



RMC

Resource Mining Corporation Limited



SEPTEMBER QUARTERLY REPORT

For the period ended 30 September 2017

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

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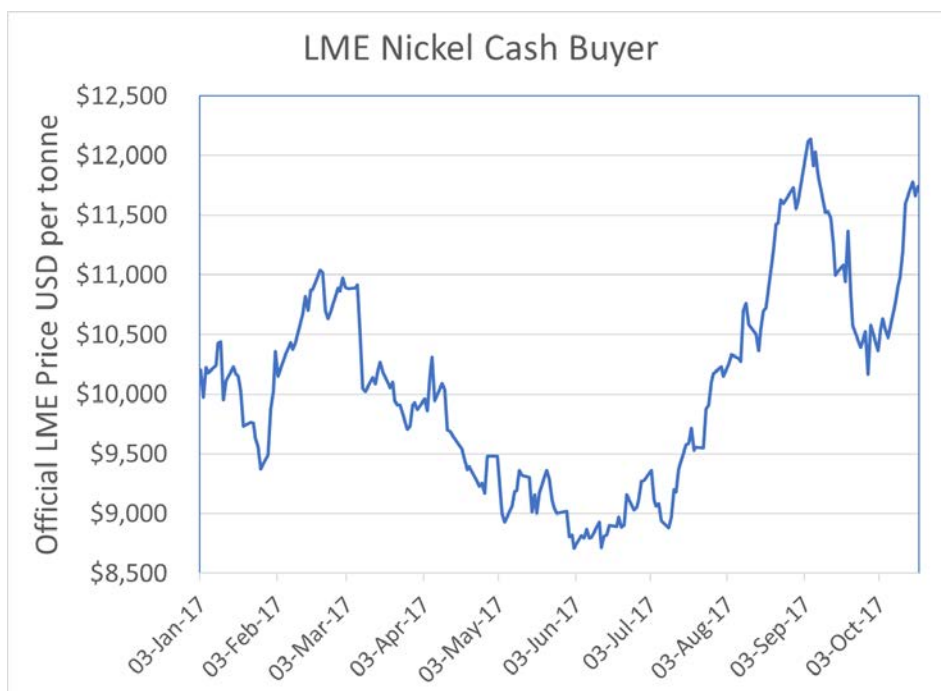
Papua New Guinea
Wowo Gap: Nickel-Cobalt

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

Business Update

Your Company remains focussed on the low cost preservation and maintenance of its 100% interest in the Wowo Gap Nickel Laterite Project ("the Project") pending an improvement in the Project's target commodity markets. In this regard, there have been positive developments in both nickel and cobalt markets in recent times, driven by the rapid penetration of battery technology into transportation, domestic power and grid scale power applications. Both nickel and cobalt are essential ingredients in the manufacture of lithium ion batteries and the market prices (illustrated below) for both metals, especially for cobalt, have increased substantially since the beginning of 2017.



RMC's Board views this commodity price increase as important for the potential future development of the Project.

Site activities and operations continue to ensure both the security and preservation of the Project's tangible and intangible assets. Activities during the period included:

- Routine environmental monitoring and associated work;
- Maintenance of camp and drill line access tracks following unseasonably heavy rains;
- Upgrade of site communications hardware and associated training of all site based personnel;
- Maintenance of regular and transparent information flow and provision of updates on the Project and site operations to the three landowner villages of Obea, Embessa and Taruma; and
- Activities necessary to support the renewal application for Exploration Licence EL 1165 were advanced.

Off-site business development work continues to capitalise on renewed general interest in potential future sources of nickel and cobalt. Activities during the period (discussed in more detail separately) included:

- Research into the metal and chemical requirements of the world's battery producers to understand the needs of that market;
- Review of the higher grade nickel and cobalt mineral resources at Wowo Gap; and
- Review of alternative leach technologies.

Preparations for the Annual General Meeting of shareholders have been completed with notices sent to Shareholders mid October for the meeting to be held 17 November 2017.

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 2018.

Business Development

Nickel and cobalt markets.

Reuters reported late August that nickel prices had risen 15% during the year based on a combination of increased demand from Chinese stainless-steel producers as well as a lack of availability of nickel laterite ore from the Philippines. Other commentators including Societe Generale analyst Robin Bhar suggested that the nickel consumption in lithium ion batteries had a positive influence on nickel price.

A recent announcement by BHP¹ advises that:

- Battery industry expectations are for between 25% and 40% compound annual growth rate to 2025; and
- The adoption of nickel rich chemistries is accelerating with virtually all battery producers moving to higher nickel-rich chemistries.

A recent research note by Macquarie Group² notes that cobalt chemicals are the raw material crucial for the global rechargeable battery industry and that demand is rapidly outstripping supply. Roskill also notes that outlook is positive for cobalt metal demand, where refined cobalt metal is mostly consumed in nickel alloys, tool materials and magnets. Strong demand from the aerospace and industrial manufacturing sectors in particular is expected to translate into steady growth in demand for the metal over the period to 2026.

¹ BHP, 17 October 2017, Australian Nickel Conference; *The Nickel West Journey Continues*

² Macquarie, 7 February 2017, *The 2017 battery metal story might well be cobalt*

Wowo Gap mineral resource review.

Previously reported Mineral Resources at Wowo Gap³ are:

Mineral Resource Classification (JORC 2004)	Mt 0.8% Ni cut off	Nickel (%)	Cobalt (%)
Indicated	72	1.03	0.07
Inferred	53	1.09	0.06
Total	125	1.06	0.07
Contained Metal		1,325,000 t	83,000 t

Previous Wowo Gap Project studies have primarily targeted nickel content, with cobalt seen as a minor by-product credit value only (in High Pressure Acid Leach studies) or of no value at all (as Direct Shipping Ore feed to Chinese Nickel Pig Iron producers).

With the improvement in long term fundamentals for the cobalt market, investigations are underway to interrogate this resource estimate with a view to identifying areas of higher cobalt grade. Better cobalt intersections recorded in previous drilling⁴ include:

Hole_ID	From	To	width	Ni%	Co%	AMG84.E	AMG84.N	RL	Brg	Dip
WGDH072	5.0	6.0	1.0	1.5	0.34	712803	8946003	388	0	-90
WGDH130	3.0	5.9	2.9	1.6	0.25	712965	8946670	354	0	-90
WGDH138	2.0	2.8	0.8	1.8	0.15	712790	8947034	312	0	-90
WGDH143	2.8	3.5	0.7	1.9	0.21	712893	8947175	304	0	-90
WGDH148	4.0	9.9	5.9	1.8	0.24	712872	8945450	413	0	-90
WGDH162	4.0	7.2	3.2	1.8	0.12	711909	8945044	686	0	-90
WGDH180	3.0	6.9	3.9	1.6	0.14	710987	8944198	824	0	-90
WGDH192	3.0	5.6	2.6	1.6	0.15	710837	8943803	800	0	-90
WGDH196	4.8	9.0	4.2	1.8	0.21	711801	8943830	588	0	-90
WGDH199	2.0	3.2	1.2	1.5	0.20	711917	8943968	604	0	-90
WGDH208	3.2	7.9	4.7	1.7	0.20	711360	8943438	633	0	-90
WGDH220	1.0	2.3	1.3	1.8	0.11	709778	8942588	817	0	-90
WGDH346	2.0	4.3	2.3	1.5	0.11	711390	8947753	598	0	-90

Wowo Gap alternative leach technologies.

The Company has previously investigated the application of alternative atmospheric leach technologies to Wowo Gap ore. Excellent results were achieved, especially for cobalt extraction, as previously reported and tabulated below⁵:

³ Refer ASX announcement 14 December 2011 - *Wowo Gap Resource Upgrade*

NOTE: This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

⁴ Refer ASX announcement 2 July 2014 - *Exploration Target: Wowo Gap Nickel Laterite Project*

⁵ Refer ASX announcement 17 May 2013 - *Investor Presentation*

Ore Type	Nickel			Cobalt		
	Head Assay %	Initial Testwork Leach Extraction %	New Process Leach Extraction %	Head Assay %	Initial Testwork Leach Extraction %	New Process Leach Extraction %
Limonite	0.76	6	50	0.14	39	100
Limonite	1.08	7	55	0.13	54	100
Limonite	1.37	13	72	0.09	67	100
Limonite	1.51	14	75	0.08	58	100
Saprolite	1.21	16	93	0.05	60	89
Saprolite	0.95	18	78	0.03	78	94
Saprolite	0.93	20	84	0.02	71	88
Saprolite	0.84	21	90	0.04	55	79

The implications of these factors – improving market fundamentals, potential grade enhancements and promising process technology – are providing encouragement for the future viability of the Wowo Gap Project.

Your directors are keen to realise value from these opportunities and are developing work programs and budgets for further work, together with exploring appropriate funding mechanisms



W J Davies
Managing Director
Dated: 23 October 2017

SCHEDULE OF TENEMENTS AS AT 30 SEPTEMBER 2017

Tenement	Tenement No.	RMC Interest
Wowo Gap	EL1165	100%