



RESOURCE MINING CORPORATION LIMITED

ABN 97 008 045 083

FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2019

Resource Mining Corporation Limited
Half-year Ended 31 December 2019

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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	Amanda Sparks
Registered Office	Suite 14, Level 2, 210 Bagot Road SUBIACO, WESTERN AUSTRALIA 6008
Principal Place of Business	Suite 14, Level 2, 210 Bagot Road SUBIACO, WESTERN AUSTRALIA 6008 Telephone: +61 8 6494 0025 Website: www.resmin.com.au
Share Registry	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace PERTH, WESTERN AUSTRALIA 6000 Telephone Within Australia: 1300 850 505 Outside Australia: +61 3 9415 4000 www.investorcentre.com/contact
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: RMI

Resource Mining Corporation Limited

Half-Year Directors' Report

31 December 2019

The Directors present the financial report of the consolidated entity, consisting of Resource Mining Corporation Limited (ASX: RMI) ("**RMC**") and its controlled entities ("**Group**"), for the half-year ended 31 December 2019.

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 SECRETARY

Amanda Sparks

COMPANY REVIEW

REVIEW OF OPERATIONS

RMC is an innovative, Perth-based, mineral exploration company with a significant mineral deposit in Papua New Guinea ("**PNG**").

The development of the Wowo Gap Project in south east PNG remains the key strategic goal of the Resource Mining Group. The growth of Indonesia's Nickel Pig Iron (NPI) and stainless-steel industries since 2015/6 together with the evolution of China's Nickel Pig Iron Industry and the forecast growth in nickel use in Lithium ion (Li-ion) batteries continues to focus attention on nickel laterite ore sources in the South Pacific.

Wowo Gap Nickel Laterite Project

The major focus of the Company remains on the development of its wholly owned Wowo Gap Nickel Laterite Project located 200 kilometres from the PNG capital of Port Moresby.

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. 70% of nickel use is in the production of stainless-steel where the nickel pig iron industries of China and Indonesia are supplying increasing tonnages of 200 and 300 series stainless-steel to domestic and export markets.

The higher value 400, 500 and 600 series stainless steels remain the province of the traditional electric arc furnace producers. Changes in the Indonesian nickel market are forecast to have significant impacts on traded nickel laterite ores during 2020 and beyond. In October 2019, the Indonesian Government announced that a previously advised ban on the export of nickel ores scheduled for 2023 would be brought forward to January 2020. All nickel laterite exports from Indonesia will end from January 2020. The Philippines and New Caledonia are the only immediate sources of nickel ores for the Chinese NPI industry.

Heightened focus on battery minerals including nickel, cobalt and lithium is being experienced as there is increasing awareness of the potential risks from climate change and a warming world. As some governments embrace and mandate ambitious emissions reductions goals, the importance of batteries for electric vehicles, (EV's), and massive storage, (mega batteries), exponentially increases. The requirement for growth and innovation in rechargeable battery production is essential if the ambitious goals announced are to be achieved.

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Economies of scale are making Li-ion the dominant technology. This is a result of both the long history of Li-ion in the consumer electronics market and the enormous recent scale of investments in Li-ion manufacturing, much of it devoted to the EV industry. 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.

Global suppliers of Li-ion battery cathode material are increasing production capacity of nickel-manganese-cobalt (NMC), with a typical ratio of 33% for each element.

The outlook for battery materials continues to firm as governments set targets on phasing out combustion engine vehicles, and as automakers commit to expanding line-ups of electric models. According to Glencore Plc's forecasts, deployment of more than 140 million electric vehicles by 2030 will require 3 million tons more copper a year, 1.3 million tons of nickel and about 263,000 tons of cobalt. In a report in May 2019, Bloomberg NEF suggested that by 2040, almost 60% of new vehicle sales and about a third of cars on the road will be electric.

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 and the Independence Group have announced plans to produce nickel and cobalt sulphates and hydroxides from new or 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, particularly nickel, 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.

RMC's management continues to refine and implement a strategy to maintain and develop an appropriate level of corporate and site activities in an endeavour to both secure and preserve its corporate and the Project's tangible and intangible assets.

The aim has been to endeavour to maintain the developed strategies which have resulted in both longer-term cost efficiencies as well as adding real value to the Project by initiating processes that indirectly supplement the Project's ongoing resource growth via exploration (which will be re-established when the commodity prices incentivise recommencement of the exploration program).

A cost effective and an active social engagement policy remain at the core of the Group's activities.

Site Activities

Activities on site continue across three broad categories:

1. Maintenance, training and preparation works,
2. Environmental monitoring, and
3. Social engagement.

Exploration equipment and camp facilities underwent routine and special maintenance during the year. As the company owns both diamond and auger drilling rigs, this equipment must be maintained in a

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'ready-to-use' condition. During the year, a special maintenance and operating program was completed together with refresher training of local staff.

Buildings in the main exploration camp are aging and located in a jungle environment, are susceptible to occasional severe weather impact. Strong winds caused some damage to key buildings requiring maintenance which also provided an opportunity for reorganising and reorganisation of facilities to improve access and operational efficiency. All facilities and services are ready for any future demand including requirements for permanent and casual employees.

Safety and a safe working environment require that emergency facilities including helipads for potential emergency evacuation are maintained. Two helipads service the main exploration camp ensuring access during varying wind conditions.

A program of up-skilling the local workforce begun 2 years ago has achieved the goals set by local and off-site management with successful transfer of operational responsibilities to the small on-site management group. Continuation of the upskilling program continues with a focus on development of leadership skills within the small core management group.

Environmental monitoring on site continues as a routine with the focus on water, including routine testing of water quality and monitoring of rainfall, stream flows and pond/dam storage for local water supply. The routine monitoring of potable water supply sources continues to provide valuable data regarding available flow rates across a wide variety of climatic conditions. Monitoring of vegetation regrowth, as well as the influence of weather (eg high winds and storms), on the local forest timbers is a routine activity.

Social engagement remains and continues to be a major focus for both Perth and local management personnel. RMC has established an effective and trusting working relationship with local communities. The company is frequently seen as the provider of all manner of services including support for education and health being priority calls on management time. Requests for assistance and advice emanates from areas well beyond the immediate tenement area and includes requests for assistance from families of local residents living in Port Moresby.

Responses to all requests are handled in a clearly established and well-advertised protocol however, the continued deterioration of services supplied by all levels of government, mean requests for assistance cannot be met. The company actively encourages local villagers, community and church groups and businesses to provide fresh food and services so necessary expenditure is maximised at the local level. RMC is firmly committed to maximising local food and service purchase for camp consumption and continues to support the local agriculture initiatives.

Other community support programs relate primarily to education, health and general community initiatives including support to outside agencies such as Rotary International and religious organisations in their provision of a variety of aid programs.

Tenements

The Company currently holds one tenement in PNG, EL 1165.

Tenement Status Licence EL 1165

The term of exploration tenements in PNG is two years. The current licence period expires on 28 February 2020 and an application to renew the exploration for a further two years has been made. The Company retains all rights and obligations regarding the tenement during the application assessment process.

As a consequence of the renewal application being made, a date will be agreed with the Minerals Resources Authority, (MRA), for the conduct of a Warden's Court Hearings where landowners and

Resource Mining Corporation Limited

Half-Year Directors' Report

31 December 2019

residents of local villages have their opportunity to express their views regarding the licence renewal process. The renewal process is lengthy and can take in excess of nine months to conclude.

CORPORATE

Funding Agreement

The Company has Funding Agreements with the Company's largest shareholder, Sinom (Hong Kong) Limited ("**Sinom**") who currently holds 46.17% of the issued shares in the Company. Mr Zhang Chi (Andy) is a Non-Executive director of the Company and is a director and controlling shareholder of Sinom.

Under the terms of Funding Agreements, Sinom has agreed to provide the Company working capital via unsecured loans. Refer to note 5 of the Half-Year Financial Report for full details.

Annual General Meeting

The Annual General Meeting was held on Thursday 14 November 2019 with all resolutions approved by shareholders.

RESULT

The operating result for the half-year ended 31 December 2019 was a loss after income tax of \$216,197 (Half Year 2018: \$239,137 loss).

The Company has continued to be 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 2021. Funding in general and specifically beyond this point, is part of an on-going process.

MATTERS SUBSEQUENT TO 31 DECEMBER 2019

Subsequent to 31 December 2019, the following had occurred:

- The Company has drawn an additional \$55,000 of funding from the unsecured loan facility with Sinom (Hong Kong) Limited; and
- The Company lodged a renewal application for EL 1165 with the relevant PNG authorities.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

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.



Warwick Davies
Managing Director

Signed on the 6 March 2020

Resource Mining Corporation Limited
Consolidated Statement of Profit or Loss and Other Comprehensive
Income
for the half-year ended 31 December 2019

	Note	Six Months ended 31 December 2019 \$	Six Months ended 31 December 2018 \$
Other income		101	8
Expenses:			
Administration and corporate expenses	3(a)	(116,290)	(130,460)
Exploration expenditure	3(b)	(99,608)	(107,918)
Borrowing costs	3(c)	(400)	(767)
Total expenses		(216,298)	(239,145)
LOSS BEFORE INCOME TAX		(216,197)	(239,137)
INCOME TAX		-	-
LOSS AFTER INCOME TAX FOR THE PERIOD		(216,197)	(239,137)
OTHER COMPREHENSIVE (LOSS) / PROFIT			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange translation difference		(1,593)	(257)
OTHER COMPREHENSIVE (LOSS) / PROFIT		(1,593)	(257)
TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE PERIOD		(217,790)	(239,394)
LOSS PER SHARE FOR THE HALF YEAR ATTRIBUTABLE TO MEMBERS OF RESOURCE MINING CORPORATION LIMITED		Cents	Cents
Basic and diluted loss per share (cents per share)	4	(0.07)	(0.08)

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 Balance Sheet
As at 31 December 2019

	Note	31 December 2019 \$	30 June 2019 \$
CURRENT ASSETS			
Cash and cash equivalents		51,839	49,962
Other current assets		35,673	14,251
Total Current Assets		87,512	64,213
NON CURRENT ASSETS			
Plant and equipment		102,764	109,521
Total Non-Current Assets		102,764	109,521
TOTAL ASSETS		190,276	173,734
CURRENT LIABILITIES			
Trade and other payables		822,631	740,443
Interest bearing liabilities		23,823	5,712
Non-interest bearing liabilities	5	4,794,023	4,659,794
Provisions		38,050	38,246
Total Current Liabilities		5,678,527	5,444,195
TOTAL LIABILITIES		5,678,527	5,444,195
NET ASSETS / (NET ASSET DEFICIENCY)		(5,488,251)	(5,270,461)
EQUITY			
Issued capital	6	63,294,571	63,294,571
Reserves	7	584,770	586,363
Accumulated losses		(69,367,592)	(69,151,395)
TOTAL EQUITY / (DEFICIENCY IN EQUITY)		(5,488,251)	(5,270,461)

The above Consolidated Balance Sheet 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 2019

	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Convertible Notes Reserve	Total
	\$	\$	\$	\$	\$
6 Months to December 2019					
Balance at 1 July 2019	63,294,571	(69,151,395)	190,868	395,495	(5,270,461)
Loss for the period	-	(216,197)	-	-	(216,197)
Other comprehensive loss for the period	-	-	(1,593)	-	(1,593)
Total comprehensive loss for the period	-	(216,197)	(1,593)	-	(217,790)
Transactions with owners in their capacity as owners					
Shares issued	-	-	-	-	-
Balance at 31 December 2019	63,294,571	(69,367,592)	189,275	395,495	(5,488,251)

	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Convertible Notes Reserve	Total
	\$	\$	\$	\$	\$
6 Months to December 2018					
Balance at 1 July 2018	63,294,571	(68,702,482)	193,884	395,495	(4,818,532)
Loss for the period	-	(239,137)	-	-	(239,137)
Other comprehensive loss for the period	-	-	(257)	-	(257)
Total comprehensive loss for the period	-	(239,137)	(257)	-	(239,394)
Transactions with owners in their capacity as owners					
Shares issued	-	-	-	-	-
Balance at 31 December 2018	63,294,571	(68,941,619)	193,627	395,495	(5,057,926)

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 2019

	Six Months ended 31 December 2019 \$	Six Months ended 31 December 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(140,816)	(187,692)
Interest income received	101	8
Other income received (including GST refunds)	10,214	11,819
Interest and finance costs paid	(400)	(767)
Net Cash Utilised In Operating Activities	(130,901)	(176,632)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings and advances	137,570	176,500
Repayment of advances	(3,341)	(8,500)
Net Cash From Financing Activities	134,229	168,000
Net (decrease) / increase in cash and cash equivalents	3,328	(8,632)
Cash and cash equivalents at beginning of the period	49,962	57,254
Effect of exchange rate changes on cash and cash equivalents	(1,451)	(2,430)
Cash and cash equivalents at the end of the period	51,839	46,192

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

Resource Mining Corporation Limited

Notes to the Financial Statements

for the half-year ended 31 December 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This half-year financial report for the six months ended 31 December 2019 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001 and was authorised for issue in accordance with a resolution of the directors on 6 March 2020.

These half-year financial reports do not include all the notes of the type normally included in annual financial reports and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial reports.

The half-year financial reports should be read in conjunction with the annual financial reports for the year ended 30 June 2019 and any public announcements made by Resource Mining Corporation Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The financial report is presented in Australian dollars, which is the Company's functional and presentation currency.

Resource Mining Corporation Limited is a for-profit entity for the purpose of preparing the half-year financial statements.

Statement of Compliance

These half-year financial statements comply with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

Adoption of new and revised standards

Early adoption of accounting standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2019.

New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period for which the Group has adopted. The only significant standard was:

- AASB 16 Leases.

There was no impact on the Company for the period ended 31 December 2019. AASB 16 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. This standard is not applicable until the financial year commencing 1 July 2019. Currently, there will not be an impact to the Group's financial statements. The Group's current leases for storage and modem rental are covered by the exception for short-term and low-value leases under AASB 16.

New and amended standards not yet adopted by the Group

There are no material new or amended standards not yet adopted by the Group.

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 for the six months of \$216,197 (Six Months to December 2018: \$239,137), experienced net cash outflows from operating activities of \$130,901 (2018: \$176,632) for the six months ended 31 December 2019 and had a working capital deficiency of \$5,591,014 at balance date, of which \$2,000,000 relates to the convertible notes which are likely to be converted to shares before 14 January 2021. As such the ability of the Group to continue as a going concern, pay its debts as and when they fall due and to meet the expenditure commitments of tenement leases held, is dependent upon the future successful raising of funding through equity or other available forms of funding and continued support from its creditors and financiers. These conditions indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

The Directors are satisfied that the going concern basis of preparation is appropriate. Given the combination of the Sinom (Hong Kong) Limited confirming that it will continue to provide financial support to the Group to meet its

Resource Mining Corporation Limited

Notes to the Financial Statements

for the half-year ended 31 December 2019

liabilities as and when they fall due and keep their assets in good standing during the next twelve months period and letters of support obtained from creditors of significant value to defer amounts payable at 31 December 2019 until the Group has sufficient funds to repay the debts, the Directors are confident of the Group's ability to pay its debts as and when they fall due and to meet the expenditure commitments of tenement leases held.

Should the company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. 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 Group be unable to continue as a going concern.

2. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group does not have any customers and all its' assets and liabilities are primarily related to the mining industry and its operations are located within Papua New Guinea. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, balance sheet and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

3. EXPENSES

(a) Administration and Corporate Expenses

	31 December 2019 \$	31 December 2018 \$
Compliance and regulatory expenses	41,745	45,348
Consultants	27,836	26,862
Non-Executive directors' fees (accrued, not yet paid)	25,000	25,000
Occupancy	11,505	15,907
Insurance	9,229	15,366
Legal fees	56	734
Other expenses	919	1,243
	116,290	130,460

(b) Exploration Expenditure and Project Costs

Depreciation – exploration equipment	6,354	8,364
Other exploration and project costs	93,254	99,554
	99,608	107,918

(c) Borrowing costs

Finance charges and Interest on insurance funding	400	767
	400	767

Resource Mining Corporation Limited
Notes to the Financial Statements
for the half-year ended 31 December 2019

	31 December 2019	31 December 2018
4. EARNINGS PER SHARE		
Basic and diluted loss per share (cents per share)	(0.07) cents	(0.08) cents
Loss used in the calculation of weighted average basic and diluted loss per share	(\$216,197)	(\$239,137)
	Number of shares	Number of shares
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	296,267,347	296,267,247
	31 December 2019 \$	30 June 2019 \$
5. NON INTEREST BEARING LIABILITIES		
Current		
Advances from Managing Director	87,936	62,207
Unsecured loans and advances from Sinom	2,706,087	2,597,587
Convertible notes	2,000,000	2,000,000
	4,794,023	4,659,794

Advances from Managing Director

During the half-year, advances totalling \$29,070 were made by the Managing Director, Warwick Davies, to the Company as short term funding, and \$3,341 was repaid during the half-year. These advances are interest free and unsecured. Mr Davies has agreed not to call for the outstanding payable balances prior to 31 March 2021 unless Resource Mining Corporation Limited is in a position to repay the amounts.

Unsecured loans and advances from Sinom

On 4 June 2015, the Company announced entering into a Funding Agreement ("Agreement") with its major shareholder Sinom (Hong Kong) Limited ("Sinom"). Under the terms of the Agreement and its subsequent amendments, Sinom has agreed to provide the Company up to \$1,210,000 for general working capital purposes as an unsecured loan on the following conditions:

- no interest or fees are payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 March 2021.

As at 31 December 2019, this facility had been fully drawn down (June 2019: fully drawn down).

On 30 June 2016, the Company announced entering into an additional Funding Agreement ("Additional Agreement") with its major shareholder Sinom (Hong Kong) Limited ("Sinom"). Under the terms of the Additional Agreement and its subsequent amendments, Sinom has agreed to provide the Company up to \$500,000 for general working capital purposes as an unsecured loan on the following conditions:

- no interest or fees are payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 March 2021.

As at 31 December 2019, this facility had been fully drawn down (June 2019: fully drawn down).

Resource Mining Corporation Limited

Notes to the Financial Statements

for the half-year ended 31 December 2019

5. NON INTEREST BEARING LIABILITIES - continued

Sinom has also provided additional interest free advances to the Company. These advances are unsecured with no set repayment date. Amount owing from these advances as at year end is \$996,087 (June 2019: \$887,587). Sinom has agreed not to call for repaid of these advances unless Resource Mining Corporation Limited is in a position to repay the amounts.

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 subscribed for two Convertible Notes with an issue price of \$1 million each.

The key terms of the Convertible Notes are:

- a conversion into 5,000,000 shares for each note;
- 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.

As approved by Shareholders on 14 November 2019, the Company has up to 51 months from the maturity date to convert the notes into shares (ie by 14 January 2021).

6. ISSUED CAPITAL

	31 December 2019 No.	30 June 2019 No.	31 December 2019 \$	30 June 2019 \$
Issued and fully paid	296,267,347	296,267,347	63,294,571	63,294,571

There were no movements in issued capital during the period.

7. RESERVES

		31 December 2019 \$	30 June 2019 \$
Foreign currency reserve	(a)	189,275	190,868
Convertible notes reserve		395,495	395,495
		584,770	586,363
Foreign currency reserve:			
Balance at the beginning of the period		190,868	193,884
Currency translation differences arising during the period		(1,593)	(3,016)
Balance at the end of the period		189,275	190,868

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.

8. COMMITMENTS

Since the last annual reporting date, there has not been a material change to commitments or contingencies.

9. RELATED PARTIES

There have been no new related party transactions entered into since 30 June 2019 other than:

- Advances from a Director during the six months totalling \$29,070 (refer note 5). \$3,341 was repaid during the half-year; and
- Interest free advances from Sinom (Hong Kong) Limited, a company of which Mr Zhang Chi is a Director of, totalling \$108,500 (refer note 5).

Resource Mining Corporation Limited

Notes to the Financial Statements

for the half-year ended 31 December 2019

10. EVENTS SUBSEQUENT TO REPORTING PERIOD

Subsequent to 31 December 2019, the following had occurred:

- The Company has drawn an additional \$55,000 of funding from the unsecured loan facility with Sinom (Hong Kong) Limited; and
- The Company lodged a renewal application for EL 1165 with the relevant PNG authorities.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

Directors' Declaration

for the half-year ended 31 December 2019

1. In the opinion of the directors:
 - a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory reporting requirements; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the half-year ended 31 December 2019.

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



Warwick Davies
Managing Director

Dated 6 March 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Resource Mining Corporation Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Resource Mining Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 December 2019, 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 then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not in accordance with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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 Group's financial position as at 31 December 2019 and its financial 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 the Group, 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

Handwritten signature in black ink, appearing to read 'Dean Just'.

Dean Just

Director

Perth, 6 March 2020

DECLARATION OF INDEPENDENCE BY DEAN JUST 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 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. 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.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 6 March 2020