u>118,326</u>	<u>146,000</u>

Movement in carrying value

Opening net book amount	146,000	186,314
Additions	790	-
Disposals	-	-
Depreciation charge	(28,464)	(40,314)
Closing net book amount	<u>118,326</u>	<u>146,000</u>

13. Exploration and evaluation expenditure (non-current)

Opening balance	14,146,753	13,097,533
Exploration and evaluation expenditure capitalised	291,730	1,076,408
Impairment	(14,438,483)	(27,188)
	<u>-</u>	<u>14,146,753</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining tenements. The company has written off capitalised exploration and evaluation expenditure of \$14,438,483 as at 31 December 2014 due to the current financial position of the Company and the capacity to raise substantial capital to further explore on the Company's projects.

	Dec-2014	Dec-2013
	\$	\$
14. Trade and other payables (current)		
Trade payables	193,027	117,548
Other payables	-	-
	<u>193,027</u>	<u>117,548</u>

Trade payables are normally settled on 30 – 60 day terms.

15. Provisions (current)

Provision for employee benefits	-	-
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16. Borrowings (non-current)

Loan from parent entity	<u>410,500</u>	<u>-</u>
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The loan is part of a facility of \$5,000,000 that has been provided by the parent entity to the Company. The loan is unsecured and is repayable within 5 years from the dates of draw down. Interest accrues on the loan at the rate of 6.30%.

RMA Energy Limited
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For the year ended 31 December 2014

17. Contributed equity

Ordinary share capital

Movement in ordinary shares on issue:

Ordinary shares at beginning of year

1,826,291,848 (31 December 2013: 1,745,362,211)

24,362,841 23,950,099

Ordinary shares issued during the year:

Nil (2013: 80,929,637)

- 485,578

Transaction costs of issuing shares

- (72,836)

Issue of shares, net of transaction costs, as per Statement of Changes in Equity

24,362,841 24,362,841

Contributed equity at end of year

Ordinary shares at end of year

1,826,291,848 (31 December 2013: 1,826,291,848)

24,362,841 24,362,841

Dec-2014

Dec-2013

\$

\$

18. Reserves

Options reserve

Balance at beginning of year

- 666,463

Options issued

- 72,836

Options expired and lapsed during year

- 739,299

Transferred to accumulated losses on expiration of options

- (739,299)

Balance at end of year

- -

19. Key management personnel

(a) Details of key management personnel

The key management personnel (KMP) of RMA Energy Limited during the period were:

Mr Qin Weihong (Managing director)

Mr Debao Mao (Non-executive director)

Mr Leonard Math (Non-executive director)

(b) Compensation for key management personnel

Short term employee benefits

252,000 308,613

Post-employment benefits

14,062 18,301

Total compensation

266,062 326,914

RMA Energy Limited
Notes to and forming part of the financial statements
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	Dec-2014 \$	Dec-2013 \$
20. Share based payments		
(a) Recognised share based payment expenses		
The expense recognised for services received during the year		
Expense arising from equity-settled share based payment transactions with key management personnel	-	-
Expense arising from equity-settled share based payment transactions with consultants	-	72,837

(b) Summary of options granted

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	Dec-2014 No.	Dec-2014 WAEP	Dec-2013 No.	Dec-2013 WAEP
Outstanding at the beginning of the year	-	-	2,000,000	0.08
Granted during the year	-	-	-	-
Expired and forfeited during the year	-	-	2,000,000	0.08
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

At the date of this report, there are no unissued ordinary shares of the Company under options.

(c) Option pricing model

The fair value of the equity-settled share options granted during the year is estimated as at the date of grant using a Black and Scholes Model taking into account the terms and conditions upon which the options were granted.

	Dec-2014	Dec-2013
The following table lists the inputs to the model used for the period		
Dividend yield (%)	-	0%
Expected volatility (%)	-	80%
Risk free interest rate (%)	-	3.00%
Expected life of the option (years)	-	0.7
Option exercise price (\$)	-	\$0.01
Share price at grant date (\$)	-	\$0.01

RMA Energy Limited
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For the year ended 31 December 2014

21. Financial instruments

Overview – risk management

This note presents information about the company's exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk and the management of capital.

The company does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The board of directors of the company has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the company and the company through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from customers and investment securities. At 31 December 2014 there were no significant concentrations of credit risk.

Cash and cash equivalents

The company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Trade and other receivables

As the company operates primarily in exploration activities, it will only have insignificant trade receivables and therefore is not exposed to significant credit risk in relation to trade receivables. The Company where necessary establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments.

The company where necessary establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

Exposure to credit risk

The carrying amount of the company's financial assets represents the maximum credit exposure. The company's maximum exposure to credit risk at the reporting date was:

	Note	Dec-2014 \$	Dec-2013 \$
Other current assets		53,224	47,728
Cash and cash equivalents		772,469	1,568,964

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Impairment losses

None of the company's other receivables are past due (2013: Nil).

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual flows. The company does not have any external borrowings.

RMA Energy Limited
Notes to and forming part of the financial statements
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The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2014

	Note	Effective interest rate	Carrying amount	Less than 6 months	2-5 years
Trade and other payables	14		193,027	193,027	-
Loan from parent entity	16	6.30%	410,500	-	410,500
			603,527	193,027	410,500

31 Dec 2013

Trade and other payables	14		117,548	117,548	-
Loan from parent entity	16	-	-	-	-
			117,548	117,548	-

Disclosure of the Company's capital and leasing commitments are disclosed in Note 22.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The company has no exposure to currency risk at 31 December 2014.

Interest rate risk

The company is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The company does not use derivatives to mitigate these exposures.

The company adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents on short term deposit at interest rates maturing over 90 day rolling periods.

Profile

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

	Dec-2014	Dec-2013
	\$	\$
Fixed rate instruments		
Financial assets – cash and cash equivalents	-	-
Variable rate instruments		
Financial assets – cash and cash equivalents	772,469	1,568,964

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss or through equity.

RMA Energy Limited
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For the year ended 31 December 2014

Cash flow sensitivity analysis for variable rate instruments

A change of $\pm 1.50\%$ in interest rates, being the amount official interest rates increased during the financial period, at the reporting date and assuming all other variables held constant, would have increased (decreased) equity and profit or loss by \$975 (2013: \$3,433).

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the company may return capital to shareholders, issue new shares or sell assets to reduce debt. The company's focus has been to raise sufficient funds through equity and/or parent company borrowings to fund exploration and evaluation activities. The company monitors capital on the basis of the gearing ratio; however there were no external borrowings from unrelated parties as at balance date and the company is not subject to externally imposed capital requirements.

There were no changes in the company's approach to capital management during the period. Risk management policies and procedures are established with regular monitoring and reporting.

22. Commitments

(a) Capital and leasing commitments

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

Exploration permits

Tenure No.	Holder	Area (blocks)	Grant date	Expiry date	Rent (\$)	Minimum expenditure per annum (\$)
EPMs						
EPM 15117	RMA Energy Limited	21	15/05/2006	14/05/2016	2,854	70,000
EPM 15127	RMA Energy Limited	16	15/05/2006	14/05/2016	2,174	70,000
EPM 15128	RMA Energy Limited	23	15/05/2006	14/05/2016	3,126	65,000
EPM 15136	RMA Energy Limited	95	22/07/2009	21/07/2017	12,070	50,000
EPM 18330	RMA Energy Limited	40	19/04/2011	18/04/2016	5,436	60,000
EPM 18997	RMA Energy Limited	30	23/05/2012	22/05/2017	4,077	70,000
EPM 19736(1)	RMA Energy Limited	21	Pending	n/a	Pending	Pending
EPCs						
EPC 1000(2)	RMA Energy Limited	33	31/05/2006	30/05/2016	4,485	72,000
EPC 1946	RMA Energy Limited	74	19/06/2013	18/06/2018	9,724	50,000
EPC 1125	RMA Energy Limited	217	18/02/2010	17/02/2016	29,490	775,000
EPC 1127	RMA Energy Limited	228	19/02/2010	18/02/2016	30,985	775,000
EPC 1128	RMA Energy Limited	192	19/02/2010	18/02/2016	26,093	775,000
EPC 1942	RMA Energy Limited	75	14/01/2013	13/01/2018	10,519	80,000
Total						2,912,000

(1) Pending approval of application

(2) Pending renewal

⁽¹⁾ The period in which the commitment to meeting the minimum expenditure will fall, in relation to an exploration permit application, is dependent on the timing of the granting of the application. The Company does not have control over the granting date of the application.

RMA Energy Limited
Notes to and forming part of the financial statements
For the year ended 31 December 2014

	Expiry Date	< 1 Year \$	1 - 5 Years \$
(b) Operating leases			
Perth office (Level 8, 16 St Georges Tce, Perth)	30/09/16	57,576	43,182
QLD Office (15 Bullard St, Greenslopes QLD)	22/06/15	11,369	-
		<u>68,945</u>	<u>43,182</u>

The company has a term deposit totalling \$13,605, which provides security for the following:

1. Perth office lease to Douglas Mann Pty Ltd - \$11,765
2. Queensland office lease to LJ Hooker Lutwyche - \$1,840

The Company entered in to a new 3 year operating lease agreement in relation to its Perth office premises on 1 October 2013. A 1 year operating lease agreement for the Queensland exploration office premises was also entered into on 23 June 2014. The commitments in relation to this, inclusive of floor space, parking bays and variable outgoings are highlighted above.

23. Related party disclosure

The ultimate Australian parent entity is CREC Resources (Aust) Pty Ltd, which, 31 December 2013, owned 59.04% (2013: 59.04% of the issued ordinary shares of RMA Energy Limited. The Company has a \$5m credit facility with CREC Resources (Aust) Pty Ltd and has not been drawn down as at 31 December 2014.

The ultimate parent entity is China Rail Resource Co., Ltd (incorporated in the People's Republic of China) which, at 31 December 2014, owned 100% of the issued ordinary shares of CREC Resources (Aust) Pty Ltd.

Director related entities

The company paid \$12,000 (2013: \$7,000) to GDA Corporate for the service of Mr Leonard Math as Non-Executive Director and \$73,770 (2013: \$80,750) for accounting, taxation and company secretarial services to the Company. Mr Math is an employee of GDA Corporate.

The company paid \$Nil (2013: \$15,000) to Ridgeback Holdings Pty Ltd for the services of Mr Nigel Ferguson as Non-Executive Director and \$Nil (2013: \$45,000) for geology consultancy services to the Company. Mr Ferguson is a Director of Ridgeback Holdings Pty Ltd. Mr Ferguson resigned as a Director of the Company on 24 May 2013.

24. Events after the balance sheet date

There have been no other events occurring after the balance sheet date that have a material effect on the financial statements.

25. Contingent liabilities

The company had no contingent liabilities as at 31 December 2014.

26. Auditor's remuneration

	Dec-2014 \$	Dec-2013 \$
Audit services		
Deloitte Touche Tohmatsu		
Audit and review of financial reports	35,550	37,100
Total remuneration for audit services	<u>35,550</u>	<u>37,100</u>

RMA Energy Limited
Directors' declaration
For the year ended 31 December 2014

Directors' declaration

The directors of the company declare that:

1. 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.
2. In the directors opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2(a) to the Financial Statements.
3. In the director's opinion, the attach 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 consolidated entity.
4. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act.

This declaration is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:



Mr Qin Weihong
Managing Director

Perth, Western Australia
31 March 2015

RMA Energy Limited

Corporate governance statement

Board of directors and corporate governance

The board of directors of RMA Energy Limited (RMA Energy or company) is responsible for the corporate governance of the company and is committed to applying the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles). The board guides and monitors the business and affairs of RMA Energy on behalf of the shareholders by whom they are elected and to whom they are responsible.

To ensure the board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the board.

Composition of the board

The composition of the board is determined in accordance with the following principles and guidelines:

- the board should comprise at least three directors;
- a majority of non-executive directors with at least one being independent;
- the board should comprise directors with an appropriate range of qualifications and expertise.

The directors in office at the date of this statement are:

Name	Role	Non-executive	Independent
Mr Debao Mao	Chairman	Yes	No
Mr Leonard Math	Non-Executive director	Yes	Yes
Mr Qin Weihong	Managing Director	No	No

Nomination committee

The board of directors believe that the company is not of the size to warrant a nomination committee and therefore allocate the appropriate time as required at their monthly general meetings.

Remuneration committee

The board is responsible for determining and reviewing compensation arrangements for the executive directors and the key management team. The board has not established a remuneration committee as the company is not of the size to warrant a remuneration committee. The board allocates the required time at board meetings.

Audit committee

The board considers that the company is not currently of a size, nor its affairs of such complexity, to justify the formation of a separate audit committee, preferring at this stage to manage the company through the full board of directors to verify and safeguard the integrity of the company's financial reporting and to ensure the independence and competence of the company's external auditor.

The board requires the chief executive officer and chief financial officer to state in writing on an annual basis that the company's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the company.

The company's auditor is required to attend the company's AGM and be available to answer shareholder questions.

Gender Diversity

The Company is committed to gender diversity at all levels of the organisation. The Board is responsible for establishing and monitoring on an annual basis the achievement against gender diversity objectives and strategies, including the representation of women at all levels of the organisation. The proportion of women within the whole organisation as at the date of this report is as follows:

Women employees in the whole organisation	17%
Women in Senior Executive positions	0%
Women on the Board of Directors	0%

The Board acknowledges the absence of female participation on the Board of Directors. The Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

RMA Energy Limited

Corporate governance statement

Board responsibilities

As the board acts on behalf of and is accountable to the shareholders, the board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The board seeks to discharge these responsibilities in a number of ways.

The responsibility for the operation and administration of the company is delegated by the board to the executive directors and the key management team. The board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the executive directors and the key management team.

The board is responsible for ensuring the management's objectives and activities are aligned with the expectations and risks identified by the board. The board has a number of mechanisms in place to ensure this is achieved. In addition to the establishment of the committees referred to above, these mechanisms include the following:

- Contributing to the development of and approving corporate strategy;
- Appointing, assessing the performance of and, if necessary removing the managing director/CEO;
- Contributing to the performance assessment of members of the senior management team;
- Reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- Overseeing and monitoring:
 - Organisational performance and the achievement of strategic goals and objectives;
 - Compliance with the company's code of conduct;
 - Progress of major capital expenditures and other corporate projects including acquisitions, mergers and divestments;
 - Monitoring financial performance including approval of the annual, half yearly and quarterly reports and liaison with the auditor;
 - Ensuring there are effective management processes in place, including reviewing and ratifying systems of risk identification and management, ensuring appropriate and adequate internal control processes, and that monitoring and reporting procedures for these systems are effective;
 - Enhancing and protecting the company's reputation;
 - Approving, major capital expenditure, capital management, acquisitions and divestments;
 - Reporting to shareholders;
 - Appointment of directors; and
 - Any other matter considered desirable and in the interest of the shareholders.

Monitoring of the board's performance and communication to shareholders

In order to ensure that the board continues to discharge its responsibilities in an appropriate manner, the performance of all directors is reviewed annually by the chairperson. Directors whose performance is unsatisfactory are asked to retire.

The board of directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the directors. Information is communicated to the shareholders through:

- The annual report which is distributed to all shareholders;
- The half-yearly report available to all shareholders; and
- The annual general meeting and other meetings so called to obtain approval for board action as appropriate.

The RMA Energy website – corporate governance

RMA Energy publishes on its website at www.rmaenergy.com.au all information relating to the company's corporate governance policies and practices.

RMA Energy Limited

Corporate governance statement

The ASX principles

The ASX principles are an important regulatory guide for listed companies reporting on their corporate governance practices.

Under ASX Listing Rule 4.10.3, listed companies must disclose the extent to which they have followed ASX Principles, and if any of the recommendations have not been followed then the company must explain why not. The requirements under ASX Listing Rule 4.10.3 apply to RMA and the company sets out below and explains any departures by RMA from the ASX Principles.

1. Lay solid foundations for management and oversight

The ASX Corporate Governance Council states a company should “Recognise and publish the respective roles and responsibilities of board and management”. The board has adopted a formal charter which sets out the responsibilities reserved by the board and those delegated to the executive officers.

The charter is reviewed regularly to ensure it remains consistent with accepted practice in the context of the board’s objective and responsibilities. Specifically, the board is charged with: setting the strategic direction of the RMA and monitoring management’s performance within the framework.

RMA objectives; appointing and removing executives and overseeing succession plans for the Key Management team; approving and monitoring financial reporting and capital management; approving and monitoring the progress of business objectives; assessing the risk management framework and whether appropriate procedures are being followed; ensuring RMA has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate and social responsibility; and monitoring whether the board is appropriately skilled to meet the changing needs of the company.

The chairman is responsible for leading the board in its duties, facilitating effective discussions at board meetings, ensuring procedures are in place to evaluate board performance and overseeing shareholder communications. The executive directors are responsible for the efficient and effective operation of RMA, and for bringing material and other relevant matters to the attention of the board in an accurate and timely manner.

2. Structure the board to add value

The ASX Corporate Governance Council states a company should “Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties”.

Skills

A requirement for the RMA directors is an understanding of exploration in the mining sector. All directors meet this threshold requirement. They also bring a diverse range of skills, and backgrounds including mining engineering, financial regulation, law and public policy as well as international business skills. The board currently consists of three directors. The experience and qualification of each director and their terms of office are further discussed on page 5.

Experience

The directors have an appropriate mix of tenure, blending experience with new membership. The board considers this mix invaluable. Given the nature of RMA’s business, longstanding involvement and experience in the resources sector is highly desirable to bring the skills, experience and judgement required for effective decision-making. The board considers the directors exercise independent judgement in the task of enhancing shareholder value.

Appointment and removal

Board succession planning is considered an important part of the governance process. Progressive and orderly renewal of board membership is important. The appointment of directors is governed by the RMA board and the Appointment of Non-executive Directors Policy set out the procedures followed when considering the appointment of new directors.

Stakeholder perspectives

An important function of directors is to bring the perspective of stakeholders to the oversight of a company. RMA directors bring many perspectives to the board’s deliberations including those of members of the investment community and the views and interests of employees.

RMA Energy Limited

Corporate governance statement

Independence

The board considered given the company's stage of development and resources available it was appropriate at this time to have at least one independent non-executive director on the board, in the interests of maximising efficiency of the board and developing the company's business.

An independent director is a non-executive director and:

- is not a substantial shareholder of the company or an officer of, or directly or indirectly associated with, a substantial shareholder of the company;
- within the last three years has not been employed in an executive capacity by the company or another group member, or been a director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee material associated with the service provided;
- is not a material contractual relationship with the company or another group member other than as a director of the company;
- has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interest of the company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

The company has not considered the company's materiality thresholds for assessing independence on the basis of the company's stage of development.

As circumstances change directors table any change in outside interests at a meeting of the board.

Where it is considered a director had a material potential conflict, it is noted and where appropriate the relevant director absents him or herself for the specific item of business. This process is appropriately minuted.

Explanations for departures from the recommendations

The primary role of the board is the protection and enhancement of long-term shareholder value. The board is accountable to shareholders for the performance of the company. It directs and monitors the business and affairs of the company on behalf of shareholders and is responsible for the company's overall corporate governance.

After due consideration, the company conducts its operations as a listed entity in accordance with the Recommendations, other than in relation to the matters specified:

Recommendation	Notification of Departure	Explanation of Departure
2.1 A majority of the board should be independent directors.	The board does not currently have a majority of independent directors.	Due to the resignation of two independent directors in April 2010 the company no longer has a majority of independent directors. The company's policy is to have a majority of independent directors and is currently seeking suitable candidates to join the board.
2.4 The board should establish a nomination committee.	The board does not have a separate nomination committee.	The board, as a whole, serves as a nomination committee. The board does not believe that any efficiencies or other benefits would be gained by establishing a separate nomination committee. In any event, the board has adopted a Nomination Committee Charter which is equally suited to use by the full board or a sub-committee. Where necessary, the nomination committee seeks advice of independent external advisers in connection with the suitability of applicants for board membership.
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The board has not conducted a formal performance evaluation.	The board recognises the importance of a formal performance evaluation but as because of the size and nature of the company, the board believes that a formal performance evaluation is not required at this point in time. As the company grows and develops it will continue to consider the efficiencies and merits of a formal performance evaluation of the board, its

RMA Energy Limited

Corporate governance statement

		committees and individual directors.
4.1 The board should establish an audit committee.	A separate audit committee has not been formed.	The board considers that the company is not currently of a size, nor are its affairs of such complexity to justify the formation of an audit committee. The board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems.
8.1 The board should establish a remuneration committee.	The board has not formed a separate remuneration committee.	Due to the size and development phase of the company, the board has no formal remuneration committee. All matters pertaining to remuneration are dealt with by the full board taking independent advice if required.

Independent advice

RMA directors may seek external professional advice at the expense of the company on matters relating to their role as directors of RMA. However, they must first request approval from the chairman, which must not unreasonably be withheld. If permission is withheld the matter may be referred to the whole board.

3. Promote ethical and responsible decision-making

The ASX Corporate Governance Council states a company should "Actively promote ethical and responsible decision-making".

Code of Ethics and Conduct

RMA has formally adopted a Code of Ethics and Conduct, which promotes ethical and responsible decision-making by directors and employees. The Code requires high standards of honesty, integrity, fairness and equity in all aspects of employment with RMA. The Code also sets the task for management of delivering shareholder value, with the oversight of the board, through the sustainable and efficient operation of the company.

Education

The executive directors of RMA and company secretary ensure directors and employees of the RMA are informed with respect to corporate governance.

Diversity Policy

RMA is committed to actively manage diversity as a means of enhancing the Company's performance and maximising its corporate goals by recognising the contributions of diverse skills and talent from its employees.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

It is the Board's responsibility and objective to embrace diversity when determining the composition of the Board, senior management and employees. This will allow the Company to draw on a variety of qualifications, skills, experience and diversity of gender to maximise the Company's performance.

To assist with gender diversity, the Board's objectives include:

- Ensuring that there is an appropriate selection criteria when employing new members of staff based on diverse skills and experience. Direct and inferred discrimination will not be utilised and tolerated.
- Professional development programs that are targeted at helping women and men develop skills and experience for advancement to senior management positions.
- Fostering a corporate environment that embraces and values diversity where individual differences are respected and employment opportunities are based on merit, and where inappropriate attitudes and behaviour are not tolerated.
- Management supporting the promotion of talented women and men into leadership roles.

4. Safeguard integrity in financial reporting

The ASX Corporate Governance Council states a company should "Have a structure to independently verify and safeguard the integrity of the company's financial reporting".

RMA believes its practices satisfy this principle.

RMA Energy Limited

Corporate governance statement

RMA has a structured six-monthly reporting process, culminating in board sign-off and release of financial results to the market. The executive directors and chief financial officer provide letters of assurance to the board for each half-year and full-year result. RMA also releases unaudited quarterly cashflow statements to the market. No director has any association, past or present, with RMA's external auditor.

RMA is required to undergo regulatory audits each year in order to provide assurances to the market regulators and RMA shareholders regarding the operational integrity of RMA systems and processes. |

5. Make timely and balanced disclosure

The ASX Corporate Governance Council states a company should "Promote timely and balanced disclosure of all material matters concerning the company".

RMA fulfils its disclosure responsibilities absolutely.

Responsibility for supervision of RMA's compliance with continuous disclosure lies with the board.

The executive director responsible for Investor relations has the authority and responsibility for approving market disclosure, which in practice is exercised in consultation with the company secretary. The board reviews announcements made each month, and considers disclosure obligation in the context of each item of business which comes before it.

RMA considers its disclosed discussion of financial results meets the standards outlines in the ASX Guidelines. This disclosure includes availability of materials on the RMA website and provision of all information necessary for investors to make informed decisions about an investment in RMA Energy Limited's securities.

6. Respect the rights of shareholders

The ASX Corporate Governance Council states a company should "Respect the rights of shareholders and facilitate the effective exercise of those rights".

RMA aims to provide good quality, clear communication with shareholders, using available methods and technologies.

RMA views shareholder meetings as an opportunity for shareholders to meet with and question the board and management of RMA. RMA's external auditor attends the annual general meeting and is available to answer shareholder questions.

RMA's website is a source of information for RMA shareholders and prospective shareholders. RMA places company announcements on the site immediately following confirmation of their release to the market.

Further communication with shareholders occurs with the distribution of the annual report (unless shareholders have chosen not to receive these). Email is also an important method of communication for investors. Key announcements and updates can be received by email where shareholders provide their details to the appointed share registrar.

7. Recognise and manage risk

The ASX Corporate Governance Council states a company should "Establish a sound system of risk and oversight management and internal control".

RMA takes this responsibility seriously and has put in place appropriate procedures for risk management.

The board has responsibility for reviewing the risk management framework and policies within RMA. It receives information from the executive directors on risks and risk containment measures adopted.

Risk is broadly considered as anything which may impede the achievement of effective operation of its business and RMA's strategic goals.

RMA has adopted a policy requiring the executive directors and chief financial officer to state to the board in writing to the best of their knowledge the integrity of the financial statement is founded on a sound system of risk management and internal compliance and control which operates efficiently and effectively in all material respects.

8. Remunerate fairly and responsibly

The ASX Corporate Governance Council states a company should "Ensure the level and composition of remuneration is sufficient and reasonable and its relationship to corporate and individual performance is defined".

The board has put in place a number of measures to implement this principle.

Discussion on the company's remuneration policies of non-executive directors, the executive directors and senior executives of the company and the relationship between such policy and the company's performance is provided in the directors' report on pages 7 to 9.

RMA Energy Limited

ASX additional information

The shareholder information set out below was applicable as at 10 March 2015.

20 largest shareholdings – ordinary shares

The 20 largest registered holders of quoted ordinary shares were:

	Name	Number of Shares	%
1.	CREC RESOURCES (AUST) PTY LTD	1,078,173,341	59.04
2.	GOLDEN CONTINENT LIMITED	225,073,342	12.32
3.	NATIONAL NOMINEES LIMITED	178,712,922	9.79
4.	MS MIN HAO + MR GUOLIANG YANG	141,440,000	7.74
5.	TANG CHENGHUA	80,929,637	4.43
6.	HSBC CUSTODY NOMINEES (AUST) LIMITED	57,623,526	3.16
7.	MR JULIAN PETER SISSON + M/S JULIE MAREE WHITE	10,400,000	0.57
8.	MR WEIRAN ZHU	7,554,327	0.41
9.	MS JING HAN	3,776,360	0.21
10.	MRS SYLVIA MARY MACWHIRTER <NO 2 A/C>	3,500,000	0.19
11.	MS HUI CHEN	3,250,000	0.18
12.	MRS ELIZABETH MCCORMICK	3,000,000	0.16
13.	MR ZHIHONG JACK CHEN	1,468,636	0.08
14.	SYRACUSE CAPITAL PTY LTD <THE TENACITY A/C>	1,280,000	0.07
15.	MR JINBAO GAO	1,180,000	0.06
16.	MR ZHI MING CAI	1,177,250	0.06
17.	MR ZE WEI LIANG	1,100,000	0.06
18.	MRS SADHNA CHAND	1,000,000	0.05
19.	MR KAI DONG	998,000	0.05
20.	MR LONGWEI CHEN	981,557	0.05
		1,802,618,898	98.70

Distribution of Ordinary Shareholders

Shares Range	Holders	Units	%
1 - 1,000	5	2,315	0.00
1,001 - 5,000	36	106,206	0.01
5,001 - 10,000	34	284,550	0.02
10,001 - 100,000	142	5,573,927	0.31
100,001 - 9,999,999,999	78	1,820,324,850	99.66
Total	295	1,826,291,848	100.00

The number of shareholders holding less than a marketable parcel of shares are:

244 10,737,487

Voting rights – ordinary shares

The voting rights attaching to ordinary shares are:

On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Substantial shareholders

The names of substantial shareholders in accordance with section 671B of the *Corporations Act 2001* are:

Name	Number of Shares	%
1. CREC RESOURCES (AUST) PTY LTD	1,078,173,341	59.04
2. GOLDEN CONTINENT LIMITED	225,073,342	12.32
3. NATIONAL NOMINEES LIMITED	178,712,922	9.79
4. MS MIN HAO + MR GUOLIANG YANG	141,440,000	7.74

Restricted securities

The company currently has no restricted securities on issue.

Company's interests in mining tenements

Tenure No.	Holders	Location	Grant Date	Interest Held
EPMs				
EPM 15117	RMA Energy Limited	100km NE of Townsville, Qld.	15/05/06	100%
EPM 15127	RMA Energy Limited	120km NE of Townsville, Qld.	15/05/06	100%
EPM 15128	RMA Energy Limited	120km NE of Townsville, Qld.	15/05/06	100%
EPM 15136	RMA Energy Limited	250km NNW of Mt Isa, Qld.	22/07/09	100%
EPM 18330	RMA Energy Limited	102km W of Townsville, Qld.	19/04/11	100%
EPM 18997	RMA Energy Limited	100km NE of Townsville, Qld	23/05/12	100%
EPM (A) 19736	RMA Energy Limited	100km NE of Townsville, Qld	Pending	Pending
EPCs				
EPC 1000	RMA Energy Limited	20km NW of Emerald, Qld.	31/05/06	100%
EPC 1125	RMA Energy Limited	120km SSE of Blackall, Qld.	18/02/10	100%
EPC 1127	RMA Energy Limited	120km SSE of Blackall, Qld.	19/02/10	100%
EPC 1128	RMA Energy Limited	120km SSE of Blackall, Qld.	19/02/10	100%
EPC 1946	RMA Energy Limited	250km WSW of Brisbane, Qld.	19/06/13	100%
EPC 1942	RMA Energy Limited	120km SSE of Blackall, Qld.	14/01/13	100%