



# RIMC

Resource Mining Corporation Limited



## JUNE QUARTERLY REPORT

For the period ended 30 June 2016

### Resource Mining Corporation Limited ("RMC" or "Company")

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Project:  
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

### Corporate

During this quarter, activities were limited to the preservation of the company's Wowo Gap Project Nickel Laterite Project ("the Project"). This involved the continuation of limited site activities to secure and preserve the Project tenements and tangible assets.

### Finance

The Company secured additional funding from RMC's largest shareholder, Sinom (Hong Kong) Limited, on the same terms and conditions as previous funding.

As announced to the ASX on 30 June 2016, under the terms a new Loan Agreement, Sinom has agreed to provide the Company an amount of up to \$500,000 for general working capital purposes as an interest free and unsecured loan. There are no establishment or other fees payable.

The loan will be repayable in full on or before 31 December 2017.

### Nickel Market

The nickel market remains relatively unchanged and the diverse challenges faced by RMC during 2015 continued throughout the balance of the financial year.

The sustained weakness in the prices for ferrous and non-ferrous raw materials and metals continued throughout this quarter, as did the sentiment of uncertainty of an appropriate price recovery in the foreseeable future.

However, Nickel prices showed some signs of recovery as outlines in Table 1 below, (Kitco 5 Year Spot Nickel Price).

The recent up-trend in the Nickel price has been attributed to activities by the recently appointed Philippines Mining Minister who is reported to have ordered the suspension of operations at two Philippines nickel ore mines, operated by Benguet Corp Nickel Mines Inc and Zambales Diversified Metals Corp. According to Reuters (7th July 2016), the mine operations were suspended for the operators failing to adhere to environmental standards. Reuters reports that the Mining Minister has also halted the issuance of exploration permits as a nationwide review of mining activity relative to environmental and social commitments is undertaken.

There is speculation that the suspension of mining activity could directly impact nickel ore shipments from the Philippines which is the main supplier of DSO nickel ore to the Chinese market. Further news implied that the Philippine government would review all mining operations in the country which has contributed to the lifting of the nickel price during July as evidenced in Table 1.

In the 7 July article, Reuters reports that Philippine President Rodrigo Duterte, who recently took office, has warned he would cancel mining projects causing environmental harm.



Table 1: 5 Year Nickel Spot Price

## PAPUA NEW GUINEA

### WOWO GAP NICKEL LATERITE PROJECT (“THE PROJECT”) STATUS REPORT

#### Tenements

##### Renewal of Exploration Licence EL 1165

The Warden’s Court Hearing, an essential part of the tenement renewal process, was successfully completed on 15 June. Under the direction and guidance of the MRA’s deputy Chief Warden, hearings took place in two villages adjacent to the Project site, at Embessa and Obea. The Deputy Chief Warden together with RMC and MRA representatives, were flown to the hearings by helicopter.

Local landowners and villagers had the opportunity to express their views pertaining to the renewal application with participants from both villages expressing support for the renewal of the tenement.

Project tenements remain in good standing during the renewal process and RMC continues to remain confident that the tenement renewal will be granted.

#### Site Activities

The Project site continues to be managed and operated by locally based personnel including supervisors as well as general hands. Work during recent weeks has been focussed on facilities and equipment maintenance including a full examination, audit preventative maintenance of all the company’s site equipment including drills etc. All equipment was demonstrated to be in good working order.

Opportunity has been taken to modify site operating procedures, redefining of tasks and personnel and training regimes. These activities have resulted in improved efficiencies as well as identification of tasks for future multi-skill training.

## Environmental Monitoring

Routine water quality and stream flow measurements including monitoring continued across a range of static measurement locations continued in an attempt to identify the reliability of a potable water source in variable climatic conditions. All data collected from measurements and monitoring is being compiled to support any background evidence.

## Social Engagement

The recent Warden's Court Hearing gave the Niugini Nickel personnel an opportunity to demonstrate the positive outcomes of the Social Engagement activity. In their verbal submissions to the Warden, local community personnel expressed their positive impressions of the Social Engagement Policies to the Warden.



W J Davies  
Managing Director  
Dated: 27<sup>th</sup> July 2016

## SCHEDULE OF TENEMENTS AS AT 30 JUNE 2016

Tenement	Tenement No.	RMC Interest
Wowo Gap	EL1165	100%
Didiana	EL1980	100%
Wanigela	EL 2337	100%