



# RIMC

Resource Mining Corporation Limited



## JUNE QUARTERLY REPORT

For the period ended 30 June 2017

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

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ASX Code: RMI

Contact:

**Warwick Davies – Managing  
Director**

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

Company activities have been successfully scaled back to enable the Company to preserve and maintain its interest in the wholly owned Wowo Gap Nickel Laterite Project ("the Project"). Cost control and operational effectiveness have been maintained as an integral component of Company strategy. The control measures mentioned in the March 2017 Quarterly report have been successfully implemented and the benefits are being realised. Administrative cost measures have identified additional areas for minor cost savings and subsequent modifications to operating procedures are being progressively implemented as opportunities and contractual relationships allow.

Site operations returned to the planned status following unseasonal rains experienced in the March quarter. The national elections have been completed with local voting causing only minor interruptions to site activity. As changes are made to operational activities, new opportunities for training and further local engagement have been identified. These changes have all added to the site operations safe and efficient working environment.

Changes to logistics operations, especially regarding the provision of food where local sourcing has been maximised, has seen a sustained improvement in the regularity of delivery as well as an improvement in the overall quality of the local produce. Local suppliers, local personnel and the Company all benefit from these improved arrangements.

Off-site project development work continues, dictated by funding availability and investor interest, which despite the weak nickel price remains fluid. Site activities and operations continue to ensure both the security and preservation of the Project's tangible and intangible assets.

### Financial

Funding for the Company's ongoing operations continues to be provided from RMC's largest shareholder, Sinom (Hong Kong) Limited. Funds are being provided interest free and are not repayable before 31 December 2018.

### Nickel Market

Nickel prices have continued to fluctuate during the June quarter with serious declines during May and June. With the growth in nickel processing in Indonesia following the national government's ban on ore exports from 2014, Indonesia has become a significant producer of nickel materials. On 19<sup>th</sup> June, Reuters reported that about a dozen newly constructed nickel smelters in Indonesia have stopped operations due to a plunge in nickel prices while others are operating at a loss.

The Financial Times reported on 21<sup>st</sup> July 2017 that price for nickel fell to its lowest level in 11 months amid concern about supply from top producers Indonesia and the Philippines.

However, UBS consider that the growth in electric car production could see a major shift in the world's nickel market after 2020. UBS analysts in a recent research note suggested that from about 2020 "electric vehicles could offer a renaissance for the nickel market." The analysts stated that the production of about 15 million electric vehicles in 2025 would create between 300,000 and 900,000 tonnes a year of additional demand for nickel, or a 10 to 40 per cent increase, depending on the type of chemistry used to create the battery cathodes, which is where the nickel is used.

The Financial Review, in examining this report, suggested that the battery boom could deliver price premiums to nickel producers. The article noted that at present about two-thirds of total demand for nickel is to produce stainless steel. It should be noted that nickel used for batteries is generally of a higher purity standard than the material used for stainless steel manufacture.

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

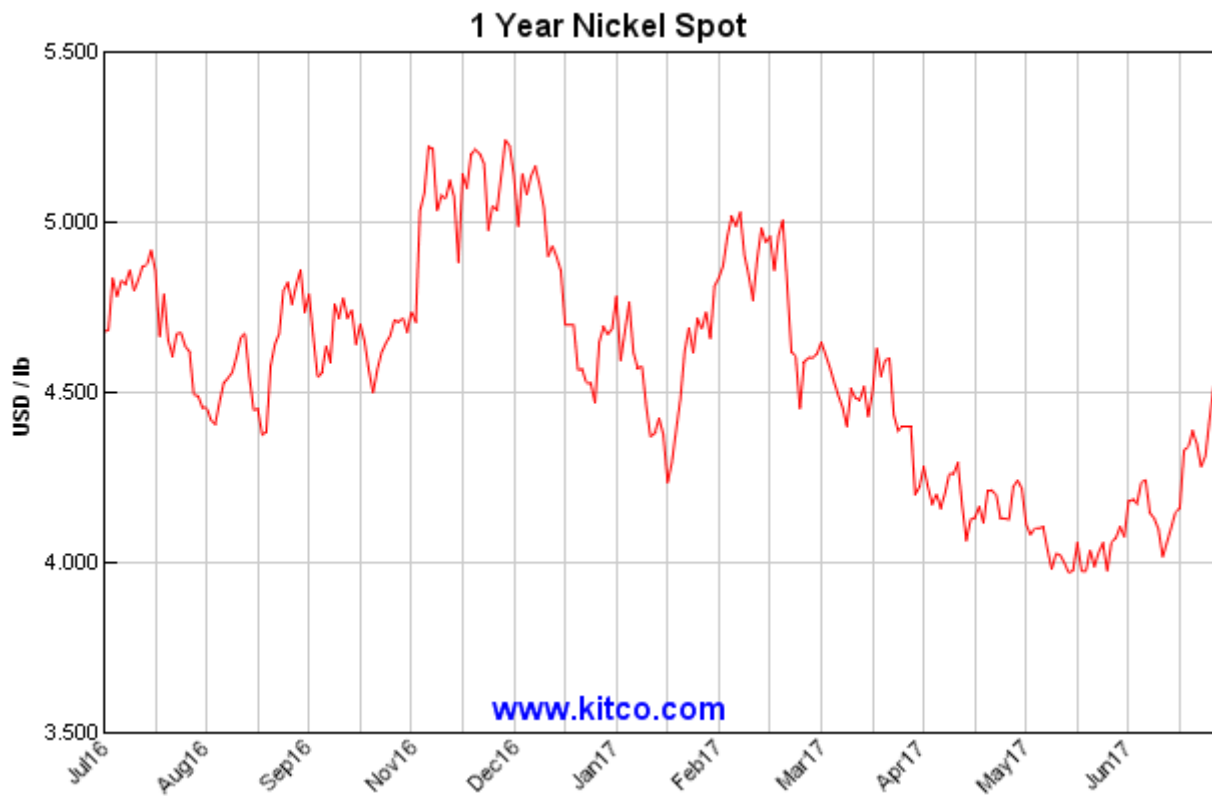


Table 1: 1 Year Nickel Spot Price

The clear trend is downwards.

Table 2 provides a more comprehensive picture of the 5 year nickel price movement.

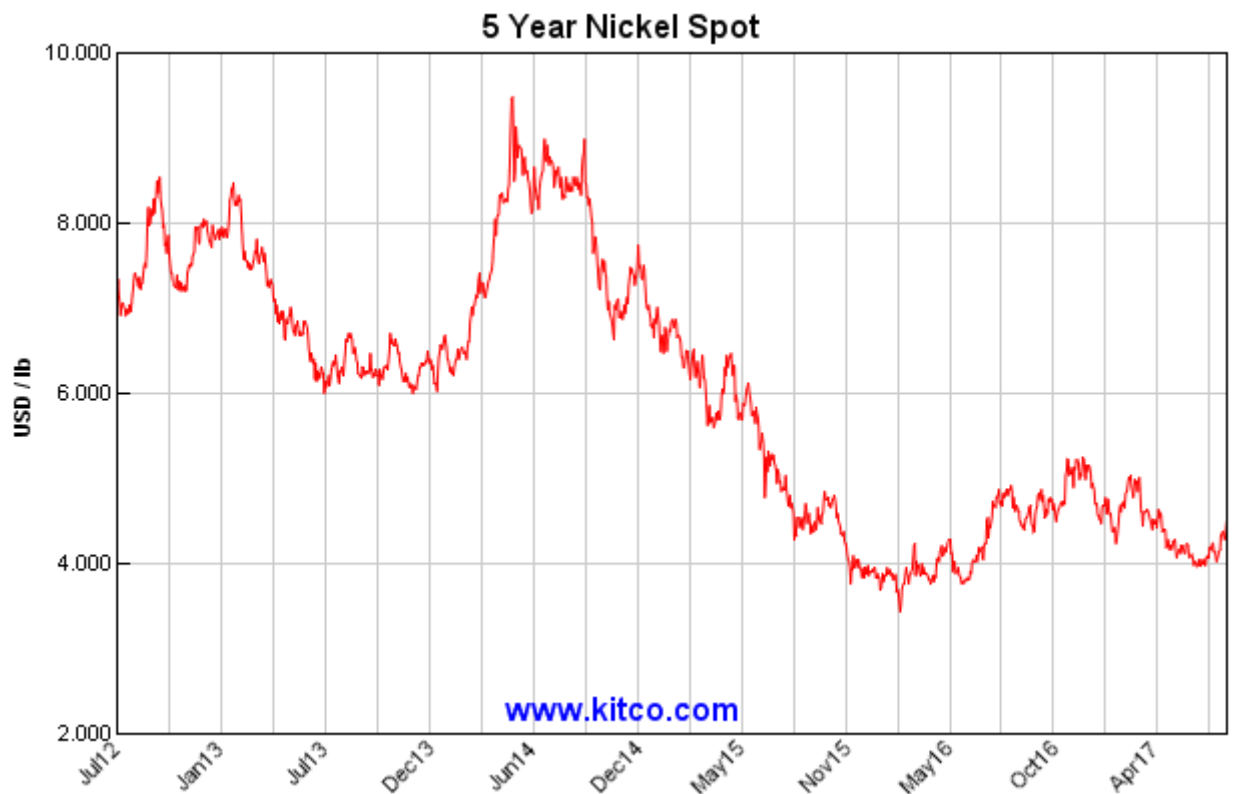


Table 2: 5 Year Nickel Spot Price

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 with a recent upward 'kick' towards the end of the March 2017 Quarter. Refer to Table 3 below.

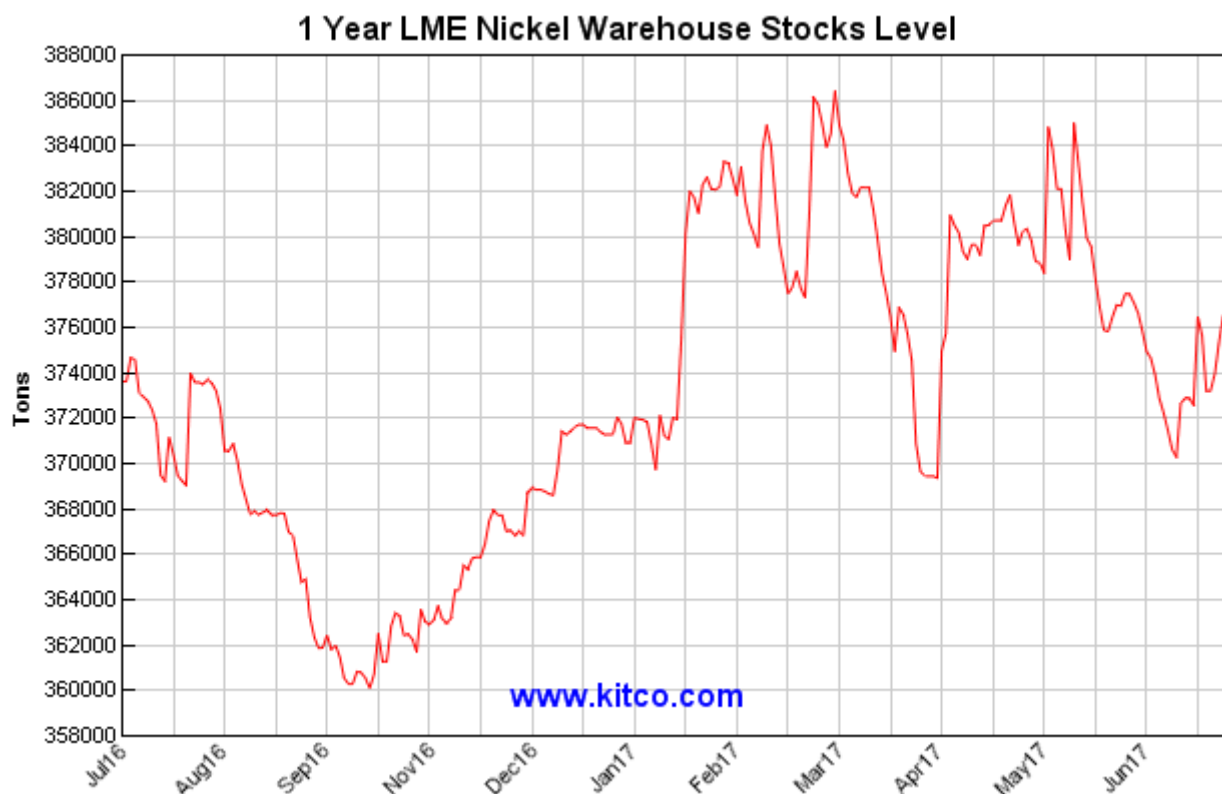


Table 3: 1 Year LME Nickel Warehouse Stocks Level

## PAPUA NEW GUINEA

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

#### Tenements

##### Exploration Licence EL 1165

This is the main tenement containing the Wowo Gap laterite resource and remains the Company’s principal asset and exploration focus. Work activities included in the renewal application continue despite the reduced general site activities.

#### Site Activities

The Project site continues to operate with 100% locally based personnel. Following unseasonal heavy rains as well as local activities regarding the National Election meant a reasonably quiet period with activity focussed particularly on maintenance issues. All equipment including stored drilling gear, generators, motors, chainsaws etc were subjected to routine cleaning, maintenance, testing and re-oiling/re-greasing prior to storing for future use. All site based equipment is kept in a ‘user ready’ state.

The relatively intensive maintenance activity provided further opportunity to continue the Company’s training/upskilling program. The heavy rains restricted movement across the site and so other activities were focussed near to the exploration camp facilities. Local camp gardens were prepared for the next

growing season and water supply/reticulation lines flushed and maintained in readiness for the forthcoming dry season.

Site work associated with the routine maintenance of the site and access routes, airstrips and plant and equipment has also been used as a means to facilitate the training program. A positive spin-off of this training has been the development of personnel in use of communication equipment including satellite phones and emails. The remote location of the Company's operations restricts communication options.

The communications training played an important part in the successful fuel delivery arrangements. 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.

### **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 the project and site operations.

The Rotary International team mentioned in the March quarterly Report is scheduled to arrive in Embessa during July to commence their volunteer work program. Company officers will remain in close contact with this team during their stay in the general area.



W J Davies  
Managing Director  
Dated: 27 July 2017

### **SCHEDULE OF TENEMENTS AS AT 30 JUNE 2017**

<b>Tenement</b>	<b>Tenement No.</b>	<b>RMC Interest</b>
Wowo Gap	EL1165	100%