



RIMC

Resource Mining Corporation Limited



SEPTEMBER 2018 QUARTERLY REPORT

For the period ended
30 September 2018

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

ABN: 97 008 045 083

Email: rmc@resmin.com.au

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

The Company continued to focus activities on cost control and the main asset of the Wowo Gap Nickel/Cobalt Project (“The Project”). The key objective continues to be the preservation and maintenance of its interest in the wholly owned Wowo Gap Nickel/Cobalt Project (“the Project”).

The licence period for EL 1165, the Wowo Gap exploration licence, expired on 28 February 2018. (Exploration licences in Papua and New Guinea have a 2-year life). The Company has completed all the necessary documentation in relation to application for the renewal of EL 1165 and EL 1165 remains in full force and effect whilst the renewal application is being processed. A decision from the Mines Minister is awaited regarding the renewal application.

The Company’s Annual General Meeting has been arranged to be conducted on Thursday 29th November 2018 at 10:30 am (WST) with the meeting to be conducted C/- BDO, 38 Station Street, Subiaco WA 6008. Meeting advice and Proxies have been mailed to shareholders.

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 2019.

Operational Activities

Minimal care and maintenance activities continue on site pending the renewal of EL1165.

Considerable off-site activity was spent on understanding the battery minerals business and the roles nickel and cobalt play in the various lithium ion battery types. An understanding of end-user’s product requirements continues as a management focus.

Nickel and cobalt are the principal elements of economic significance in the Wowo Gap resource. They are both traded on the London Metal Exchange, where there is a transparent market price established for high purity nickel and cobalt metal. Traditionally, nickel and cobalt demand has been dominated by specialty alloy applications where extra toughness, strength, wear or temperature resistance are required, supplemented by general industrial consumption in pigments, dyes, chemicals, catalysts and permanent magnets. These traditional uses are expected to continue to grow in line with global economic growth into the foreseeable future.

However, in recent times, new nickel and cobalt demand has emerged associated with rechargeable batteries for use in electric vehicles (EVs), renewable energy and consumer electronics applications. Demand for batteries in these applications is forecast to grow rapidly through the next decade and beyond as government policy promotes emission reductions in transport and electricity generation globally.

Lithium-ion technology has emerged as the preferred technology in most of these emerging battery applications, but the name “lithium-ion” battery hides the other elements required. All batteries have three components – the cathode, the anode and the electrolyte – and in lithium-ion batteries, lithium is a key ingredient only in the electrolyte. The anode is made of graphite and the cathode is composed of various proportions of nickel, cobalt, aluminium and manganese.

It is reported that Tesla's Model S vehicle battery has a cathode comprising 80% nickel, 15% cobalt and 5% aluminium, whereas Apple's iPhone battery cathode is 100% cobalt and Tesla's Powerwall cathode is made up of cobalt, nickel and manganese in equal portions. This is where the new demand for nickel and cobalt arises.

A further shift in the nickel and cobalt markets arising because of battery applications is a need for high purity nickel and cobalt chemicals, rather than ferro nickel or nickel pig iron (which are too impure for battery chemical production) or high purity metals (which need to be converted back to high purity chemicals). Several producers including BHP have announced plans to produce nickel and cobalt sulphates and hydroxides from their existing processing plants and Sumitomo, Vale and Tsingshan are reportedly investigating the establishment of new Pressure Acid Leach (PAL) processing plants in Indonesia to produce high purity nickel and cobalt chemicals to satisfy this market.

Wowo Gap ore has previously been assessed as amenable to PAL processing, but development was hampered by volatile commodity prices and perceived investment risk in PNG for the large capital investment required to develop a PAL process plant at that time. Since then, the Ramu PAL project has been successfully developed in PNG and in 2017, was the fifth largest producer of cobalt globally. This rapidly growing demand for both nickel and cobalt, the suitability of Wowo Gap to PAL processing and the success of the nearby Ramu project bode well for the future development of Wowo Gap.



W J Davies
Managing Director
Dated: 30th October 2018

SCHEDULE OF TENEMENTS AS AT 30 SEPTEMBER 2018

Tenement	Tenement No.	RMC Interest
Wowo Gap	EL1165	100%