



RIMC

Resource Mining Corporation Limited



JUNE QUARTERLY REPORT

For the period ended 30 June 2015

- Corporate Update
- Nickel and Economic Outlook
- Wowo Gap Status Report

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

Corporate Update

Faced with challenging financial times in a period of falling commodity prices, RMC management has begun implementing a strategy to ensure the efficient execution of essential activities targeted to:

- Allow an appropriate level of ongoing Wowo Gap Project assessment;
- Secure and preserve the Wowo Gap Project assets and intellectual property; and
- Retain RMC's key operational capabilities.

Implementation of this strategy is underway, both on site in PNG as well as in the Perth office. On site there has been a reduction in personnel, amendments to rosters and closer supervision of acquisition and utilisation of supplies.

RMC, consistently managed in a cost effective manner, continues to find ways to enhance this culture to sustain our operations.

Economic Outlook

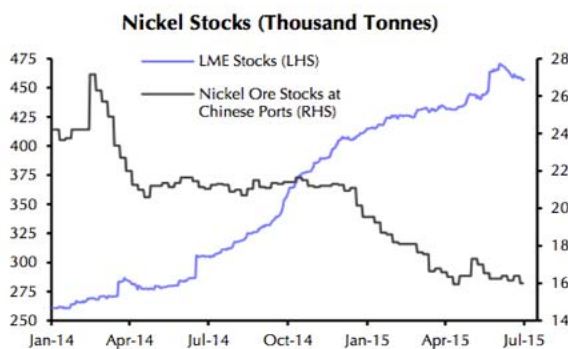
With the uncertainty in commodity prices and a slow-down of growth in industrial consumption in China, the last quarter has seen a widespread fall in commodity prices including for steel making raw materials such as nickel and nickel ore.

A further reduction in growth has been forecast for China and many suppliers of iron ore, coal, copper, nickel, etc are facing difficulties and this negative sentiment has flowed through to the resource exploration sector of the global equity markets.

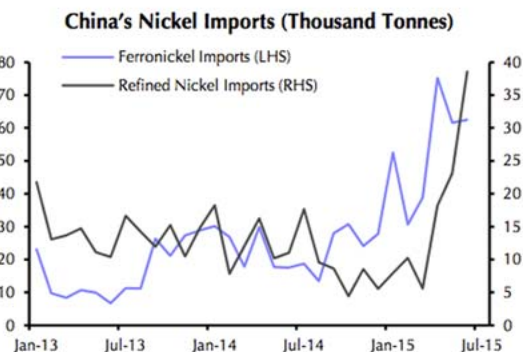
The recent steep falls in commodity prices is well documented for ferrous and non-ferrous metals, energy minerals, coal and oil. However against this back drop, market analysts remain optimistic for the future nickel demand and therefore price in the medium term.

Since the Indonesian export ban on nickel laterite ores was implemented in 2014, stocks of nickel ore at Chinese ports have rapidly declined as shown in Figure 1.

What goes down...



Must come up



Source: Capital Economics

Figure 1. Chinese nickel stocks and imports

With the reduction in nickel laterite stocks and subsequent decline in Nickel Pig Iron production, Chinese nickel consumers have responded to the loss of nickel ore supply from Indonesia, with imports of both primary nickel and ferro nickel rising.

The import of nickel metal by China coincides with the first decrease in LME nickel stocks for many years.

Despite the current economic conditions, Macquarie Research remain quite bullish regarding future nickel metal prices. Table 1 outlines the Macquarie Research forecast as published in January 2015 showing a forecast increase through to 2019.

Table 1. Macquarie price forecasts for base metals

		2013	2014	2015F	2016F	2017F	2018F	2019F	Long Term
		CY	CY	CY	CY	CY	CY	CY	\$2014
Nickel	US\$/tonne	15003	16867	19375	23750	25000	27000	28000	24000

Source: LME, Macquarie Research, January 2015

RMC must adapt to these external circumstances and at a time like this, cost saving in all areas is critical as is the need for on-going financial support.

Through good planning and having the right management team in place RMC is confident of being in a good position to progress to the next round of exploration when external circumstances improve.

Wowo Gap Nickel Project

The Project is a potential source of Nickel Direct Shipping Ore (DSO). From the preliminary geological review of information obtained during the recent Auger and Diamond drilling campaigns, it appears that the Wowo Gap deposit is likely to be able to yield 2 or 3 separate laterite nickel products suitable for use in the various nickel ore processing technologies including:

- High Pressure Acid Leach (HPAL)
- Reduction Kiln Electric Furnace (RKEF) Nickel Pig Iron (NPI); and
- Blast Furnace (BF) NPI.

Market prices for these ore types are currently below optimum for project development. However, based on industry factors, including geographical location, buyer interest, diversification and potential product grade, there are very good reasons why the Project should be kept active.

The current focus is on preserving site assets and capabilities ready to rapidly commence the next phase of drilling once the commodity market improves.

PAPUA NEW GUINEA

WOWO GAP PROJECT STATUS REPORT

SITE ACTIVITIES

With the completion of Phase #1 exploration drilling in March 2015, RMC has taken the opportunity to undertake a series of housekeeping and cost saving exercises, including:

- Machinery assessment, service and repair;
- Human resources management and systems upgrades; and
- Establishment of solar power infrastructure.

Machinery Assessment, Service and Repair

The key equipment on site is drilling equipment and associated pumps, motors, etc. All have been serviced and reviewed for wear and spare parts use. Spare parts for future exploration activity have been secured and work processes altered to minimise wear and tear on equipment.

Training of Personnel

Personnel have been challenged and trained to become multi-skilled. Whilst specialist roles have been enhanced, the slow-down in site activity has provided an opportunity for additional skill development. A key aspect of this process has been to document activities, report against the activity to improve accountability and provide a permanent training record.

Training manuals have been developed and personnel training enacted to ensure a core group of competent and skilled people are available for future work. The training has been extended beyond that of drilling and associated activity to include:

- Camp and mess personnel;
- Water supply operations; and
- Office workers.

Personnel Rosters

Roster changes have been implemented resulting in additional efficiencies, productivity improvements and a reduction in casual employees.

With the assistance of suppliers, including air charter operators, the frequency of our air charters has been reduced to complement the modified rosters, resulting in cost reductions and improved efficiency, especially through maximising the cargo carrying capacity.

Implementation of Policies and Procedures

With an effective and efficient office/administration environment on site, the process of proceduralising activities has begun resulting in further productivity improvements as personnel report against an agreed process and an agreed time frame.

RMC has been reassured by the positive manner in which most of our site personnel have embraced the changes underway. Although encouraging progress has been made, further work is required to encourage personnel to embrace a change in work culture.

Food, including a balanced and varied diet, is another aspect of the current changes being implemented on site. Significant time and effort have been committed to improvements in food offerings on site. A combination of food sourced from Port Moresby and local supplies of fresh produce, (eg: fresh/dried meat/fish and vegetables/fruit), has enabled our head cook and camp supervisor to create a weekly meal menu to be served to site personnel. The improvements seen in work performance in addition to a manageable food inventory, is also very encouraging.

Significant positive impacts on cost control (reduction) and predictability of food ordering have also been addressed and all have contributed to improved efficiency and overall cost savings.

Electrical Infrastructure

The upgrade from diesel and petrol generated power on site to 100% solar power has seen significant improvements in costs and electrical efficiencies. Fuel consumption has decreased by 80% on site since the shift to solar power.

Power outages and loss of internet connection have also been reduced to a record low with power/voltage fluctuations being almost eliminated.

The draw on solar power has also been addressed, with amendments to operational starting and finishing times adding to the efficiency improvements and cost reductions on site.

ENVIRONMENTAL ACTIVITY

Water quality is one of the key elements required for environmental assessment. Monthly water sampling activity is undertaken at a variety of sampling locations across the tenement.

In the current dry season, several of these sites can be completely dry or the subject to very limited water flow. General conditions are noted along with the specific water assay details for all sites in all seasons.

LOGISTICS

Considerable community effort has been utilised to the upgrade of the Embessa airstrip to accommodate a variety of aircraft.

The Company currently charters a PAC750 with a carrying capacity of 1000kg. As a result of the upgrade to the airstrip, the Company has been able to successfully trial the use of a Twin Otter

aircraft to undertake a scheduled charter. The Twin Otter has a carrying capacity of 1200kg. With work on the airstrip completed, additional trials will be planned including the use of a Cessna Caravan aircraft with a load capacity of 1500kg. The objective is to provide an airstrip suitable for a range of aircraft for mutual benefit of the Company and local residents.

Geological activity during the quarter has been focussed in the following areas:

1. Data management
2. Independent geological review
3. Site procedures
4. Mapping

Data Management

The Wowo Gap project data base has been subjected to in-house and independent detailed and comprehensive audit including quality control and quality assurance with cross-checking of data back to 2008.

All drill hole logs have been checked – logging against geochemistry. All density tests methodology re-confirmed, calculations re-done and tables of density versus mineral type prepared.

All site based paper logs have been scanned, converted to digital records and data back-up prepared. Site geological personnel have been trained in QA/QC procedures for data processing and all procedures updated with the appropriate training completed.

Independent Geological Review

An independent assessment of all aspects of the 2014/15 drilling and sampling program including data capture, validation and processing has been completed and reports submitted. This process is essential for future resource update to JORC 2012 standards.

Site Procedures

The importance of uniformity of processes has been imparted to site personnel from core photography, to core logging, to moisture and density measurements. All procedures have been updated with sign off provisions for geological tasks implemented.

Mapping

A comprehensive geological mapping exercise is currently underway on site. In preparation for future development, detailed geological maps will be important for pit development as well as road construction, including the sourcing of locally available road building materials.

The dry season is currently in progress which has allowed ready access to all areas of the exploration tenement. Mapping of exposed faces from erosion 'wash away' has been implemented and will be followed up when the wet season arrives. The objective is to capture the maximum amount of geological data possible when the laterite profile is exposed by weather action.



W J Davies
Managing Director
Dated 31st day of July 2015

SCHEDULE OF TENEMENTS AS AT 30 JUNE 2015

Tenement	Tenement No.	RMC Interest
Wowo Gap	EL1165	100%
Didiana	EL1980	100%
Wanigela	ELA2337	100%