



# RIMC

Resource Mining Corporation Limited



## SEPTEMBER QUARTERLY REPORT

For the period ended 30 September 2014

- EL1165 tenement renewal confirmed
- Ground Penetrating Radar survey completed
- Preparations for extensive drilling program underway.
- Facility and Note Deed with major shareholder

### Resource Mining Corporation Limited ("RMC")

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Projects:  
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

### EL1165 Renewal

Advice has been received from the Mineral Resources Authority, Papua New Guinea that the extension of term for EL1165 has been granted by the Mines Minister with effect from 1 March 2014. The extension is for 2 years extending through until 28 February 2016.

Whilst the Directors were confident of the extension being granted as the tenement has been maintained in good standing during the past 8 months of review period, the confirmation of secure tenure is welcomed by all involved.

Security of tenure will enable the activity planned for the tenement to continue apace.

### Wowo Gap

The nickel industry's desire to develop new supplies of direct shipping nickel laterite ore ("**DSO**") remains high as the effects of the Indonesian Government's ore export ban continue to impact existing suppliers.

As announced to the ASX 24 June 2014, RMC has identified significant high grade DSO exploration targets at Wowo Gap. The company believes that these high grade DSO targets provide the opportunity for Wowo Gap to develop as a viable project involving mining, haulage and shipping to supply the East Asian market.

During the quarter, a ground penetrating radar ("**GPR**") survey was successfully completed. A total of over 65 line kilometres at 100 metre line spacings was carried out on 4 specific target areas. The integrity of the data was confirmed and transferred to Perth for processing.

Local PNG based crews have been trained for future roles for a likely second round of GPR survey, following an initial core and diamond drilling program planned for the near future.

As part of the detailed planning for the diamond drilling program, a further review of past assay results to better define the high grade zones has been completed. Three clear priority targets have been identified, including 2 with high grade intercepts at relatively shallow depths (i.e. <5 metres). These two areas are planned for the initial core and diamond drilling.

## Corporate

### Funding Agreement

During the quarter, the Company announced entering into a Funding Agreement ("**Agreement**") with its major shareholder Sinom (Hong Kong) Limited ("**Sinom**"). Under the terms of the Agreement, Sinom has agreed to provide the Company up to \$500,000 for general working capital purposes as an unsecured loan on the following conditions:

- Drawings
  - Tranche 1 – \$300,000 drawn down 29 July 2014;
  - Subsequent Tranche – \$200,000 drawn down 26 August 2014;
- no interest is payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 October 2014.

The Agreement enables the Company to proceed with the planning and preparation necessary to implement its immediate objective of drill testing the Exploration Target as detailed in its announcement of 24 June 2014 "Exploration Target: Wowo Gap Nickel Laterite Project".

Subsequent to quarter end, on 30 October 2014 the final repayment date of the \$500,000 provided pursuant to the Funding Agreement of July 2014, has been extended from 31 October 2014 to 31 December 2014.

## Facility and Note Deed

Post quarter end the Company announced entering into a Facility and Note Deed with its major shareholder Sinom. Pursuant to the Deed, Sinom has agreed to provide a loan facility to the Company, and agreed (subject to shareholder approval) to subscribe for two Convertible Notes with an issue price of \$1 million each.

The key terms of the proposed Convertible Notes are:

- a conversion price of \$0.02;
- 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.

RMC shareholders will be asked to approve the issue of the Convertible Notes at the Annual General Meeting to be held on 26 November 2014.

## Annual General Meeting

The Annual General Meeting of shareholders is to be held at 10:30am (AWST) on 26 November 2014 at the Company's Perth office located at 702 Murray Street, West Perth.

## PAPUA NEW GUINEA

### WOWO GAP PROJECT EL1165 and ELA2337

#### Site Activities

The Wowo Gap site activity has been focussed in preparation for the upcoming exploration activity planned for follow up on the Direct Shipping Ore ("DSO") Exploration Target announced to the ASX on 24 June 2014. That announcement disclosed a DSO Exploration Target **40 to 60 million tonnes at 1.6% to 1.8% Ni**, with additional metal credits including 0.07 to 0.15% Co, 0.8 to 1.2% Mn, 2 to 3% Cr<sub>2</sub>O<sub>3</sub> and 25 to 35% Fe<sub>2</sub>O<sub>3</sub>.

The previous 2010 – 2011 auger core drilling program at Wowo Gap Project targeted the upper clayey limonite on a 200m x 200m hole spacing, with hole refusal typically within the lower saprolite ore with a number of holes ended in plus 1.5% Ni material.

The saprolite material lies beneath the limonite ore with the lower portion of the saprolite comprising of an upper Ni enriched clayey saprolite and a lower rocky saprolite comprising of fresh ultramafic rocks and interstitial Ni enriched saprolitic clay. The full saprolitic profile has been penetrated by diamond drilling from 2003 – 2004 and from 2007 – 2008 on an approximate 400m x 400m hole spacing which indicated the high grade Ni clayey saprolitic material to be between 3m and 5m thick.

This is the section of the ore body that the exploration program is focussed on assessing.

Recent site activity has been focussed on preparing for the future Diamond Drilling program, with the following undertaken:

- The completion of over 65 line kilometres of gridding at 100 metre line spacings for GPR and drill rig access.
- The completion of the GPR survey by specialist consultants. The GPR data defined the boundaries between the clay (see Figure 1 on page 4), the rocky saprolite and the underlying bedrock (see Figure 2 on page 5).
- Quotes and draft contracts from drilling contractors were reviewed and compared against owner/operator drilling operations. The preferred option is for the owner/operator approach, and a drill rig has been ordered;
- Planning and initial site preparation of fly/temporary camps for the drilling campaign under way;
- Appointment of new personnel, together with the reorganisation of site based supervision, has been implemented. Included in the team is a new PNG Senior Field Supervisor with extensive experience in diamond drilling and personnel supervision; and
- Completed operational procedures (safety, drilling, environmental, etc.) have been submitted to Department of Environmental and Conservation for permitting and information purposes.

- Commencement of baseline environmental surveys at the Project to monitor water quality (see Figure 3 on page 6), flora and fauna.

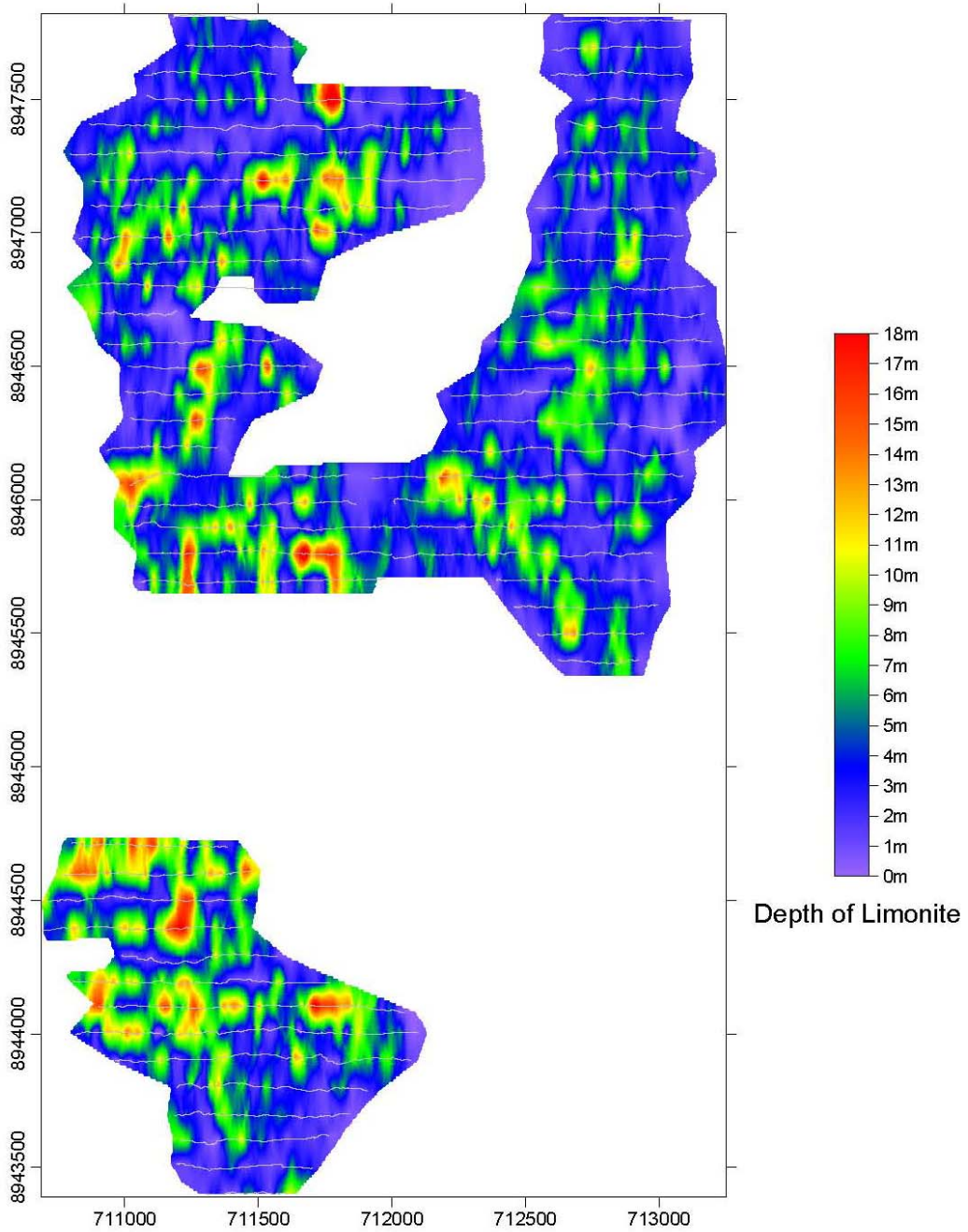


Figure 1: GPR defined depth to base of clay zone over DSO target areas.

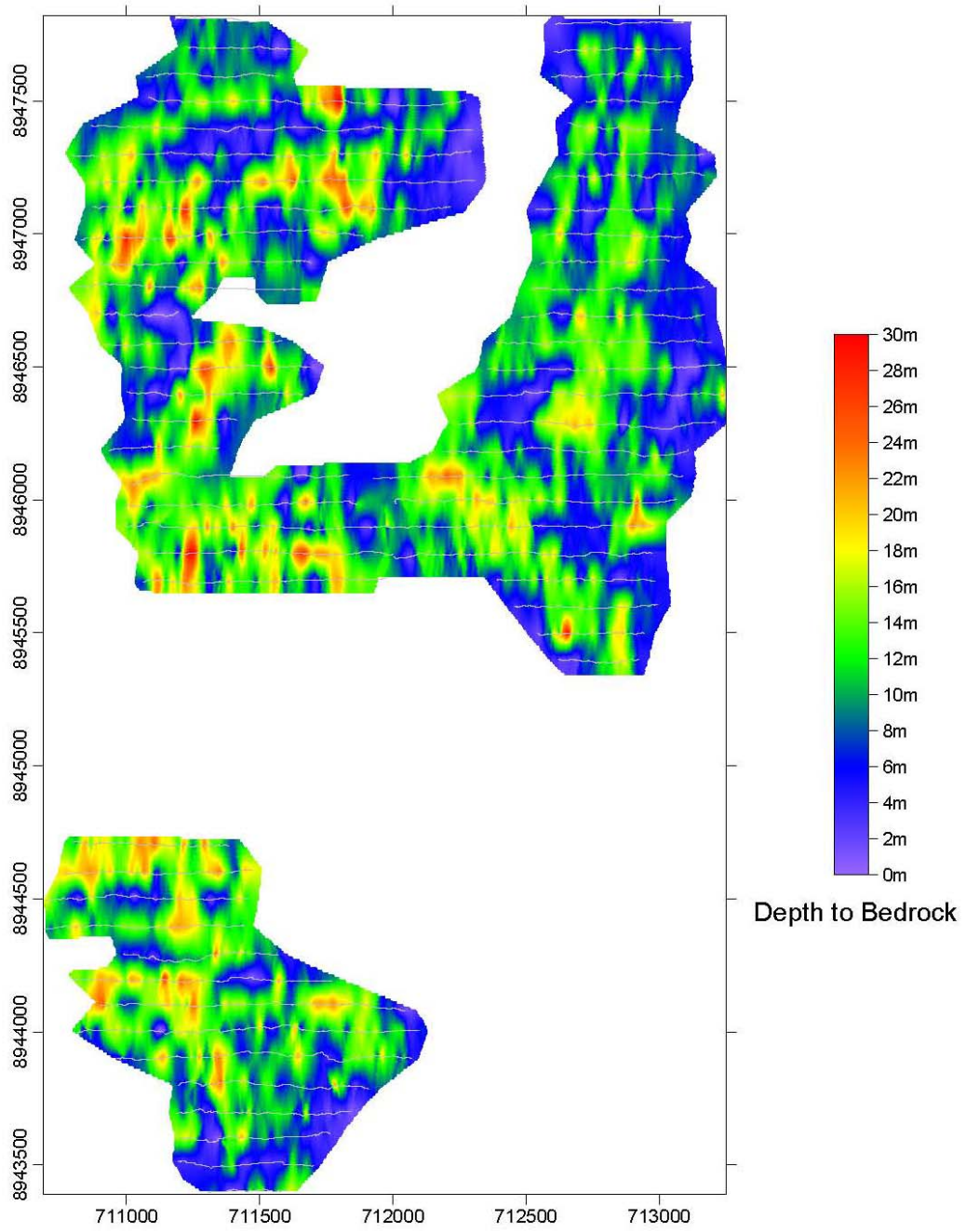


Figure 2: GPR defined depth to base of rocky saprolite over DSO target areas.

## Water Quality Monitoring

Water quality monitoring is a key aspect of the Environmental Baseline measurements. All creek and river systems that feed into or out of the tenement area are subject to the monitoring process.



Figure 3: Provides an example of the sampling techniques currently employed.

## Tenements

As part of the overall planning for potential future development, a new tenement application has been lodged for an area north east of the project (ELA2337). Upon successful granting, this area will provide the Company with the opportunity to explore the transport options towards the coast for future infrastructure requirements.

In conjunction with the new tenement application, a decision has been made to relinquish tenement EL1979. The relinquishment of this tenement is based on patchy, non-continuous mineralisation as well as very significant topographical challenges. For future development, the high grade sections of EL1165 and a portion of EL1980 are viewed as more prospective and accessible development options.

Warden's Court Hearings have been confirmed for 17 December 2014 for:

- a) Renewal of EL1980; and
- b) Application of ELA2337

These hearings will be conducted in three villages (Embessa, Obea and Wanigela) during the course of the day.

Warden's Court Hearings provide an opportunity for local landowners to express views relevant to the renewal and granting of tenements.

W J Davies  
Managing Director  
Dated 31<sup>st</sup> day of October 2014

### **Competent Person Statement**

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 an employee 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 and 2012 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.

### **SCHEDULE OF TENEMENTS AS AT 30<sup>th</sup> September 2014**

<b>Tenement</b>	<b>Tenement No.</b>	<b>RMC Interest</b>
Wowo Gap	EL1165	100%
Didiana	EL1980	100%