



RESOURCE MINING CORPORATION LIMITED

ABN 97 008 045 083

FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2014

Resource Mining Corporation Limited
Half-year Ended 31 December 2014

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Resource Mining Corporation Limited

Corporate Directory

ABN	97 008 045 083
Directors	William (Bill) Mackenzie (Non-Executive Chairman) Warwick Davies (Managing Director) Zhang Chi (Andy) (Non-Executive Director)
Company Secretary	Ann Hadden
Registered Office	702 Murray Street WEST PERTH, WESTERN AUSTRALIA 6005
Principal Place of Business	702 Murray Street WEST PERTH, WESTERN AUSTRALIA 6005 Telephone: +61 8 9213 9400 Facsimile: +61 8 9213 9444 Website: www.resmin.com.au
Share Registry	Computershare Investor Services Pty Ltd Level 2, Reserve Bank Building 45 St Georges Terrace PERTH, WESTERN AUSTRALIA 6000 Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street SUBIACO, WESTERN AUSTRALIA 6008 Telephone: +61 8 6382 4600 Facsimile: +61 8 6382 6401
Bankers	Westpac Bank 116 James Street NORTHBRIDGE, WESTERN AUSTRALIA 6000
Securities Exchange Listing	Resource Mining Corporation Limited shares are listed on the Australian Securities Exchange (Home Exchange – Perth) ASX Code: Shares RMI

Resource Mining Corporation Limited

Half Year Directors' Report

December 2014

The Directors present the financial report of the consolidated entity, consisting of Resource Mining Corporation Limited (“**RMC**”) and its controlled entities (“**Group**”), for the half-year ended 31 December 2014.

HIGHLIGHTS

Your Company’s management focussed on the assessment of the Wowo Gap Project to supply direct shipping nickel laterite ore (“**DSO**”) to the Chinese nickel market. Achievements during the half year include:

- EL1165 tenement renewal confirmed.
- Ground Penetrating Radar results received which identified material type profiles within DSO target areas.
- Construction of man - portable diamond drill rig completed and delivered to PNG in January 2015.
- 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.

DIRECTORS

The names of the Company’s directors in office during the half-year and until the date of this report are as below. Directors were in the office for the entire period unless otherwise stated.

William (Bill) Mackenzie	Non-Executive Chairman
Warwick Davies	Managing Director
Zhang Chi (Andy)	Non-Executive Director

COMPANY REVIEW

REVIEW OF OPERATIONS

Wowo Gap Nickel Project

The major focus of Resource Mining Corporation remains on the development of its wholly owned Wowo Gap Project located 200 kilometres from the PNG capital of Port Moresby.

The nickel industry’s desire to develop new supplies of DSO remains high as the effects of the Indonesian Government’s ore export ban continue to impact existing suppliers.

As announced to the ASX 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.

Resource Mining Corporation Limited

Half Year Directors' Report (continued)

December 2014

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

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. The Auger program is being used as an additional planning tool to support the Diamond drilling program. Completion of approximately 100 additional planned holes is dependent upon assay results and analysis turnaround.

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 3 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 or 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.

**Resource Mining Corporation Limited
Half Year Directors' Report (continued)
December 2014**

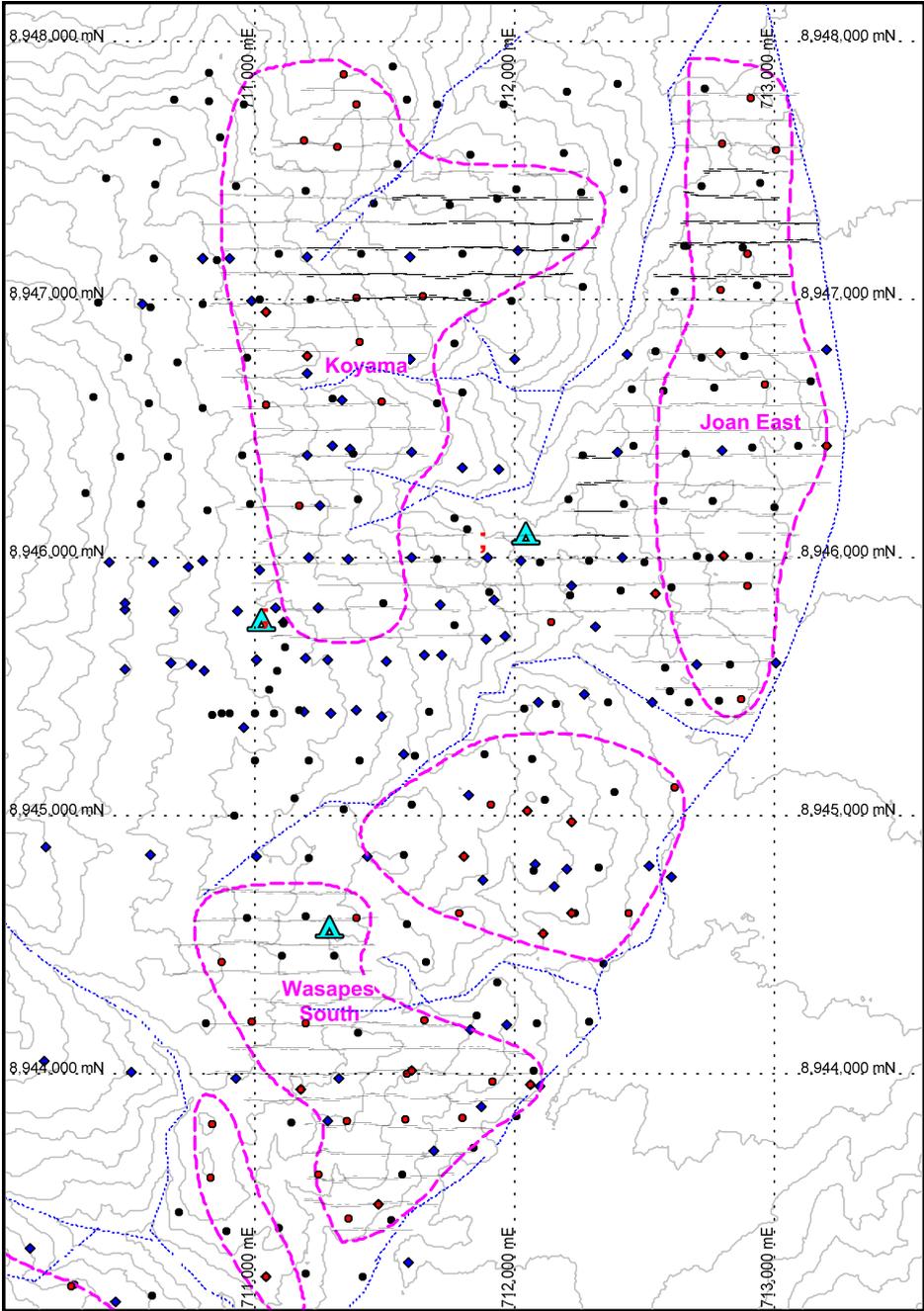


Figure 1: DSO Target Areas with new GPR lines and existing drill holes

**Resource Mining Corporation Limited
Half Year Directors' Report (continued)
December 2014**

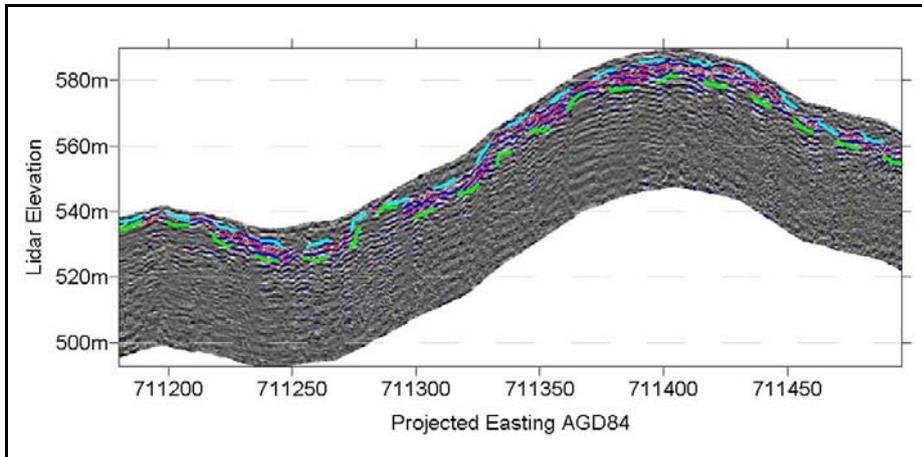


Figure 2: GPR Image showing base of clay (blue) and base of rocky saprolite (green)

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, as well as 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 i.e. top of the rocky saprolite interface.

The auger holes are planned 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. 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 also 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 clayey laterite profile is penetrated.

**Resource Mining Corporation Limited
Half Year Directors' Report (continued)
December 2014**

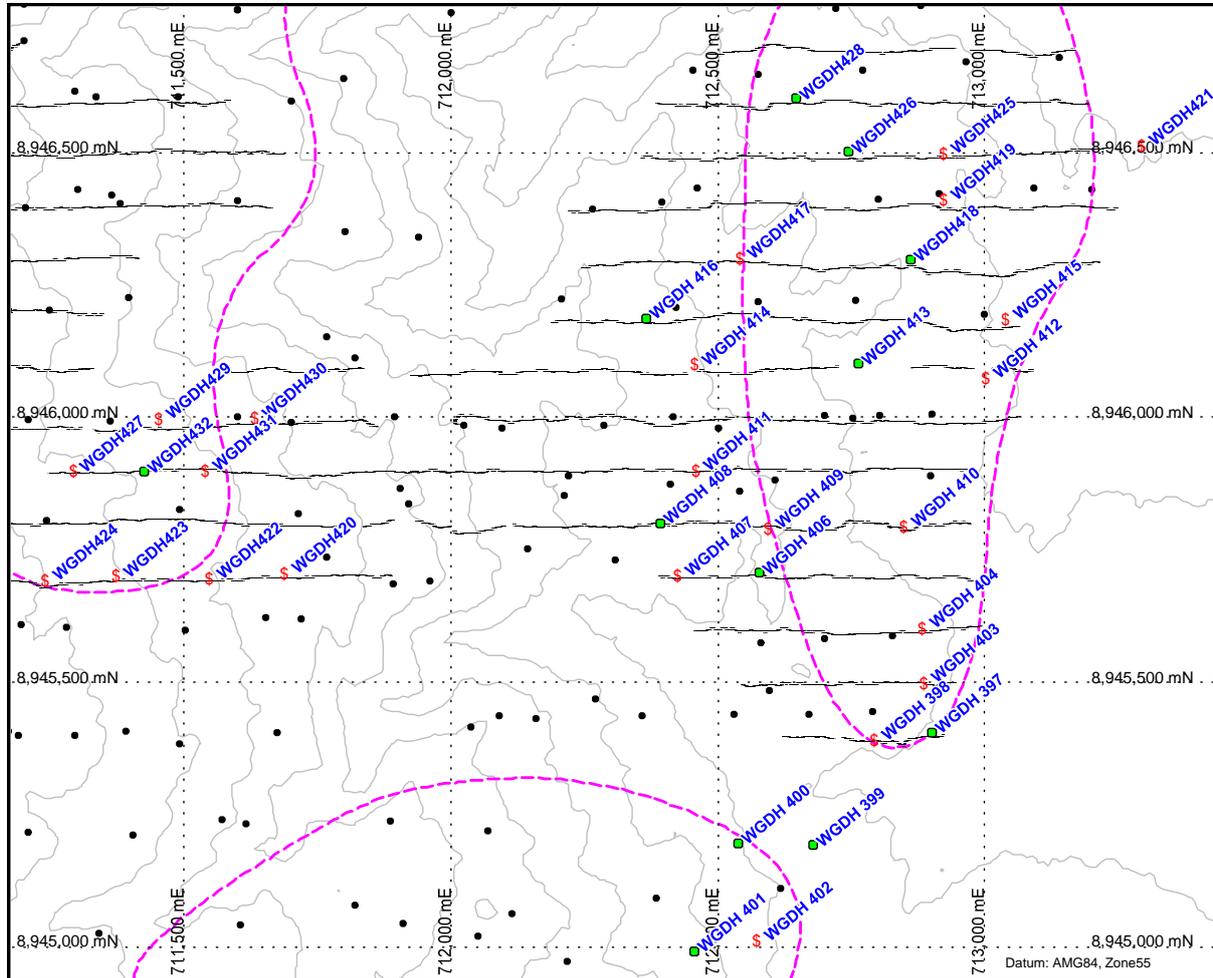


Figure 3: Wowo Gap Project Area showing the 2014 auger drill holes.

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) extending the area of mineralisation.

Follow up diamond drilling is necessary 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 Company experience of the laterite Ni mineralisation at Wowo Gap, higher Ni grades are expected to continue below the depth limit of auger core holes into the lower rocky saprolite horizon.

**Resource Mining Corporation Limited
Half Year Directors' Report (continued)
December 2014**

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.

Diamond Drill Rig

A new diamond drill rig has been custom built by EVH Pty Ltd in Perth for drilling the saprolitic clay.

The rig, together with all tooling and other drilling consumables, was shipped to Port Moresby on 19 December 2014 and has been delivered to site with diamond drilling commencing in late January 2015

Resource Mining Corporation Limited

Half Year Directors' Report (continued)

December 2014

Environmental Baseline Surveys

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

Based on this advice, 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 water quality information plus an estimate of stream flow having been completed.

Social Mapping Surveys

Important aspects 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 is being 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

EL1165 was successfully renewed during the half year. This renewal confirms RMC's tenure to the Company's most significant asset.

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

During the period, a decision was made to relinquish tenement EL1979. The relinquishment of this tenement was 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 the most prospective and accessible development options.

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

- Renewal of EL1980; and
- Application of ELA2337

The Mining Advisory Council ("**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.

Resource Mining Corporation Limited

Half Year Directors' Report (continued)

December 2014

CORPORATE

Funding Agreement

During the period, 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).

Facility and Note Deed ("**Deed**")

During the period, 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 period.

MATTERS SUBSEQUENT TO 31 DECEMBER 2014

Subsequent to period end, the Company received conversion requests from RMIO option holders totalling 208,242,348 RMIO options, raising a total of \$1,249,454. The remaining 17,924,192 options have lapsed and have expired without conversion.

Furthermore, on 18 February 2015, the unsecured loan of \$500,000 with Sinom was repaid in full.

Other than the matters above, there has not been any material event subsequent to the end of the reporting date and the date of this half year financial report that has not been recognised in this financial report.

RESULT

The operating result for the half-year ended 31 December 2014 was a loss after income tax of \$446,822 (2013: \$469,225 loss).

Resource Mining Corporation Limited Half Year Directors' Report (continued) December 2014

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included in this half-year financial report.

Signed in accordance with a resolution of the Board of Directors.



William (Bill) Mackenzie
Chairman

Signed on the 13 March 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.

Resource Mining Corporation Limited
Consolidated Statement of Profit or Loss and Other Comprehensive
Income
for the half-year ended 31 December 2014

	Note	2014 \$	2013 \$
Revenue		2,807	25,327
Corporate expenses		(154,498)	(128,417)
Employee & consultant fees		(277,355)	(174,383)
Administration & other expenses		(142,555)	(94,430)
Finance costs		(510)	-
Depreciation		(2,698)	(3,408)
Exploration expenditure		(41,511)	(13,656)
Impairment expenses		-	(8,295)
Research & development expenditure		-	(71,963)
LOSS BEFORE INCOME TAX		(616,320)	(469,225)
INCOME TAX BENEFIT	3	169,498	-
NET LOSS AFTER INCOME TAX FOR THE PERIOD		(446,822)	(469,225)
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that may be reclassified subsequently to profit or loss			
Exchange translation difference		946,973	(960,344)
OTHER COMPREHENSIVE INCOME / (LOSS) NET OF TAXES		946,973	(960,344)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		500,151	(1,429,569)
LOSS PER SHARE FOR THE HALF YEAR ATTRIBUTABLE TO MEMBERS OF RESOURCE MINING CORPORATION LIMITED			
Basic and diluted loss per share (cents per share)		(0.02)	(0.02)

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

Resource Mining Corporation Limited
Consolidated Statement of Financial Position
As at 31 December 2014

	Note	31 December 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		947,454	184,771
Trade and other current assets		133,632	72,182
Total Current Assets		1,081,086	256,953
NON-CURRENT ASSETS			
Plant and equipment		242,039	52,879
Mineral exploration and evaluation expenditure	4	12,490,320	10,419,661
Total Non-Current Assets		12,732,359	10,472,540
TOTAL ASSETS		13,813,445	10,729,493
CURRENT LIABILITIES			
Trade and other payables		275,809	144,620
Provisions		308,173	291,298
Interest bearing liability		39,650	-
Non-interest bearing liabilities	5	500,000	-
Total Current Liabilities		1,123,632	435,918
NON-CURRENT LIABILITIES			
Provisions		15,229	15,689
Non-interest bearing liabilities	5	1,432,429	-
Total Non-Current Liabilities		1,447,658	15,689
TOTAL LIABILITIES		2,571,290	451,607
NET ASSETS		11,242,155	10,277,886
EQUITY			
Issued capital	6	62,010,870	61,942,247
Accumulated losses		(52,657,840)	(52,211,018)
Reserves	7	1,889,125	546,657
TOTAL EQUITY		11,242,155	10,277,886

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

Resource Mining Corporation Limited
Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2014

	Note	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Convertible Notes Reserve	Total
		\$	\$	\$	\$	\$
6 Months to December 2014						
Balance at 1 July 2014		61,942,247	(52,211,018)	546,657	-	10,277,886
Loss for the period		-	(446,822)	-	-	(446,822)
Other comprehensive income for the period		-	-	946,973	-	946,973
Total comprehensive income/(loss) for the period		-	(446,822)	946,973	-	500,151
Equity component of Convertible Notes		-	-	-	564,993	564,993
Deferred tax on Convertible Notes		-	-	-	(169,498)	(169,498)
Transactions with owners in their capacity as owners						
Shares issued during the period		68,623	-	-	-	68,623
Balance at 31 December 2014		62,010,870	(52,657,840)	1,493,630	395,495	11,242,155

	Note	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Convertible Notes Reserve	Total
		\$	\$	\$	\$	\$
6 Months to December 2013						
Balance at 1 July 2013		61,942,247	(50,713,919)	1,714,079	-	12,942,407
Loss for the period		-	(469,225)	-	-	(469,225)
Other comprehensive loss for the period		-	-	(960,344)	-	(960,344)
Total comprehensive loss for the period		-	(469,225)	(960,344)	-	(1,429,569)
Transactions with owners in their capacity as owners						
Balance at 31 December 2013		61,942,247	(51,183,144)	753,735	-	11,512,838

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

Resource Mining Corporation Limited
Consolidated Statement of Cash Flows
for the half-year ended 31 December 2014

	31 December 2014 \$	31 December 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(428,361)	(466,505)
Interest income received	959	26,698
Other income received	1,877	3,537
Research and development tax concession	-	123,599
Research and development expenditure	-	(117,887)
Government Grant	-	55,000
Interest charges paid	(901)	(438)
Net Cash Utilised In Operating Activities	(426,426)	(375,996)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(194,615)	(1,777)
Payments for exploration expenditure	(1,117,728)	(406,928)
Proceeds from sale of tenements	-	10,000
Net Cash Utilised In Investing Activities	(1,312,343)	(398,705)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues	68	-
Proceeds from borrowings	2,500,000	-
Repayment of borrowings	-	(16,741)
Net Cash From/(Utilised In) Financing Activities	2,500,068	(16,741)
Net increase/(decrease) in cash and cash equivalents	761,299	(791,442)
Cash and cash equivalents at beginning of the period	184,771	1,730,283
Effect of exchange rate changes on cash and cash equivalents	1,384	(12,075)
Cash and cash equivalents at the end of the period	947,454	926,766

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

Resource Mining Corporation Limited

Notes to the Half-Year Consolidated Financial Statements

for the half-year ended 31 December 2014

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This general purpose condensed financial report for the half year ended 31 December 2014 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Resource Mining Corporation Limited and its controlled entities (the “**Group**”) as the annual financial report.

It is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2014 and considered together with any public announcements made by RMC since that time in accordance with the continuous disclosure obligations of the ASX Listing Rules.

Changes in Accounting Policies

From 1 July 2014, the Group has adopted all the Standards and Interpretations mandatory for annual periods beginning on 1 July 2014. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new Standards or Interpretations. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2014.

Going Concern

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

The Group has incurred a net loss after tax of \$446,822 (2013: \$469,225) and experienced net cash outflows from operations of \$426,426 (2013: \$375,996) for the half-year ended 31 December 2014.

The Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the existing balance of cash on hand of \$947,454 at 31 December 2014, and the Group’s history of successful capital raising to date, the Directors are confident of the Group’s ability to raise additional funds as required and to meet the expenditure commitments of tenement leases held.

Notwithstanding the above, the ability of the Group to continue as a going concern is dependent upon the future successful raising of funding through equity or other available forms.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the company be unable to continue as a going concern.

The consolidated half year report was approved by the Board of Directors on 13 March 2015.

Resource Mining Corporation Limited

Notes to the Half-Year Consolidated Financial Statements

for the half-year ended 31 December 2014

NOTE 2 SEGMENT INFORMATION

For management purposes, the Consolidated Entity has one segment which is exploration activities relating to minerals and the exploration in 2 countries; Papua New Guinea and Australia.

For the 6 months ended 31 December 2014:

	Exploration		Unallocated	Total
	Papua New Guinea	Australia		
	\$	\$	\$	\$
Segment revenue from external customers	-	-	-	-
Revenue from external customers	542	-	2,265	2,807
Total revenue from external customers	542	-	2,265	2,807
Reportable segment loss before income tax	(65,611)	-	-	(65,611)
Corporate costs (net)	-	-	(553,516)	(553,516)
Loss before income tax	(65,069)	-	(551,251)	(616,320)

As at 31 December 2014

Segment assets	12,748,267	-	-	12,748,267
Cash and cash equivalents	18,602	-	928,852	947,454
Other assets	-	-	117,724	117,724
Total assets	12,766,869	-	1,046,576	13,813,445
Segment liabilities	107,674	-	-	107,674
Other liabilities	-	-	2,463,616	2,463,616
Total liabilities	107,674	-	2,463,616	2,571,290

For the 6 months ended 31 December 2013:

	Exploration		Unallocated	Total
	Papua New Guinea	Australia		
	\$	\$	\$	\$
Segment revenue from external customers	-	-	-	-
Revenue from external customers	615	-	24,712	25,327
Total revenue from external customers	615	-	24,712	25,327
Reportable segment loss before income tax	(43,050)	(9,471)	-	(52,521)
Corporate costs (net)	-	-	(370,068)	(370,068)
Research & development expenditure	-	-	(71,963)	(71,963)
Loss before income tax	(42,435)	(9,471)	(417,319)	(469,225)

As at 30 June 2014

Segment assets	10,467,059	-	-	10,467,059
Cash and cash equivalents	52,384	-	132,387	184,771
Other assets	-	-	77,663	77,663
Total assets	10,519,443	-	210,050	10,729,493
Segment liabilities	49,274	-	-	49,274
Other liabilities	-	-	402,333	402,333
Total liabilities	49,274	-	402,333	451,607

Resource Mining Corporation Limited
Notes to the Half-Year Consolidated Financial Statements
for the half-year ended 31 December 2014

NOTE 3 INCOME TAX BENEFIT

	31 December 2014 \$ (6 Months)	31 December 2013 \$ (6 Months)
Deferred income tax benefit (Note 7(b))	169,498	-

Deferred income tax benefit comprises the recognition of a deferred tax asset, to the extent of the deferred tax liability arising on the recognition of the equity component of the convertible notes.

NOTE 4 MINERAL EXPLORATION AND EVALUATION

	31 December 2014 \$	30 June 2013 \$
At cost less impairment brought forward	10,419,661	11,190,189
Foreign exchange adjustment	952,931	(1,144,129)
Expenditure during the period	1,117,728	734,661
Exploration expenditure written off	-	(311,060)
Government Grant	-	(50,000)
At cost less impairment carried forward	12,490,320	10,419,661

The ultimate recoupment of exploration expenditure carried forward is dependent upon successful development and commercial exploration, or sale of the respective areas.

WOWO Gap Project – EL1165 Renewal

EL 1165, the exploration licence for the tenement with a carrying value of \$12,431,374 (2013: \$10,204,206) was renewed for a further 2 years effective from 1 March 2014.

NOTE 5 NON INTEREST BEARING LIABILITIES

<u>Current Liabilities</u>		
Unsecured loan	500,000	-
<u>Non Current Liabilities</u>		
Convertible notes	1,432,429	-

Resource Mining Corporation Limited

Notes to the Half-Year Consolidated Financial Statements

for the half-year ended 31 December 2014

Unsecured loan

On 31 July 2014, the Company announced entering into a Funding Agreement (“**Agreement**”) with its major shareholder Sinom (Hong Kong) Limited (“**Sinom**”). Under the terms of the Agreement, Sinom has agreed to provide the Company up to \$500,000 for general working capital purposes as an unsecured loan on the following conditions:

- Drawings
 - Tranche 1 – \$300,000 drawn down 29 July 2014;
 - Subsequent Tranche – \$200,000 drawn down 26 August 2014;
- no interest is payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 October 2014.

On 31 December 2014, the final repayment date of the \$500,000 provided pursuant to the Funding Agreement of July 2014 was extended to 31 March 2015 (or at an earlier date by mutual agreement between the parties). Subsequent to period end, on 18 February 2015 the loan was repaid in full.

Convertible notes

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 period.

Accounting standards require the separate recognition of debt and equity components of the convertible notes.

At the date of recognition of the new notes, the debt and equity components of the convertible notes were separated according to their fair values. Total proceeds of the issue were allocated to the respective fair values of the equity and debt components with the effect that the discount on the debt component is being amortised into earnings as an interest expense.

Accordingly, over the term of the convertible notes, the debt component will increase to the face value of \$2 million at the maturity date of 14 October 2016. The increase in the debt component is accounted for by recognising a non-cash interest expense reflecting an effective interest rate of approximately 19% over the life of the note.

No interest is payable to the note holder.

NOTE 6 CONTRIBUTED EQUITY

	31 December 2014 No.	30 June 2014 No.	31 December 2014 \$	30 June 2014 \$
Issued and fully paid	2,737,310,020	2,714,387,147	62,010,870	61,942,247

Resource Mining Corporation Limited

Notes to the Half-Year Consolidated Financial Statements

for the half-year ended 31 December 2014

Movement in ordinary share capital of the Company:

Date	Details	Number of Shares	Issue Price	Value
		No	Cents	\$
01/07/2013	Opening Balance	2,714,387,147		61,942,247
	No activity during the year			
30/06/2014	Closing Balance	2,714,387,147		61,942,247
	Issue of shares (i)	11,365	0.6	68
	Issue of shares (ii)	22,911,508	0.3	68,555
31/12/2014	Closing Balance	2,737,310,020		62,010,870

- (i) The following shares were issued upon conversion of share options:
- On 19 November 2014, 11,365 ordinary shares were issued at \$0.006 per share upon the conversion of share options.
- (ii) The following shares were issued in satisfaction of non-executive director fees / fees as approved by the shareholders at the Annual General Meeting on 26 November 2014:
- On 9 December 2014, 19,106,333 shares were issued in satisfaction of the \$57,139 fees payable to Fairstone Holdings Pty Ltd for Mr Warwick Davies services as Managing Director for the period 1 July 2014 - 30 September 2014.
 - On 16 December 2014, 3,805,175 shares were issued in satisfaction of the \$11,415 non-executive directors fees payable to the Chairman, William Mackenzie for the period 1 July 2014 - 30 September 2014.

Listed options on issue at 31 December 2014

226,166,540 listed options remain on issue exercisable at \$0.006 on or before 31 January 2015. Subsequent to year end, a further 208,242,348 options were exercised. The remaining 17,924,192 options have lapsed and have expired without conversion.

NOTE 7 RESERVES

		31 December 2014 \$	30 June 2014 \$
Foreign Currency Reserve	(a)	1,493,630	546,657
Convertible Notes Reserve	(b)	395,495	-
TOTAL RESERVES		1,889,125	546,657

(a) Foreign Currency Translation Reserve

	31 December 2014 \$	30 June 2014 \$
Balance at the beginning of the reporting period	546,657	1,714,079
Currency translation differences arising during the period	946,973	(1,167,422)
Balance at the end of the reporting period	1,493,630	546,657

The foreign currency translation reserve is used to record exchange differences arising on translation of the Group entities that do not have a functional currency of Australian dollars and have been translated into Australian dollars for presentation purposes.

Resource Mining Corporation Limited
Notes to the Half-Year Consolidated Financial Statements
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(b) Convertible Note Reserve

	31 December 2014 \$	30 June 2014 \$
Balance at the beginning of the reporting period	-	-
Equity portion of the convertible note	564,993	-
Deferred tax on the convertible note	(169,498)	-
Balance at the end of the reporting period	395,495	-

The convertible note reserve records the equity portion of the convertible notes as described in Note 5.

NOTE 8 DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

NOTE 9 COMMITMENTS

There has been no material change to the Group's commitments to what was disclosed in the 30 June 2014 financial statements.

NOTE 10 CONTINGENCIES

Contingent Asset

Resource Mining Corporation Limited and its controlled entities do not have a known material contingent asset, as at 31 December 2014.

Contingent Liability

Resource Mining Corporation Limited and its controlled entities do not have a known material contingent liability, as at 31 December 2014.

NOTE 11 RELATED PARTIES

Transactions with related entities:

The following table provides the total amount of transactions which have been entered into with related parties during the six months ended 31 December 2014 and 31 December 2013 as well as balances with related parties as at 31 December 2014 and 30 June 2014.

	31 December 2014 \$ (6 Months)	31 December 2013 \$ (6 Months)
Key Management Personnel of the Group		
Non-executive Directors fees ^{i(a)}	25,000	-
Salary and fees ^{i(b)}	94,920	94,311
	119,920	94,311

Resource Mining Corporation Limited
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- (i) The following shares were issued in satisfaction of non-executive director fees / fees as approved by the shareholders at the Annual General Meeting on 26 November 2014:
- On 16 December 2014, 3,805,175 shares were issued in satisfaction of the \$11,415 non-executive director fees payable to the Chairman, William Mackenzie for the period 1 July 2014 - 30 September 2014.
 - On 9 December 2014, 19,106,333 shares were issued in satisfaction of the \$57,139 fees payable to Fairstone Holdings Pty Ltd for Mr Warwick Davies services as Managing Director for the period 1 July 2014 - 30 September 2014.

	31 December 2014 \$	30 June 2014 \$
Related parties		
<i>Sinom (Hong Kong) Limited</i>¹		
Non-interest bearing liabilities (refer Note 5)	1,932,429	-

1. Non-Executive Director Mr Zhang Chi is the Managing Director of Sinom (Hong Kong) Limited.

NOTE 12 FAIR VALUE FINANCIAL INSTRUMENTS

Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of other financial instruments

The carrying value and net fair values of financial assets and liabilities at balance date are:

	31 December 2014		30 June 2014	
	Carrying Amount \$	Net fair Value \$	Carrying Amount \$	Net fair Value \$
Financial assets				
Trade and other current assets	133,632	133,632	72,182	72,182
Total current	133,632	133,632	72,182	72,182
Total	133,632	133,632	72,182	72,182
Financial liabilities				
Non-interest bearing liabilities	1,432,429	1,432,429	-	-
Total non-current	1,432,429	1,432,429	-	-
Trade and other payables	275,809	275,809	144,620	144,620
Interest bearing liabilities	39,650	39,650	-	-
Non-interest bearing liabilities	500,000	500,000	-	-
Total current	815,459	815,459	144,620	144,620
Total	2,247,888	2,247,888	144,620	144,620

Resource Mining Corporation Limited

Notes to the Half-Year Consolidated Financial Statements

for the half-year ended 31 December 2014

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Management assessed that cash and short-term deposits, trade receivables, other current receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2014, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.
- The fair value of the convertible notes has been determined by discounting the cash-flows over the term of the facility, being the coupon interest and principal repayable on maturity, using a market interest rate for a similar instrument that does not have the conversion feature.

NOTE 13 EVENTS SUBSEQUENT TO REPORTING PERIOD

Subsequent to period end, the Company received conversion requests from RMIO option holders totalling 208,242,348 RMIO options, raising a total of \$1,249,454. The remaining 17,924,192 options have lapsed and have expired without conversion.

Furthermore, on 18 February 2015, the unsecured loan of \$500,000 with Sinom was settled in full.

Other than the matters above, there has not been any material event subsequent to the end of the reporting date and the date of this half year financial report that has not been recognised in this financial report.

DIRECTORS' DECLARATION

The directors of Resource Mining Corporation Limited declare that:

- 1) The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - (a) comply with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
 - (b) give a true and fair view of the Group's financial position as at 31 December 2014 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the half-year ended 31 December 2014.
- 2) At the date of this declaration there are reasonable grounds to believe that Resource Mining Corporation Limited will be able to pay its debts when they become due and payable.

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



William (Bill) Mackenzie
Chairman

Dated 13 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Resource Mining Corporation Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Resource Mining Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Resource Mining Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding. This condition, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, consisting of the letters 'BDO' above the name 'J Prue'.

Jarrad Prue

Director

Perth, 13 March 2015

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF RESOURCE MINING CORPORATION LIMITED

As lead auditor for the review of Resource Mining Corporation Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Resource Mining Corporation Limited and the entities it controlled during the period.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 13 March 2015