



RIMC

Resource Mining Corporation Limited



DECEMBER QUARTERLY REPORT

For the period ended 31 December 2016

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

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**Warwick Davies – Managing
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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 Update

As advised in previous quarterly reports, the challenges faced by the Company since 2015 remain as diverse as ever. The subdued nature of the nickel market and the limited interest in new venture development continues to highlight limited prospect of immediate change likely in the immediate future. The predominant focus remained on preservation of the Company's key project tenure and minimisation of cash outflows.

The cost control and operational effectiveness strategies implemented in 2015 have been successfully implemented. All costs have been reduced and remain under strict control. Routine review of operational activities has lowered cost by the implementation of further flexible roster changes. The 'campaign' approaches to major activities have been successfully extended to most of the site based activities.

The changes to operations have resulted in local on-site personnel taking ownership of the planning and implementation of all site activities. Rosters have been arranged to maximise benefit for both employees and the Company with regular rotation of casual employees being made from the three major village centres. Implementation of the strategies to both maintain corporate requirements and enable the continuation of site activities and operations continues to ensure both the security and preservation of the Wowo Gap Project Nickel Laterite Project's ("the Project") tangible and intangible assets.

Management continues to be encouraged by the renewal of the Exploration Licence for EL 1165 which confirms that the allocation of operational and exploration related funding will be maintained to meet commitments with the objective of continuing meaningful work that contributes to maintaining the project at a pre-development status. The Minerals Resources Authority, (MRA), recently provided advice to tenement holders of suspension of Warden Court Hearings during the period April through July 2017 during PNG's National election campaign. The Company will not be affected by this suspension of activity.

Off-site project development work continues, dictated by funding availability and investor interest, which despite the weak nickel price remains fluid.

Financial

The Company is supported by additional funding from RMC's largest shareholder, Sinom (Hong Kong) Limited, on the same terms and conditions as previous funding. This funding support continues for the period through to the end of March 2017. Funding in general and specifically beyond this point, is part of an on-going process.

At a General Meeting of shareholders held on Friday 13th January 2017 at the Company's offices in Perth, shareholders approved an amendment to the Company's Converting Notes held by Sinom to extend the maturity date by up to 27 months (ie maturity date extended to 14 January 2019).

Nickel Market

On 20 October 2016, Bloomberg Money reported that BHP Billiton ('BHPB') was optimistic regarding the future for nickel in 2017. BHPB was reported as suggesting the increasing demand from electric vehicle manufacturers and stainless steel at the same time as supply is threatened in the Philippines by national environmental audits would result in there being a deficit in nickel demand vs supply.

Bloomberg also reported that up to 50% of the nickel ore production from the Philippines was under threat from the national government's environmental audit process. This hypothesis is supported by an article in the Australian edition of Huffpost on 22 January 2017, where in the previous week, the Philippines Government had cancelled the environmental permits for a US\$1.5billion nickel ore export project.

Also, the Indonesian Government has recently announced the temporary lifting of the export ban on low grade nickel ore. Commentators suggest that rather than a blanket lifting of the ban, the action was rather a process to allow the part state-owned Pt Aneka to ship a small volume of low grade ore.

The following Table 1 provides a guide to spot Nickel Prices over the past 12 months.

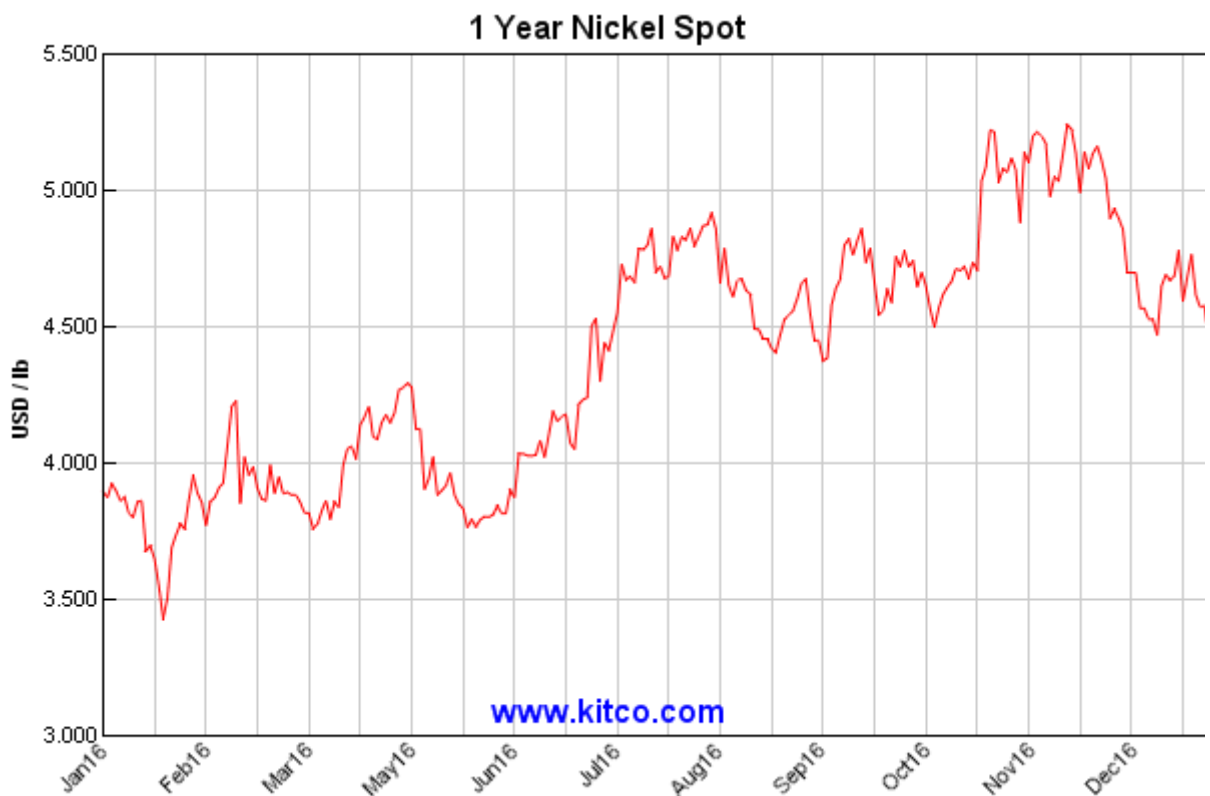


Table 1: 1 Year Nickel Spot Price

Of equal importance is the movement in LME Nickel Metal stocks as the following graph clearly demonstrates the peaking of physical stocks in May 2015 with a distinct downward trend since that period. Refer to Table 2 below.

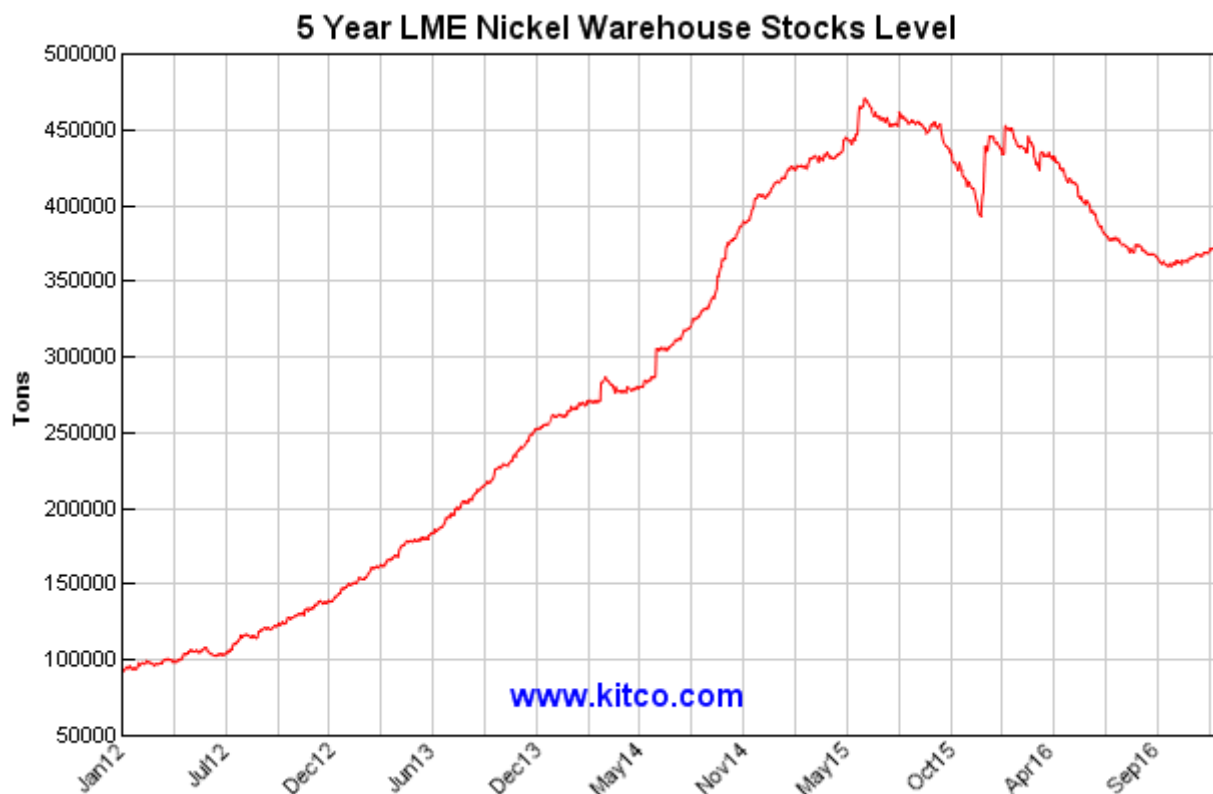


Table 2: 5 Year LME Nickel Warehouse Stocks Level

PAPUA NEW GUINEA

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

Tenements

Renewal of Exploration Licence EL 1165

As indicated in the September Quarterly Activities Report, the Company received formal indication of the 2 year Exploration Licence renewal in September 2016, seven months after the expiration of the previous renewal period. Unavoidable delays in conducting the Warden’s Court Hearing undoubtedly contributed to the length of time taken to process and confirm the renewal application.

Work activities included in the renewal application continue despite the reduced general site activities.

Exploration Licence EL 2337

The 2 year life of EL 2337 expires in November 2017. During the coming months the Company will evaluate the exploration potential offered by this tenement which extends from the Wowo Gap mineralisation through to the coast.

Site Activities

The Project site continues to operate primarily with locally based personnel that have been trained over the past several years to undertake the necessary support activities. Activities being undertaken are focussed on the gathering of environmental and other baseline information which will form the basis for future project development approvals.

Site work also includes, maintenance of the site and access routes, airstrips and plant and equipment. This will ensure that the Project is able to return to full operational status with relative ease and continue its exploration activities when market conditions and resource prices return to a sustainable level.

During the last quarter, in addition to the regular works, an opportunity was taken to rationalise site buildings with upgrades to some whilst other redundant structures were dismantled. Consolidation of camp facilities will continue to be undertaken as time permits with the limited manpower resources currently scheduled to be available.

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

RMC continued to develop and maintain its relationship with the three landowner villages of Obea, Embessa and Taruma by ensuring they provide a regular and transparent information flow and updates on Project and site operations and status.

Recent very heavy rains have led to significant flooding to sections of the Musa River valley where the village of Taruma has been significantly affected. According to local reports, damage to local infrastructure has been limited but food gardens will almost certainly have suffered some losses. There has been no effects to the exploration area or camp sites at Wowo Gap.



W J Davies
Managing Director
Dated: 27 January 2017

SCHEDULE OF TENEMENTS AS AT 31 DECEMBER 2016

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