



RIMC

Resource Mining Corporation Limited



JUNE QUARTERLY REPORT

Resource Mining Corporation Limited
("RMC")

For the period ended 30th June 2012

General Market Update including:

- Company Pathway
- Nickel market and opportunities
- EL1165 renewal
- Preparation for development

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Projects:
Wowo Gap: Nickel-Cobalt
Tomkinson Range: Nickel-Copper
St Patricks: Copper-Zinc-Silver-Gold
Capricorn JV: Copper-Gold
Kumarina: Copper-Gold
Cue: Gold

Resource Mining Corporation Limited ('RMC') is a Perth-based specialist mineral exploration company creating wealth from mineral commodities using innovative technical, marketing and financial skills as it explores for economic metal deposits in Papua New Guinea ('PNG') and Australia.

QUARTERLY REPORT

The June Quarterly Report is presented in a slightly different format and is designed to provide a broad Corporate and Project update.

COMPANY PATHWAY

Against a backdrop of difficult economic times, particularly for junior exploration companies holding world class assets, RMC has been working to preserve/maintain a focus on maintaining value.

The Board has determined that the following will be the immediate focus of the Company for the next 12 months.

- a) Seek a partner, JV or otherwise, to invest in Wowo Gap
- b) Investigate the possibility of exporting nickel ore from Wowo Gap as a Direct Shipped Product
- c) Complete the renewal of EL1165 and retain in good standing
- d) Continue the development of the Organic Leaching technology in conjunction with Commercialisation Australia
- e) Continue the social and development initiatives underway in PNG to meet all requirements necessary for future Project Development.

A. Partner

The challenges faced by RMC include, funding of administration, exploration and test work, and potential development to maintain a viable company and preserve shareholder opportunity.

The Board is and has been actively seeking interest in the Wowo Gap Nickel Laterite Project from a variety of potential parties.

Shareholders will be kept informed of any material progress in this activity.

The Company's mission statement, *"Creating wealth from mineral commodities using innovative technical, marketing and financial skills,"* specifically relates to future development.

Of the assets owned by the Company, the Wowo Gap Nickel Laterite Project is the most advanced and is therefore a logical development focus.

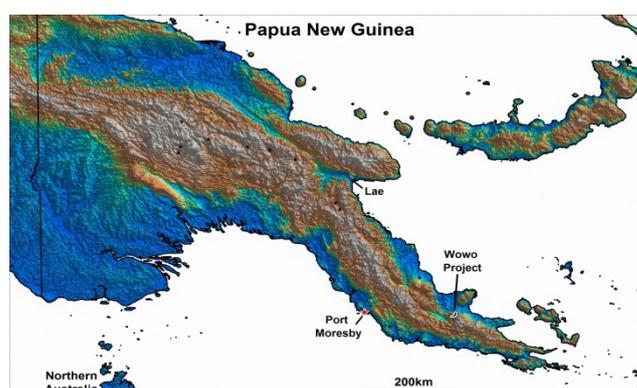


Figure 1: Location of Wowo Gap Nickel Project

B. Direct Shipped Product

The world's nickel market is currently in a state of uncertainty in relation to:

- Short/long term price
- Demand and supply

The nickel market is supplied by a variety of products, including:

- Nickel metal, concentrate, mixed hydroxide and Direct Shipped Ore (DSO)

The DSO ore is shipped mainly to China and Japan for feed for either nickel pig iron furnaces or for ferro nickel smelters. Most of the ore consumed in China is for nickel pig iron and for ferro nickel in Japan. Sources of DSO ore are primarily: Indonesia, New Caledonia and the Philippines.

The demand for new sources of DSO has been improving primarily in response to changes to mining laws in Indonesia. Further, the Philippines, is also reviewing mining laws with respect to the shipping of DSO in the hope of maximising ore processing within country. With the recent implementation of the "new" mining laws in Indonesia, calling for greater local ownership and requiring further processing to finished metals, an opportunity for DSO shipment from PNG has been identified.

This is further supported by subsequent Indonesian laws and regulations introducing new permitting restrictions and processes, export bans and increased taxes. The above provides a strong case for new suppliers from outside the traditional sources of Nickel Laterite DSO – Indonesia, Philippines and New Caledonia – to emerge.

DSO presents an opportunity for RMC and investigation of this is part of the PATHWAY.

In response to this opportunity, the Company has commissioned an independent expert consultant familiar with the DSO market to provide advice on this opportunity. Based on the advice received, RMC will begin investigating the requirements for an early mine development to provide a DSO laterite product to the market.

CORPORATE OPPORTUNITIES

The core asset, Wowo Gap Nickel Laterite Project, has an Indicated Resource Estimate of 125Mt at 1.06 per cent Ni and 0.06 per cent Co based on a 0.8% Ni cut-off. This equates to a total of 1.32 Mt of nickel and remains the Company's focus.

Nickel laterites are difficult to process. High Pressure Acid Leach (HPAL) using sulphuric acid is the most common. An organic acid leaching process is being investigated by RMC in collaboration with Commercialisation Australia and the CSIRO. An extension to this development is another part of the PATHWAY.

WOWO GAP PROJECT – EL1165 RENEWAL

Exploration tenements in PNG have a life of just 2 years. RMC has met all the necessary conditions for the tenement including expenditure, etc.

It is not unusual that the renewal process is lengthy, with a past renewal taking over 18 months to complete.

EL1165 tenement expired on the 29th February 2012 and information on the renewal is awaited. Advice has been received from the MRA (Mineral Resources Authority) that all activity regarding tenement renewals will be suspended until after the National Parliamentary Elections. Importantly though, EL1165 remains in good standing through the renewal process.

An important part of the renewal process is the Warden’s Court Hearing where local landowners have an opportunity to voice their opinions with regard to the renewal. This hearing, conducted in early March 2012, resulted in the resident villagers of Obea and Embessa unanimously supporting the renewal. The hearing was held on the date allocated by the Warden.



Figure 2: Warden's Court Hearing Obea

The elections are due to be declared in the last week of July or early August 2012. RMC Management does not expect any formal tenement renewal activity until a new Mines Minister is appointed and sworn in. RMC’s subsidiary, Niugini Nickel (NN), continues to retain title to EL1165 during the renewal process and the company continues to meet all its obligations during this time.

Ongoing work with the local villagers and landowners is maintained to ensure their support for NN as the owner of EL 1165.

Figure 3 seeks to demonstrate the inter-dependence of the various social activities undertaken by RMC relative to the EL1165 tenement renewal process.

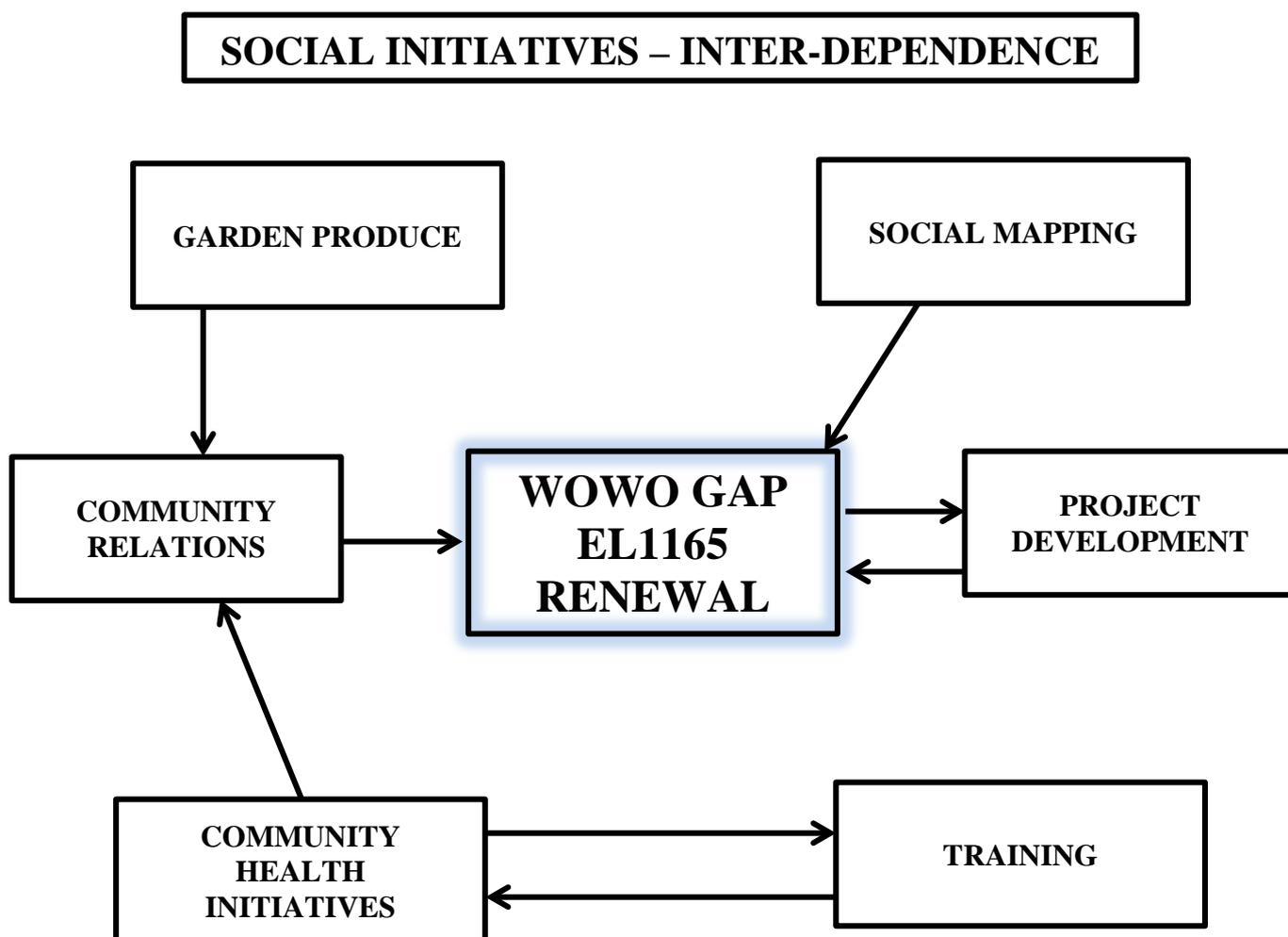


Figure 3: Social Activities

PREPARATION FOR DEVELOPMENT

Under the terms of the Mines Act, the holder of an Exploration Licence is required to undertake a variety of activities prior to conversion of the Exploration Licence to Mining Lease and prior to any development taking place.

Included are: Social Mapping and Environmental Studies

Social Mapping

Social Mapping, initiated late 2011, was interrupted and has since been reactivated. A small contract team is currently on site completing the field work and reviewing/compiling data from previously undertaken work. An important part of this activity is to conduct a census of all local residents.

Social Mapping is required for a variety of reasons:

- Land ownership for future development
- Compensation claims
- Determination and agreement of land boundaries
- Migration patterns

Customary Ownership

Within the Wowo Gap area, there are two main tribes and within the two tribes are a number of clans and sub-clan groups.

Each of these groups has direct links to the land including ownership.

An important pre-development step is to establish and agree on customary land ownership, document this and register the agreed ownership structure, including agreed land boundaries. These are usually topographic features including rivers, creeks, ridges, etc.



Figure 4: Embessa

Health Workforce

NN operates in the spirit of mutual co-operation, support and co-existence. Our objective as a company is to work for the benefit of all. With limited facilities in the area of Wowo Gap, including access to health facilities, NN is actively working with the Village leadership, Provincial Government and our employees to improve health outcomes.

As NN is the sole employer in the area, we are concerned that we have a pool of fit and healthy workers. Planning for future development, it is increasingly important that this pool of fit and healthy labour is as broad as possible. The NN health initiatives are designed to achieve this outcome.

Village Health Worker

We are trialling a permanent employee to provide on-site medical support as well as routine support to local villages. The Oro Provincial Government has provided a wide range of medicines to the local villages but there are no qualified personnel to dispense or treat patients at the generally run-down aid posts.

NN has engaged a health professional to look after the general health of our employees and have arranged to extend the service to local villages. The general level of health amongst the villagers is poor and the nearest formal medical facilities are located in Popondetta, a full day's canoe ride away.

Airstrips

With very limited infrastructure in the area, future development will be initially reliant on fixed wing aircraft to deliver personnel and supplies. NN has been actively encouraging the two main villages of Obea and Embessa to lengthen and actively maintain their air strips.

To facilitate the process, NN have supplied two whipper snippers to the villages. The main use of this equipment is to maintain the grass airstrip which is being successfully achieved along with a lengthening of both strips to +1km which will accommodate for a wider variety of aircraft than the restricted length allows.

This assists NN in options for air charter, but also allows for:

- higher payloads
- Potential regular services
- Diversity of carriers
- Emergency airstrip
- Better options for NN in future project development



Figure 5: Embessa air strip

Village Produce

NN has been assisting the villages of Embessa and Obea to develop their local gardens. The ground is particularly fertile, rainfall predictable and crop production has high yields for the national varieties grown.

This is beneficial to both parties as it:

- a) Provides a balanced diet for our workers
- b) Promotes working relationships with local villages
- c) Provides an income stream and development opportunity for local villages

From this initial beginning, NN has worked with local villages to further develop their gardens to provide consistent quality produce that can be back-boarded to Port Moresby on the fixed wing charter aircraft that delivers staff/goods/equipment to the exploration site.

The market produce system is being developed in conjunction with wholesalers in Port Moresby, to provide bulk garden produce to the Port Moresby market.

Increasing amounts of fresh food is being imported into PNG and an opportunity exists for locally grown produce. The overall objective is for the villages of Embessa and Obea to operate independently of NN. This process is being encouraged/facilitated.

NN also produces some domestically grown vegetables for consumption at the exploration camp.



Figure 6: Village produce being prepared for despatch

A key platform is the way NN conducts its business in PNG, which is focussed on adding value at the village level to retain and enhance support for the Company's exploration activities.

Cassava Plantation

RMC is working with the villages of Obea and Embessa with regards to the cultivation of Cassava.

Cassava is a part of the staple diet for the people in PNG and it also has the ability to produce carbohydrates very efficiently. RMC is also investigating the use of cassava as a raw material for the potential production of organic acids for the leaching of Nickel Laterite ore.

Current investigations are associated with developing an understanding of:

- Crop yield
- Soil conditions
- Farm support (labour)
- Harvesting
- Future mechanisation
- Cassava quality
- Handling and logistics

The investigations are being carried out as an integral part of RMC's Social Engagement Policy.

Training

RMC has a commitment to training the local population. As the sole employer in the area, RMC is active in providing job training for permanent and casual employees. In addition, the training is being extended to the village level with assistance being provided in areas such as basic equipment maintenance to rudimentary business principles.

The overall objective is to enhance the skills of our existing workforce and provide for the next stage.

ORGANIC ACID LEACHING PROCESS

CSIRO test work has been delayed by a combination of factors including:

- Acquisition and processing of test samples
- Access to laboratory facilities and key personnel
- The unplanned absence of the project co-ordinator

Stage #1 of a three stage program has now been completed, (late July), with assay results expected to be ready in the first half of August 2012. The objective of Stage #1 is to replicate the test work previously completed and lead into stage two where the leach conditions are optimised.

To benchmark the organic leach tests, a direct comparison with leaching using sulphuric acid is planned to understand the chemical reactions taking place.

In addition, test to date have been carried out on individual samples of Limonite and Saprolite. In an operating environment, a combination of the two products would be more efficient. Tests are planned to determine the practicality of this approach and Stage #1 results will provide an early indication into this approach.

WESTERN AUSTRALIAN PROJECTS

The company is currently conducting a comprehensive review of all of the Western Australian Projects with the objective of rationalising the holdings of these projects based on retention of the most prospective.



W J Davies
Managing Director
Dated this 31st day of July 2012

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mark Hill, who is a Member of the Australian Institute of Geologists. Mark Hill is a director of Exman Consultancy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mark Hill consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.