



RMC

Resource Mining Corporation Limited



DECEMBER QUARTERLY REPORT

For the period ended 31 December 2014

- EL1165 tenement renewal confirmed
- Ground Penetrating Radar results received which identified weathering profiles within DSO target areas
- Construction of man – portable diamond drill rig completed and delivered to PNG in January
- Auger core drilling commenced in November with 36 holes completed by late December
- Encouraging results with almost half of the holes intersecting high grade Ni in saprolite material
- First phase of environmental baseline studies completed
- Facility and Note Deed funding arrangements concluded with major shareholder

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Projects:
Papua New Guinea
Wowo Gap: Nickel-Cobalt

Resource Mining Corporation Limited ("RMC") is a Perth-based specialist mineral exploration company aiming to create wealth from mineral commodities using innovative technical, marketing and financial skills as it explores for economic metal deposits in Papua New Guinea ("PNG").

QUARTERLY REPORT

SUMMARY

Wowo Gap Nickel Project

The nickel industry's desire to develop new supplies of direct shipping nickel laterite ore ("**DSO**") remains high as the effects of the Indonesian Government's ore export ban continue to impact existing suppliers.

As announced to the ASX on 24 June 2014, RMC has identified significant high grade DSO exploration targets at Wowo Gap. The company believes that these high grade DSO targets provide the opportunity for Wowo Gap to develop as a viable project involving mining, haulage and shipping to supply the East Asian market.

Site activity has been focussed on preparation for the upcoming exploration activity planned to test the DSO Exploration Target 40 to 60 million tonnes at 1.6% to 1.8% Ni¹.

The previous 2010–2011 auger core drilling program at Wowo Gap Project targeted the upper clayey limonite on a 200m x 200m hole spacing, with hole refusal typically within the lower saprolite ore with a number of holes ended in plus 1.5% Ni material.

The saprolite material lies beneath the limonite ore with the lower portion of the saprolite comprising of an upper Ni enriched clayey saprolite and a lower rocky saprolite comprising of fresh ultramafic rocks and interstitial Ni enriched saprolitic clay. The full saprolitic profile has been penetrated by diamond drilling from 2003 – 2004 and from 2007 – 2008 on an approximate 400m x 400m hole spacing which indicated the high grade Ni clayey saprolitic material to be between 3m and 5m thick.

It is the clayey saprolite that the planned drilling diamond program is focussed on assessing. The geochemistry of the clayey saprolite meets the requirements of the Chinese and Japanese Rotary kiln Electric Arc (RKEF) nickel producers. Completion of the Auger program where approximately 100 additional holes are planned, is dependent upon assay result turnaround as well as actual results. The Auger program is being used as an additional planning tool for the Diamond program and so no specific completion date can be provided. Based on progress to date, a potential completion date is end May. This will be updated as assay results are provided.

Corporate

Funding Agreement

During the quarter, the Company announced that the final repayment date for the Funding Agreement dated July 2014 ("**Funding Agreement**") entered into with the Company's largest shareholder, Sinom (Hong Kong) Limited ("**Sinom**") had been extended to 31 March 2015.

Terms of the Agreement have been detailed in the ASX Announcements dated 31 July 2014 Funding Agreement and 30 October 2014 Repayment Extension and Funding Agreements.

Sinom has provided the Company \$500,000 for general working capital purposes which enables it to continue the assessment and advancement of the Wowo Gap Nickel Laterite Project, as an unsecured loan.

On 31 December 2014, the final repayment date of the \$500,000 provided pursuant to the Funding Agreement of July 2014 was extended from 31 December 2014 to 31 March 2015 (or at an earlier date by mutual agreement between the parties).

¹ Refer ASX announcement dated 24 June 2014

Facility and Note Deed (“Deed”)

During the quarter, on 14 October 2014 the Company announced entering into a Facility and Note Deed with its major shareholder Sinom. Pursuant to the Deed, Sinom agreed to provide a loan facility to the Company, and (subject to shareholder approval), to subscribe for two Convertible Notes with an issue price of \$1 million each.

The key terms of the Convertible Notes are:

- a conversion price of \$0.02;
- the Convertible Note is interest free and unsecured: and
- a maturity date of 2 years after the date of the Deed i.e. 14 October 2016.

RMC shareholders approved the issue of the Convertible Notes at the Annual General Meeting on 26 November 2014 and the Convertible Notes were subscribed for during the quarter.

PAPUA NEW GUINEA

WOWO GAP PROJECT

Site activity has been focussed in preparation for the upcoming exploration activity planned for follow up on the DSO Exploration Target announced to the ASX on 24 June 2014. That announcement disclosed a DSO Exploration Target **40 to 60 million tonnes at 1.6% to 1.8% Ni**, with additional metal credits including 0.07 to 0.15% Co, 0.8 to 1.2% Mn, 2 to 3% Cr₂O₃ and 25 to 35% Fe₂O₃.

The previous 2010 – 2011 auger core drilling program at Wowo Gap Project targeted the upper clayey limonite on a 200m x 200m hole spacing, with hole refusal typically within the lower saprolite ore with a number of holes ended in plus 1.5% Ni material.

Ground Penetrating Radar

In August 2014, a ground penetrating radar (“**GPR**”) survey was successfully completed with over 65 line kilometres at 100 metre line spacings carried out on 4 specific target areas (Figure 1). Results of the GPR survey were received in October which has provided detailed sectional profiles of the base of clay and base of rocky saprolite surfaces (Figure 2).

These surfaces, along with existing drill hole data have been used to plan drill hole locations within areas showing significant clay thickness and promising Ni grades (>1.4% Ni) as interpreted from previous drilling.

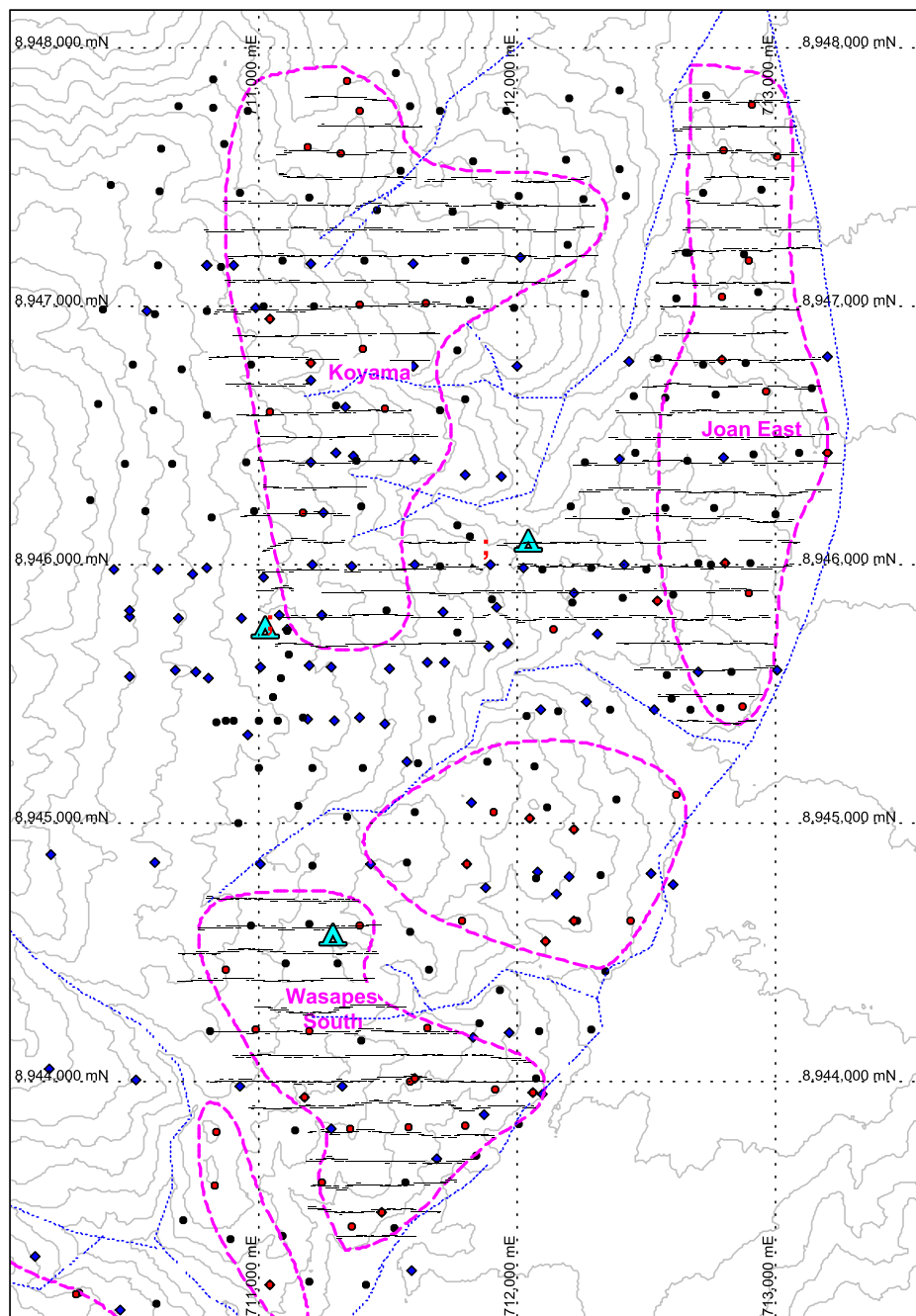


Figure 1: DSO Target Areas with new GPR lines and existing drill holes

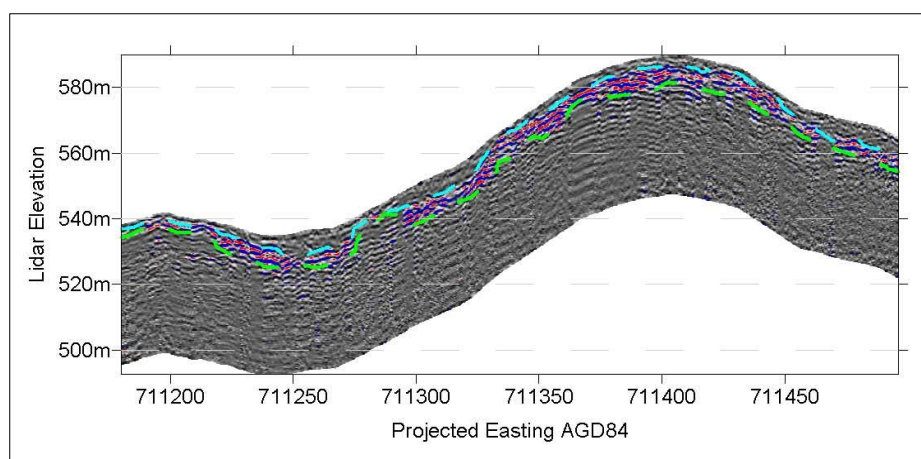


Figure 2: GPR Image showing base of clay (blue) and base of rocky saprolite (green)

Auger Core Drilling

Auger drilling has been planned as an initial phase of drilling targeted at zones of thicker clay as defined by the GPR, and closing the drill pattern into approximately 100m hole spacing along 100m line spacing. The drilling methodology has been modified since previous drilling, (2010/11) which has enabled deeper penetration into the clayey saprolite. Hole depths typically reach bedrock refusal which coincides with the base of the clay zone – top of the rocky saprolite interface.

The auger holes are required to refine the optimal location of the diamond holes within areas considered to have potential DSO grade ($>1.5\%$) saprolite Ni ore.

Auger drilling commenced in late November once sample supplies had arrived from Australia. The drilling commenced at the southern end of Joan East following up high grade Ni ($>1.8\%$) intersected along the Sivai Breccia to the south of previous drilling. Six holes were drilled (WGDH397 – 402) plus a further 21 holes to the north on 100m line spacing along the trend of the structure. Holes were located in areas of thick clay as defined by the GPR profiles (WGDH403 – 428, excluding 420, 422 – 424, 427).

Eleven holes were also drilled in the southern area of Koyama to assist in the location of the diamond drill rig in early 2015 (WGDH420, 422 – 424, 427, 429 - 432). Drilling was suspended in late December for normal Christmas/New Year shut down and recommenced 14 January 2015.

The results announced to the ASX on 27 January 2015 which are shown in Table 1 were encouraging with almost half the holes showing elevated Ni grade within saprolite material at the end of the auger hole. These holes will be followed up with diamond drilling to ensure the full thickness of the laterite profile is penetrated.

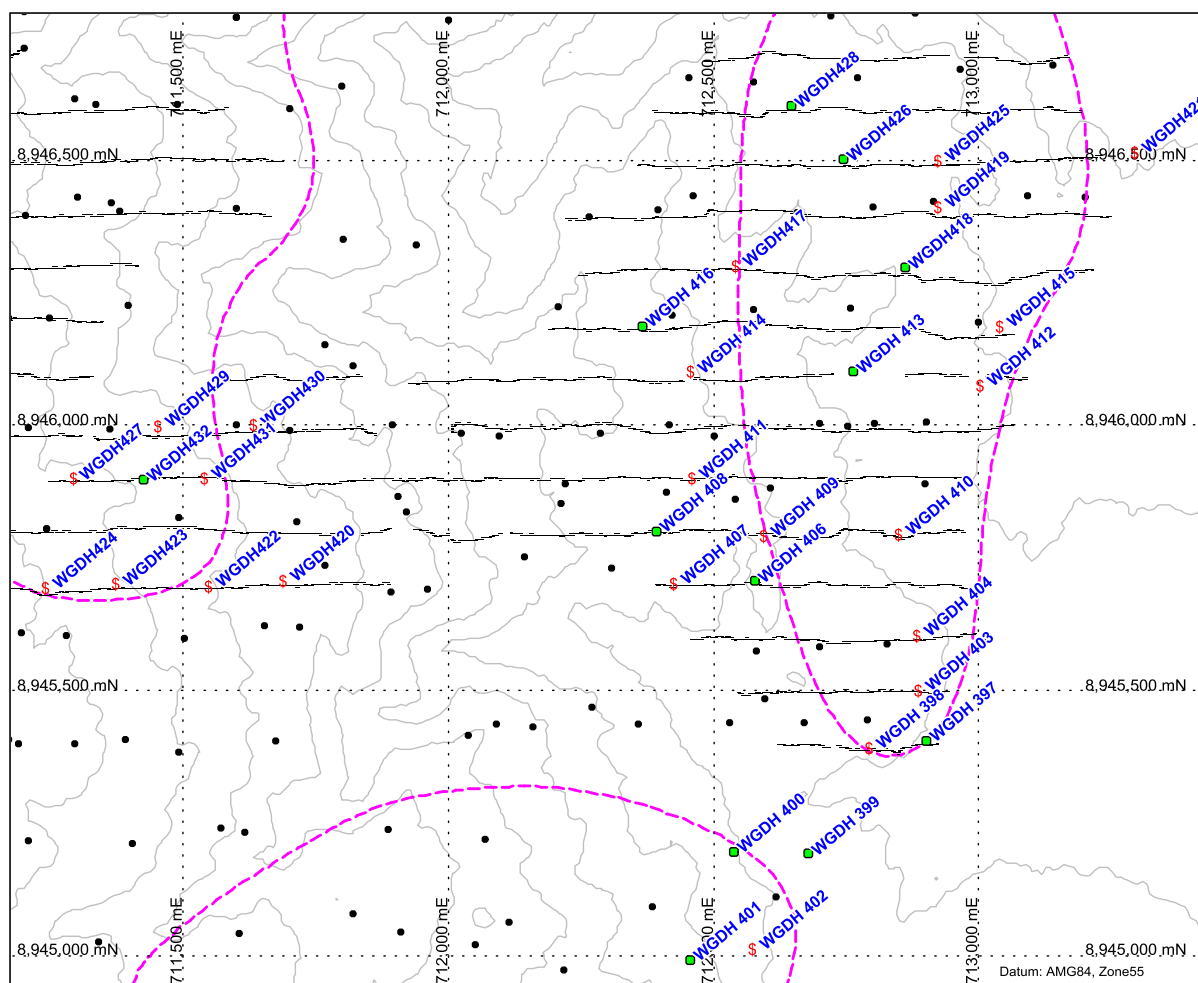


Figure 3: Wowo Gap Project Area showing the 2014 auger drill holes.

Many of the holes drilled within the Joan East area (East > 712,000E) were drilled along the outer perimeter of the main Joan East target area to assist in defining the lateral limits of mineralisation before follow up diamond drilling occurs (Figure 3). A number of holes intersected significant widths of high grade material including 7.8m @ 1.56% Ni within WGDH407, 5.5m @ 1.42% Ni within WGDH419, 6.6m @ 1.99% Ni within WGDH421 and 5.0m @ 1.74% Ni within WGDH425 (refer to Table 1 for detail).

Follow up diamond drilling is required to test the full thickness of the saprolite profile beyond the depth of the auger holes where good Ni grade has been intersected near the end of the auger holes. Based on our experience of the laterite Ni mineralisation at Wowo Gap, we expect higher Ni grades to continue below the depth limit of auger core holes into the lower rocky saprolite horizon.

Table 1: Significant (>1%) Ni Assays

Hole_ID	AMG East	AMG North	RL	Max Depth	Depth from	Depth to	Width	Ni %	Geology
WGDH 397	712900	8945405	402	5.05	2.0	4.7	2.7	1.10	Saprolite
WGDH 398	712801	8945392	419	5.6	4.1	EOH	1.5	1.01	Limonite
WGDH 402	712581	8945012	493	10.3	4.6	7.0	2.4	1.2	Saprolite
WGDH 403	712892	8945500	454	10.9	7.0	9.4	1.4	1.65	Saprolite
WGDH 404	712890	8945603	452	2.8	2.0	EOH	0.8	1.34	Saprolite
WGDH 406	712578	8945706	482	10.3	6.4	8.3	1.9	1.14	Limonite
WGDH 407	712432	8945702	494	12.8	3.4	11.2	7.8	1.56	Saprolite
WGDH 409	712602	8945792	457	5.6	4.0	EOH	1.6	1.42	Saprolite
WGDH 410	712856	8945795	396	3	1.9	EOH	3.0	1.30	Saprolite
WGDH 411	712466	8945900	469	9.6	8.0	EOH	1.6	1.07	Limonite
WGDH 412	713009	8946076	399	12.6	9.0	EOH	3.6	1.48	Limonite
WGDH 414	712464	8946100	470	4	1.0	2.0	1.0	1.61	Saprolite
WGDH 415	713048	8946186	373	3.15	1.0	EOH	2.2	1.89	Saprolite
WGDH417	712548	8946300	417	9	8.0	EOH	1.0	1.03	Saprolite
WGDH418	712861	8946296	435	4.5	3.0	4.0	1.0	1.00	Saprolite
WGDH419	712929	8946412	359	7.85	4.0	EOH	5.5	1.42	Saprolite
WGDH420	711695	8945707	686	11.85	3.0	EOH	8.9	1.51	Saprolite
WGDH421	713302	8946515	332	7	1.0	EOH	6.0	1.99	Limonite
WGDH422	711554	8945696	722	10.9	8.0	10.0	2.0	1.2	Limonite
WGDH423	711380	8945700	776	6.1	5.0	EOH	1.1	1.38	Saprolite
WGDH424	711248	8945694	798	12.25	9.6	EOH	2.7	1.15	Saprolite
WGDH425	712930	8946500	383	14.75	7.0	12.0	5.0	1.74	Saprolite
WGDH426	712744	8946501	399	7.9	6.0	7.0	1.0	1.07	Saprolite
WGDH427	711299	8945899	780	10.4	9.0	EOH	1.4	1.12	Saprolite
WGDH429	711459	8945998	726	8.8	8.0	EOH	0.8	1.26	Saprolite
WGDH430	711640	8946000	675	8	7.0	EOH	1.0	1.26	Saprolite
WGDH431	711548	8945900	732	6.9	6.4	EOH	0.5	1	Saprolite

Note: EOH = end of hole.

Auger drilling which recommenced on the 14th January 2015 in the southern area of Koyama and is now working towards the north on 100 metre spaced lines.

Diamond Drill Rig

As the RMC Auger core rigs which were used in the 2010 to 2011 drill programs were not able to penetrate the lower clayey saprolite or the rocky saprolite, a new diamond drill rig has been custom built by EVH Pty Ltd in Perth.

The rig, together with all tooling and other drilling consumables was shipped to Port Moresby on the 19th December. The equipment has since been cleared by PNG customs and is being progressively delivered to site. Final delivery of all equipment is scheduled for end of January with diamond drilling planned to commence in February.

Whilst the Diamond drilling program is currently targeting approximately 100 holes, until drilling commences and drill productivity is available, no specific advice as to a completion date can be provided.

Environmental Baseline Surveys

Advice has been sought on the Baseline Environmental Monitoring Program requirements and the Baseline Social Monitoring Program requirements.

The key requirements for the Baseline Environmental Monitoring Program are water quality and flora and fauna biodiversity.

The collection of rainfall, stream and river discharge data in and downstream of the project area has commenced, with the establishment of all primary monitoring points and preliminary site reports describing pH, temperature, conductivity, dissolved oxygen and an estimate of stream flow having been completed.

Social Mapping Surveys

Another important aspect of the Baseline Environmental Monitoring Program are: a socio-economic study, a detailed household survey, and a detailed genealogy and landownership study.

Existing information, together with that collected from the investigations will be used to develop an understanding of the existing social and potential impacts that the project may have on the environment.

This information will then be used to identify potential impacts and develop mitigation strategies and, assuming the successful implementation of these strategies, the residual impacts, all of which will be described in the environmental permitting reports.

Work is currently underway processing the social mapping activities which include genealogy studies, land owner boundary identification, village and household census surveys and should be largely completed in the first quarter 2015.

Tenements

As part of the overall planning for potential future development, a new tenement application was lodged in the prior quarter for an area north east of the project (ELA2337).

A decision was made to relinquish tenement EL1979 and was advised in the prior Quarter.. The relinquishment of this tenement is based on patchy, non-continuous mineralisation as well as very significant topographical challenges. For future development, the high grade sections of EL1165 and a portion of EL1980 are viewed as more prospective and accessible development options.

Warden's Court Hearings were held on the 17 December 2014 for:

- a) Renewal of EL1980; and
- b) Application of ELA2337

These hearings were conducted in three villages (Embessa, Obea and Wanigela) during the course of the day.

Warden's Court Hearings provide an opportunity for local landowners to express views relevant to the renewal and granting of tenements. Hearings were well attended and were conducted in an overall positive manner by the attendees. The Warden will now submit his report and recommendations to the MRA. Once submitted, the MRA personnel will review the report and make a recommendation to the Mining Advisory Council, (MAC).

The MAC meet monthly to review applications for new tenements as well as renewals. Following the MAC review, the MAC makes a recommendation to the Mines Minister who finally signs off on grant or rejection of the relevant application. The process takes between 6 to 9 months. Consequently, RMC does not expect to receive formal notification of the results of renewal application for EL1980 or grant of ELA2337 until May 2015 at the earliest.



W J Davies
Managing Director
Dated 30th day of January 2015

Competent Person Statement

The information in this Report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mark Hill, A Competent Person who is a Member of the Australian Institute of Geologists. Mark Hill is an employee of Exman Consultancy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mark Hill consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

SCHEDULE OF TENEMENTS AS AT 31st December 2014

Tenement	Tenement No.	RMC Interest
Wowo Gap	EL1165	100%
Didiana	EL1980	100%
Wanigela	ELA2337	100%