



ANNUAL REPORT 2014

RESOURCE MINING CORPORATION LIMITED

ABN 97 008 045 083

COMPANY INFORMATION

ABN	97 008 045 083
Directors	William (Bill) Mackenzie (Non-Executive Chairman) Warwick Davies (Managing Director) Zhang Chi (Andy) (Non-Executive Director)
Company Secretary	Ann Hadden
Registered Office	702 Murray Street WEST PERTH, WESTERN AUSTRALIA 6005
Principal Place of Business	702 Murray Street WEST PERTH, WESTERN AUSTRALIA 6005 Telephone: +61 8 9213 9400 Facsimile: +61 8 9213 9444 Website: www.resmin.com.au
Share Registry	Computershare Investor Services Pty Ltd Level 2, Reserve Bank Building 45 St Georges Terrace PERTH, WESTERN AUSTRALIA 6000 Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033
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: Shares RMI

CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the Board of Directors, it is with pleasure that I present Resource Mining Corporation Limited's (RMC's) Annual Report for the year ended 30 June 2014.

We entered the 2013/14 financial year in a less certain state than we left it. Much has happened in the nickel industry over the past 12 months and the Directors believe RMC is on the cusp of an exciting period in the Company's history.

This state of excitement is directly linked to fundamental changes currently underway particularly in the Chinese nickel and stainless steel industries. The market growth in production of nickel pig iron, now the key raw material for stainless steel in China, has been dramatic. Information provided in RMC's regular reports to the ASX during the year, have provided specific details.

The minerals export ban by the Indonesian Government which took effect on 12 January 2014, is the most significant event in the change to the nickel market. By implementing this ban, many Chinese nickel pig iron producers face an uncertain future with regards access to high grade nickel laterite ore. (Indonesia was THE main source of nickel laterite with Ni content +1.6%).

The effect of the Indonesian Government minerals export ban has been to fundamentally change the availability of Direct Shipping nickel laterite ore available for export to China. The Directors view this event as a trigger for future development of the Wowo Gap Project.

On the basis that RMC's geologist has identified, and independent geologist has confirmed a high grade exploration target of 40-60 million tonnes of nickel laterite with a nickel target 1.6 to 1.8% at the Wowo Gap Project, RMC's activities are focused on confirming the quantum and nickel grade of the exploration target as well as preparing the Wowo Gap Project for future development.

Activities associated with the requirement for mining lease application, road, power and port developments will all be addressed in the near future.

Whilst discussions continue with a variety of potential partners regarding interest in the Wowo Gap Project, the Directors will make any investment decisions that provide the best outcome for all shareholders.

On behalf of the Board, I thank the RMC team for their commitment during the year and my fellow directors for their support. Most importantly, I thank you, the shareholders, for your continued support.

Yours sincerely



William Mackenzie
Chairman

REVIEW OF STRATEGIC INTENT

Resource Mining Corporation Limited (ASX: RMI) (Resource Mining or 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 Nickel Laterite Project in south east PNG remains the key strategic goal of the Resource Mining Group. Recent developments in the world's nickel industry have focussed attention on the nickel laterite projects in the South Pacific.

1. PAPUA NEW GUINEA - WOWO GAP NICKEL LATERITE PROJECT (the Project): EL 1165 and EL 1980 (RMC 100 per cent interest)

PROJECT OVERVIEW

The Project is located 200 kilometres east of the PNG capital Port Moresby and approximately 35 kilometres from the town of Wanigela situated on Collingwood Bay. The Project hosts significant nickel-cobalt mineralisation within the laterite profile overlying an ultramafic plateau.

Drilling to date has outlined mineralisation along the 12 kilometre strike length resulting in a total Indicated and Inferred Mineral Resource Estimate of 125 million tonnes at 1.06 per cent Nickel (Ni), 0.07 per cent Cobalt (Co), see Table 1 on page 4 for further details.

Tenement Renewal

Niugini Nickel Limited (Niugini Nickel), a 100 per cent owned subsidiary of Resource Mining, is the sole owner of Exploration Licence 1165, which covers an area of 95 square kilometres. The Exploration Licence consists of 28 sub-blocks with an area of 94.40 square kilometres. In addition to EL1165, Niugini Nickel also owns an adjacent tenement: EL1980 which hosts potential extensions of the nickel bearing ultramafic unit extending from EL1165. The current tenure for EL1165 expired on 28 February 2014. The renewal process is underway with the Warden's Court Hearings completed late March. The tenement remains in good standing with all requirements having been met. According to the requirements of the Mining Act, the renewal process takes a minimum of nine months to complete. Tenure remains in place during this renewal process.

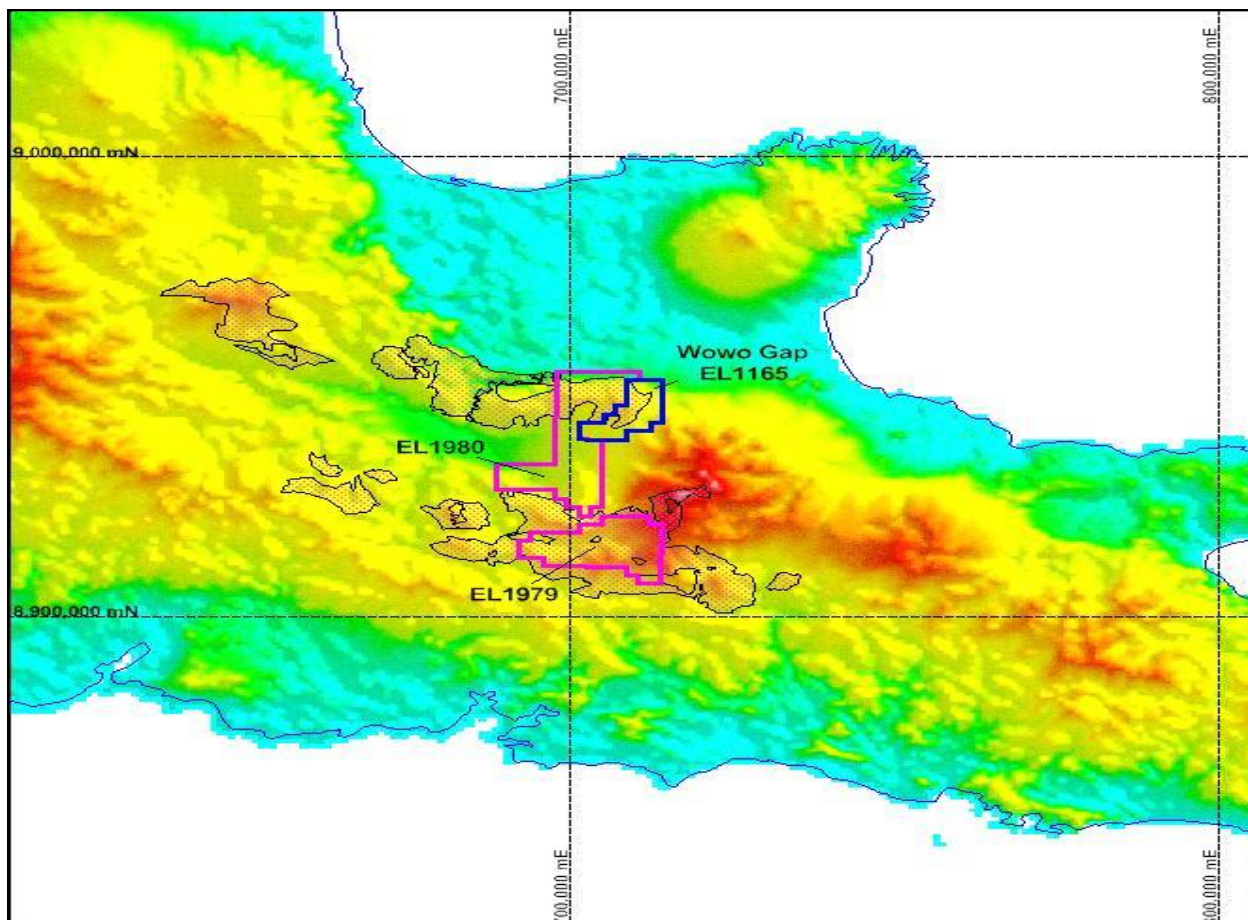


Figure 1: Location of the Wowo Gap Project Exploration Licences

Geology

Wowo Gap is located at the south eastern end of the Papuan Ultramafic Belt, a complex of peridotite, pyroxenite and gabbro which form the prominent east-west trending Didana Range.

The most prominent rock types are of the Papuan Ultramafic Belt, which occur as an east trending block through the Didana Range and are bounded to the east and southeast by the Bereruma Fault. The Bereruma Creek is controlled by this fault and is positioned in Wowo Gap between the Didana Range to the west and the Goropu Mountains to the east. In the Didana Range the ultramafic rocks consist of tectonite ultramafics, cumulate ultramafics and gabbro and granular gabbro.

The tectonite ultramafics crop out at the eastern end of the Didana Range adjacent to and within the western section of the Wowo Gap Project. The Sivai Breccia, co-host of the Wowo Gap mineralisation, flanks the tectonite ultramafic at the eastern end of the Didana Range adjacent to the Bereruma Fault.

The ultramafic rocks are flanked by younger clastic sediments and basaltic volcanics of the Pliocene Domara River Conglomerate, the Musa Volcanics and the Silimidi Conglomerate. In the northern foothills of the Didana Range the Bonua Porphyry is associated with the Musa Volcanics.

The Project area lies within an erosional regime of an east dipping lateritic profile developed over the underlying ultramafics. The Project area is the physiographic expression of the northeast trending Bereruma Fault.

A complete lateritic profile is preserved, with partial truncation associated with recent drainage systems. The depth of weathering varies according to rock type and the degree of brecciation. The lateritic profile is typically 10 to 15 metres thick, occasionally more than 20 metres proximal to the Sivai Breccia.

The full regolith profile of the Wowo Gap deposit with typical average thicknesses from top to bottom is described in Table 1 below.

Table 1: Primary Lithology Units

Lithology	Typical Geochemistry	Typical thickness	Description
Volcanic Ash	<0.3%Ni	1 metre	Volcanic ash – barren overburden
Limonite	1.2%Ni, 50% Fe ₂ O ₃ , 5%MgO, 20% SiO ₂	5 metres	Limonitic clay; Ni, Co, Fe, Mn enriched
Saprolite	1.5%Ni, 30% Fe ₂ O ₃ , 20%MgO, 35% SiO ₂	5 metres	Saprolite clay; Ni, Mg enriched
Rocky Saprolite	1.9%Ni, 20% Fe ₂ O ₃ , 30%MgO, 40% SiO ₂	5 metres	Saprolite clay within partly weathered UM rocks;
Bedrock	<0.3%Ni	NA	Ultramafic rocks, peridotite and dunite

Direct Shipped Nickel Laterite

Background

China's demand for nickel laterite ore as feedstock for its nickel pig iron industry is being maintained despite the Indonesian export ban on the export of nickel laterite ores. Some export of nickel laterite is licenced provided the exporter has development plans and plant construction for local laterite ore processing. China's current demand is being met from existing stockpiles, exports from Philippines and some availability of material from Indonesia.

This is an imperfect situation as Indonesia is the main source of high grade nickel ore (saprolite), whilst the Philippines is the more significant supplier of the lower nickel grade ore (limonite).

On 12 January 2014, the Indonesian Government's ban on mineral exports took effect. Nickel laterite ore prices have since risen significantly as has the price of primary nickel metal.

Market commentators are beginning to become more optimistic regarding the medium to longer term future for nickel prices and there is an expectation that there will be a significant deficit in nickel laterite availability in 2015.

With the cessation of laterite ore supplies from Indonesia, both Chinese and Japanese end-users have begun to actively seek alternative supply sources. China's demand is for raw materials for nickel pig iron production whilst Japanese consumers seek high grade saprolite for the production of ferro nickel.

The size of the Chinese nickel laterite market is substantial. In 2013, China imported 70 Mt of laterite ore, 40Mt from Indonesia and 30Mt from the Philippines. Market reports suggest that Philippine exports to China would reach 40Mt in 2014 but weather and other issues have delayed exports, which are running around the same level as 2013. With difficulties faced by importers, alternative sources grow in importance.

PNG offers a potential solution to the supply availability issue, a matter that will be further emphasised as laterite nickel prices either continue to rise or remain stable at the current high levels.

RMC is uniquely well positioned to take advantage of this significant recent development in the nickel ore market dynamics through its 100% ownership of the Wowo Gap Project in PNG and is actively engaging in relation to interest in supply with East Asian nickel producers who have been directly impacted by enforcement of the Indonesian export ban.

The Project's Direct Shipping Ore (DSO) Potential

In pursuit of an opportunity to supply the nickel laterite market, RMC's geologists investigated and re-analysed previous drilling results, particularly those holes that ended in the Transition Zone, (ie. interface of limonite and saprolite) to determine if any high grade potential existed within the resource.

The outcome of this investigation was the identification of 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% Cr₂O₃ and 25 to 35% Fe₂O₃.

Historical nickel exploration drilling of the Wowo Gap Project was focussed on the upper clayey limonite material rather than the lower saprolite ore. The saprolite material lies beneath the limonite ore with the lower portion of the saprolite comprising of fresh ultramafic rock and interstitial clay typically hosting the higher grade nickel material.

Due to its rocky nature, the saprolite ore requires diamond drilling rather than the simpler auger core drilling method which was adopted to test the limonite ore zones in 2010 to 2011. The auger core drilling typically ended in the clayey saprolite material but did not penetrate the lower rocky saprolite layer. The auger core drilling was conducted on a 200m x 200m hole spacing along the 12km strike length of the Project and a number of holes ended in plus 1.5%Ni within a clayey transitional saprolite material.

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

An independent geologist, a specialist in nickel laterites, reviewed the raw drill data, and supported RMC's conclusions with respect of the high grade Exploration Targets being identified in the short term. Seven prospective high grade areas are outlined in Figure 2, on page 6.

Planned Activity

With having identified high grade zones, the development plans are as follows:

- Diamond drilling on 100 x 100m spacings to provide resource estimate sufficient for Reserve Estimation for the Feasibility Study. Additional ground penetrating radar on 25 metre line spacings for mine planning purposes;
- In fill diamond drilling on 50 x 50m spacings for mine planning purposes; and
- Work necessary for Mining Lease Application including environmental, social mapping, heritage survey and social awareness.

The initial 100m spaced ground penetrating radar work has been completed, and the final interpretations of the laterite profile are awaited.

Additional resources in terms of technical personnel (geologists, environmental scientists, anthropologists, drilling specialists etc), have or will be engaged to ensure the planned activities proceed efficiently and effectively.

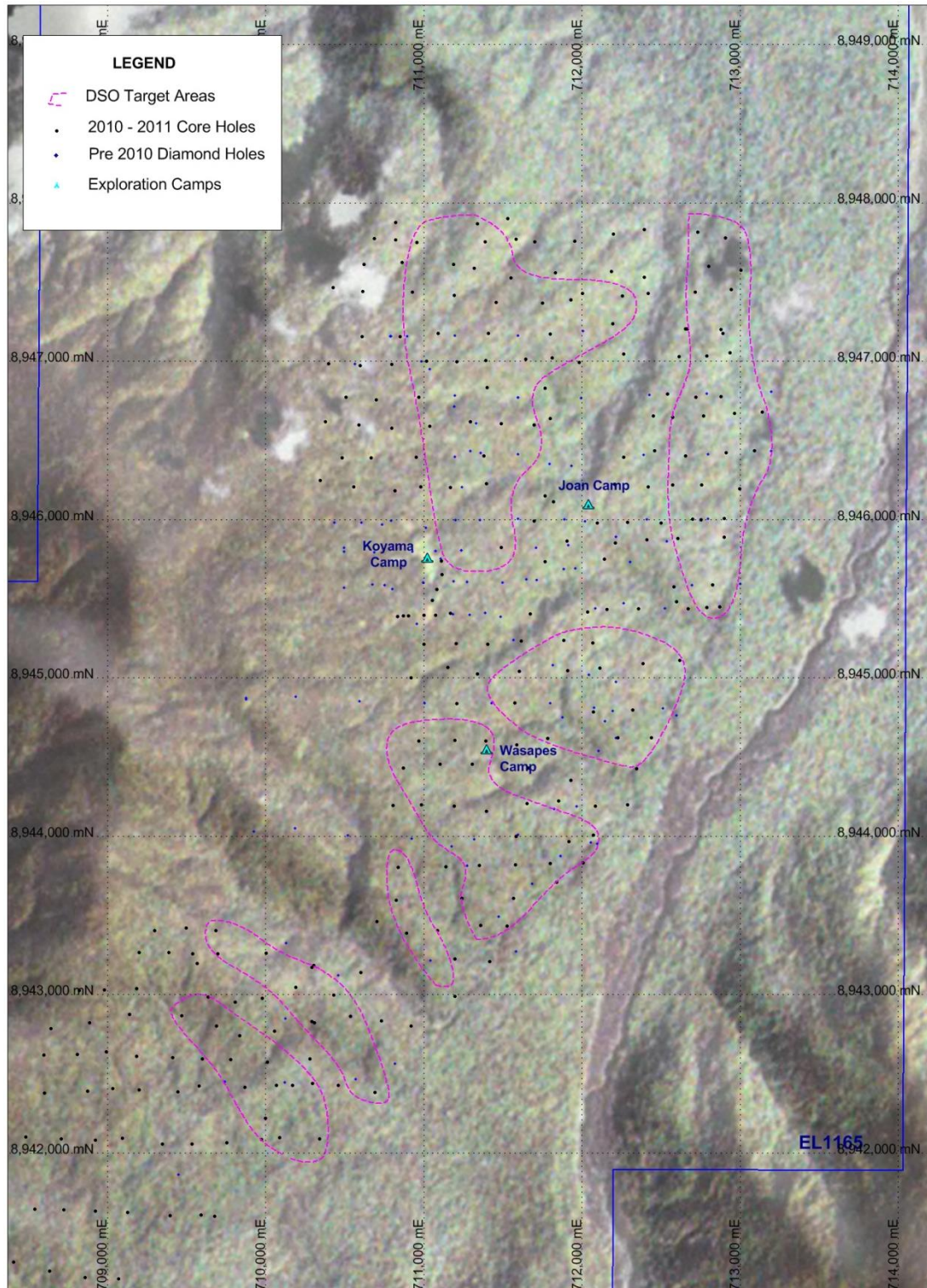


Figure 2: Wowo Gap High Grade Exploration Target Areas

As the DSO potential of the Wowo Gap Project is considered significant both to RMC and PNG's mining industry, very regular contact has been maintained with the MRA in Port Moresby regarding:

- Tenement Renewal Program;
- Social Awareness Campaign; and
- DSO potential and potentially interested investors.

Other Exploration Licence Activity

RMC held EL1979 and holds EL1980 adjacent to EL1165. The two additional licence areas were obtained as there was indication of extension of the laterite mineralisation across both tenements. Subsequent geological investigation concluded that EL1979 is poorly prospective and it was subsequently relinquished.

EL1980 Scout Drilling Program

An eight hole drilling program (as shown in Figure 3 below) was conducted across the main ridge line on EL1980 that was expected to host the extension of the ultramafic unit hosting the laterite mineralisation on EL1165. Four of the eight holes intersected Ni mineralisation associated with ultramafic lithologies. The other four holes intersected mafic geology, which is generally not prospective for laterite Ni mineralisation. Table 2 below shows the significant Ni assays above 0.5% Ni.

Follow up drilling has been planned across the small ridge line to the north of DRDH001 to 005.

Table 2: Significant Ni Assays

Hole_id	AMG_East	AMG_North	RL	Depth_from	Width	Ni %	Co %
DRDH001	707912	8946392	1321	2	4.4	0.88	0.16
DRDH002	707366	8946381	1360	10	2	0.75	0.01
DRDH003	706888	8946352	1322	0	2	0.83	0.02
DRDH004	706335	8946666	1251	4	8.3	0.65	0.06
DRDH005	705885	8946723	1193	-	-	NSA	-
DRDH006	704958	8946924	1093	-	-	NSA	-
DRDH007	703849	8947222	1103	-	-	NSA	-
DRDH008	702908	8947120	1155	-	-	NSA	-

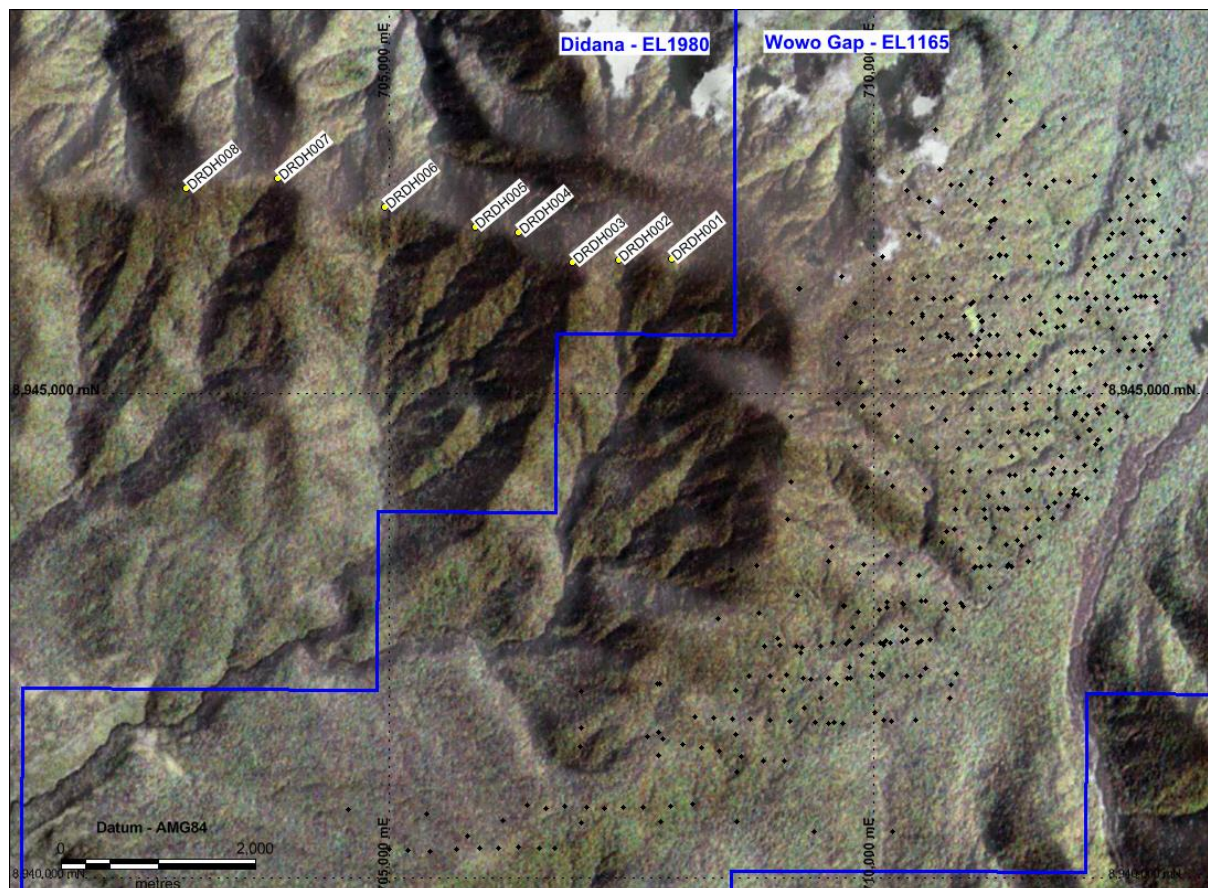


Figure 3: Location of Drill Holes on EL1980.

ELA2337 Wanigela Tenement

Application has been made for an additional tenement to the south-east of EL1165 to cover the area from the current EL1165 boundary through to the coast.

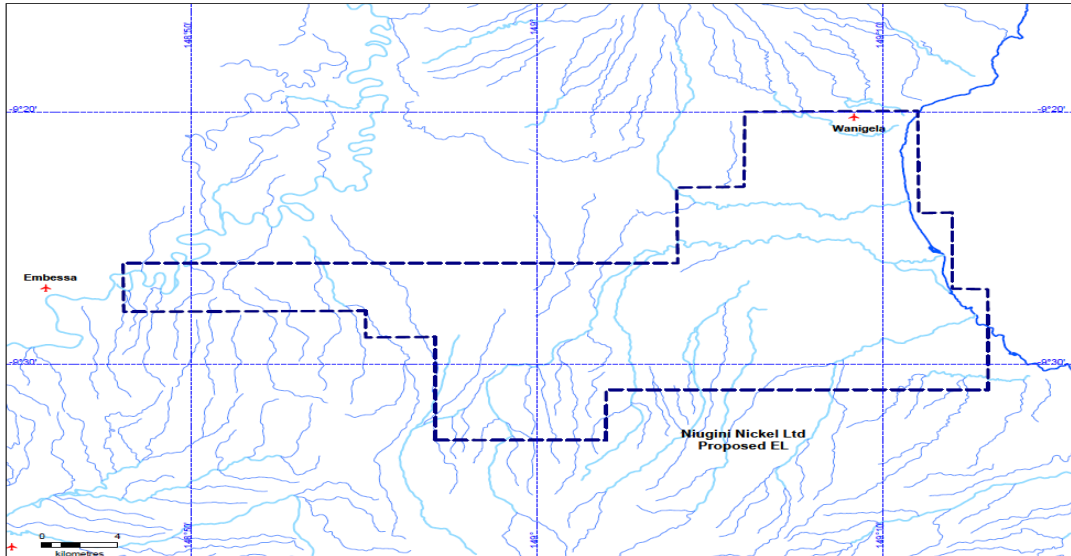


Figure 4: Location of Proposed New Tenement ELA2337

WA Tenements

St Patrick's Project: EL37/1064, EL37/1078, EL37/1091, EL37/110 and EL37/1118 (RMC 100% Interest).

Two of the Project tenements E37/1084 and 1092 were peripheral to the main project area and were not considered prospective following a review of this Project.

Following the disappointing results from the 2013 drilling program, where the holes failed to intersect greenstone rocks that were interpreted to be lying beneath the thin veneer of surficial granites, a thorough review of the magnetic data, drill hole geology and geochemistry was undertaken to assess whether any further potential remained within the tenements. The results of the review were disappointing and no further potential was identified. As a consequence, the remaining tenements were relinquished.

Blackstone Range Project: EL 69/2108 and EL 69/2109

JV with Redstone Resources Limited, (ASX-RDS). Redstone Resources earned a 90% interest in this project whilst RMC has a 10%, non-contributory free carried interest.

On 27 March 2014 a letter was received from Redstone Resources Limited advising of the withdrawal from the Farm-in agreement by Westmin Exploration Pty Ltd. RMC no longer has an active interest in these tenements.

The information in this report that relates to Exploration Results, Mineral Resources 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. Information relating to Exploration was prepared and disclosed in accordance with JORC 2004 and information relating to Exploration Resources in accordance with JORC 2004.

DIRECTORS' REPORT

Your Directors present their report on the Consolidated Entity consisting of Resource Mining Corporation Limited (Company) and its controlled entities for the financial year ended 30 June 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the year was mineral exploration in Papua New Guinea and Australia.

DIRECTORS

The following persons were Directors of Resource Mining Corporation Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

William Mackenzie	Chairman (Non-Executive)
Warwick Davies	Managing Director (Executive Director)
Zhang Chi	Director (Non-Executive)

PARTICULARS OF DIRECTORS AND COMPANY SECRETARY

William (Bill) Mackenzie **Chairman (Non-Executive)**

Qualifications: Bachelor of Engineering (Mining); MBA; M AusIMM; MAICD

Term: Chairman and Director since December 2008

Experience: Mr Mackenzie is a mining engineer with over 30 years of experience in the resources sector with involvement in the assessment, development and operation of mineral projects both within Australia and overseas. Mr Mackenzie's experience has included direct operating, senior project management and executive roles with responsibility for business development, project and business unit management of various Australian and offshore ventures and from 2001 was Principal of a consulting group that provided specialised, independent technical and commercial advice to boards, banks and investors involved in the development of resources, energy and infrastructure projects worldwide. He served as a non-executive Director of ASX listed OM Holdings Limited from 2005 till 2007 and as Managing Director of a privately owned diversified Australian resource development company from 2007 till 2013.

Interest in Shares and Options in Resource Mining Corporation Limited: Nil

Special Responsibilities: Mr Mackenzie is a Non-Executive Chairman, and Chairman of the Audit Committee.

Directorships held in other listed entities current or last 3 years: None.

Zhang Chi (Andy) **Director (Non-Executive)**

Qualifications: Mr Zhang has an economics degree from Renmin University in China.

Term: Director since April 2006

Experience: Mr Zhang is Managing Director of Sinom (Hong Kong) Limited and has very extensive experience in the Iron and Steel Industry in China. Prior to becoming involved in Sinom (Hong Kong) Limited, Mr Zhang held several positions with the BaoSteel Group, (China's largest steel maker).

Interest in Shares and Options in Resource Mining Corporation Limited: 1,171,026,986 ordinary shares and 206,910,706 listed options held by Sinom (Hong Kong) Limited of which Mr Zhang is a Director and controlling shareholder.

Special Responsibilities: Mr Zhang is a Non-Executive Director and member of the Audit Committee.

Directorships held in other listed entities current or last 3 years: None.

DIRECTORS' REPORT (Continued)

Warwick Davies Managing Director

Qualifications: Bachelor of Arts (Economics) and has a Certificate of Chemistry.

Term: Director since August 2004

Experience: Mr Davies has over fifty years' industry experience in the mining, exploration and manufacturing industries. He has held a variety of leadership roles in both technical and commercial positions during his extensive career with BHP, Hamersley Iron, Robe River Mining Co and RMC.

As an independent mining industry consultant since 2001, Mr Davies has worked on a wide variety of assignments particularly in the Iron Ore Industry with specific emphasis on China. He brings to the Company, a wealth of practical and international experience, a strong technical background and an extensive potential customer contact network. Over the past 5 years, Mr Davies has developed detailed knowledge of the conduct of business in Papua New Guinea as well as the broad Nickel industry.

Interest in Shares and Options in Resource Mining Corporation Limited: 15,502,500 ordinary shares and 1,291,875 listed options held directly 7,453,125 ordinary shares, and 621,094 listed options held by a related party.

Special Responsibilities: Mr Davies is responsible for the day-to-day operations of the Consolidated Entity and in particular Metallurgy, Marketing and Infrastructure and is a member of the Audit Committee.

Directorships held in other listed entities current or last 3 years:

Current: Nil

Former: Alchemy Resources Limited (ceased November 2011)

Ann Hadden Company Secretary

Qualifications: BA, GradDip Sec St, Dip Law, GradDip ACG

Term: Company Secretary since October 2011

Experience: Ms Hadden was appointed as Company Secretary October 2011 and is a qualified lawyer and Company Secretary with more than 20 years corporate experience. She has acted as Company Secretary, corporate lawyer and compliance manager for public listed and unlisted private companies and entities.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Consolidated Entity intends to continue its exploration activities with a view to the commencement of mining operations as soon as practical.

For further details refer to Review of Strategic Intent on page 3.

DIVIDENDS

The Consolidated Entity did not pay nor declare dividends in the last financial year.

ENVIRONMENTAL REGULATIONS

The Consolidated Entity has conducted exploration activities on mineral tenements. The right to conduct these activities is granted subject to environmental conditions and requirements. The Consolidated Entity aims to ensure a high standard of environmental care is achieved and, as a minimum, to comply with relevant environmental regulations. There have been no known breaches of any of the environmental conditions.

DIRECTORS' REPORT (Continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review not otherwise disclosed in this report or in the consolidated accounts.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

On the 31 July 2014, the Company entered into a Funding Agreement ("Agreement") with the Company's largest shareholder, Sinom (Hong Kong) Limited ("Sinom") who currently holds 43.14% 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 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:

- a. Drawings
 - a. Tranche 1 -\$300,000 drawn down 29 July 2014
 - b. Subsequent Tranches – Available upon giving Sinom 5 business days' notice
- b. Interest
 - a. This facility is interest free
- c. Repayments
 - a. Principal repayable in full on or before 31 October 2014
- d. Fees
 - a. There are no establishment or other fees payable

Since the end of the financial year under review and the date of this report, other than the above-mentioned matters, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Consolidated Entity, in subsequent financial years.

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW

Review of Operations

Wowo Gap

Activity at Wowo Gap, primarily on EL1165, has been focussed on the identification of potential high grade nickel locations across the tenement.

Exploration activity on EL1979 and EL1980 has been concentrated on determining the potential extensions of nickel laterite mineralisation within these licence areas. EL1979 is considered to be of low potential. However, a recent drilling program carried out on EL1980, identified continuation of mineralisation.

The ban on the export of nickel laterite from Indonesia, which took effect on 12 January 2014, has focussed industry interest on alternative sources of supply for high grade nickel laterite ore. Subsequently, Niugini Nickel's geologist undertook a detailed review of previous drilling array data to determine high grade potential on EL1165.

As a result of this review, 7 potential high grade areas have been identified. A detailed exploration program was planned including:

- ground penetrating radar survey;
- core and diamond drilling program;
- resource estimate update; and
- scoping and development study.

To support the upturn in exploration activities, additional Papua New Guinea staff and consultants have been engaged on short-term and casual contracts including; geologists (senior, graduate and students) support and specialist consultants (environmental, anthropological, and engineers).

A cost effective and an active social engagement policy remains at the core of Niugini Nickel's activities.

Other Projects

As a part of the on-going review of all tenements, the St Patricks Project was the subject of an independent geological/geophysical review. The review concluded the project had very limited prospectivity and so the tenements were relinquished.

The remaining Western Australian asset, 10% free carried share of Redstone Resources Musgrove tenement, was subject to the withdrawal of one of the JV parties – Westmin Exploration Pty Ltd.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2014, and the number of meetings attended by each Director.

	Board		Audit	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Warwick Davies	2	2	2	2
William Mackenzie	2	2	2	2
Zhang Chi	2	2	2	1

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Audited)

The directors are pleased to present your Consolidated Entity's remuneration report which sets out remuneration information for Resource Mining Corporation Limited's Non-Executive Directors, Executive Director and other Key Management Personnel.

Details of Directors and Key Management Personnel disclosed in this report

There are no other Key Management Personnel other than the directors who are:

William (Bill) Mackenzie	Chairman (Non-Executive Director)
Warwick Davies	Managing Director (Executive Director)
Zhang Chi (Andy)	Director (Non-Executive Director)

Remuneration governance

The Board's policy is to remunerate Directors, officers and employees at market rates for companies of similar size and industry, for time, commitment and responsibilities. The Board determines payment to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of Directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for Non-Executive Directors are not linked to the performance of the Consolidated Entity. However, to align Directors' interests with shareholders' interests, the Directors are encouraged to hold securities in the Company.

The remuneration of Non-Executive Directors is set by reference to payments made by other companies of similar size and industry, and by reference to the Director's skills and experience, and for the Reporting Period included a consideration of the financial restrictions in place on the Company.

Use of remuneration consultants

The Consolidated Entity did not use remuneration consultants during the year.

Remuneration policy and framework

The Company's policy on remuneration clearly distinguishes the structure of Non-Executive Directors' remuneration from that of executive Directors and senior executives. The remuneration of Non-Executive Directors is set by reference to payments made by other companies of similar size and industry, and by reference to the Director's skills and experience, and for the Reporting Period included a consideration of the financial restrictions in place on the Company. Given the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options to Non-Executive Directors, subject to obtaining the relevant approvals. The Remuneration Policy is subject to annual review. All of the Directors' option holdings are fully disclosed. The maximum aggregate amount of fees (including superannuation payments) that can be paid to Non-Executive Directors is subject to approval by shareholders at general meeting.

Executive pay and rewards may consist of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed to ensure market competitiveness.

There are no termination or retirement benefits for Non-Executive Directors (other than for superannuation).

Relationship between remuneration and the Consolidated Entity's performance

The Company does not pay any performance-based component of salaries.

Non-Executive Directors' Remuneration

No fees, salaries, commissions, bonuses or superannuation were paid or payable to Non-Executive Directors during the year. The Directors are entitled to reimbursement of out-of-pocket expenses incurred whilst on Company business.

DIRECTORS' REPORT (Continued)

Voting and comments made at the Company's 2013 Annual General Meeting

It was resolved by a show of hands that the Remuneration Report as set out in the Company's Annual Report for the year ended 30 June 2013 be adopted.

The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

Details of Remuneration

The total remuneration paid to Key Management Directors/Personnel is summarised below:

2014	Short-term benefit			Post-employment Benefits	Share-based payments		% of Remuneration to Total	
Name	Salary and Fees	Cash Bonus	Non-Monetary Benefit	Super-annuation	Options	Total	Options	Bonus
	\$	\$	\$	\$	\$	\$	%	%
W Davies (a)	183,469	-	-	-	-	183,469	-	-
W Mackenzie	-	-	-	-	-	-	-	-
Zhang C	-	-	-	-	-	-	-	-
Totals	183,469	-	-	-	-	183,469		

Long term benefits and termination benefits for the year were nil.

- (a) Mr Davies' services as Managing Director were provided by Fairstone Holdings Pty Ltd for which the Company was charged \$183,469 (ex GST). Mr Davies is a Director and shareholder of Fairstone Holdings Pty Ltd.

2013	Short-term benefit			Post-employment Benefits	Share-based payments		% of Remuneration to Total	
Name	Salary and Fees	Cash Bonus	Non-Monetary Benefit	Super-annuation	Options	Total	Options	Bonus
	\$	\$	\$	\$	\$	\$	%	%
W Davies (b)	176,230	-	-	-	-	176,230	-	-
W Mackenzie	-	-	-	-	-	-	-	-
Zhang C	-	-	-	-	-	-	-	-
Totals	176,230	-	-	-	-	176,230		

Long term benefits and termination benefits for the year were nil.

- (b) Mr Davies' services as Managing Director were provided by Fairstone Holdings Pty Ltd for which the Company was charged \$176,230 (ex GST). Mr Davies is a Director and shareholder of Fairstone Holdings Pty Ltd.

Service Agreements

Warwick Davies

Mr Davies is an Executive Director and as Managing Director, is responsible for the day-to-day operations of the Consolidated Entity. The Consolidated Entity has an agreement with Fairstone Holdings Pty Ltd* to provide the management services of Mr Davies to the Company in relation to its corporate activities on normal commercial terms and conditions, which are detailed as follows:

Terms of Agreement	Remuneration excluding GST	Termination benefit
Agreement commenced 31 August 2011 for 3 years.	\$172,800 for 216 business days, per annum plus \$100 per hour there-after.	3 months notice

*Mr Davies is a Director and shareholder of Fairstone Holdings Pty Ltd

Until terms of a new service agreement have been negotiated, the terms of the existing Services Agreement remain in force by agreement between the parties.

DIRECTORS' REPORT (Continued)

Details of share based compensation and bonuses

During the year ended 30 June 2014, no remuneration options or incentive options were granted, vested, exercised or lapsed. For the year ending 30 June 2014, the Company had no remuneration options or incentive options.

During the year ended 30 June 2013, no remuneration options or incentive options were granted, vested, exercised or lapsed. For the year ending 30 June 2013, the Company had no remuneration options or incentive options.

Directors' Interests in Shares and Options of the Company

2014 Options Holding	Balance 1 July 2013	Balance at date of appointment	Received as remuneration	Options exercised	Net change other	Balance 30 June 2014
Directors						
W Davies	1,291,875	-	-	-	-	1,291,875
W Davies *	621,094	-	-	-	-	621,094
W Mackenzie	-	-	-	-	-	-
Zhang C *	206,910,706	-	-	-	-	206,910,706
Totals	208,823,675	-	-	-	-	208,823,675

* (Indirect or related party ownership)

2014 Shareholding	Balance 1 July 2013	Balance at date of appointment	Received as remuneration	Options exercised	Net change other	Balance 30 June 2014
Directors						
W Davies	15,502,500	-	-	-	-	15,502,500
W Davies *	7,453,125	-	-	-	-	7,453,125
W Mackenzie	-	-	-	-	-	-
Zhang C *	1,171,026,986	-	-	-	-	1,171,026,986
Totals	1,193,982,611	-	-	-	-	1,193,982,611

* (Indirect or related party ownership)

Loans to key management personnel or Directors

There were no loans to key management personnel or Directors in either the years ending 30 June 2013 or 30 June 2014.

Other transactions with key management personnel or Directors

Other than what is detailed in the remuneration report, there were no other transactions with key management personnel or Directors in either the years ending 30 June 2013 or 30 June 2014.

This is the end of audited remuneration report.

DIRECTORS' REPORT (Continued)

SHARE OPTIONS

Unlisted Options

As at the date of this report, there are no unlisted options over unissued ordinary shares in the Resource Mining Corporation Limited.

Listed Options

At 30 June 2014, there were 226,177,905 listed options over unissued ordinary shares in the Resource Mining Corporation Limited. The listed options are exercisable at \$0.006 on or before 31 January 2015.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

During the financial year, the Company has given an indemnity or entered into an agreement to indemnify or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. In accordance with the confidentiality clause under the insurance policy, the amount of the premium paid to the insurers and the limit of indemnity has not been disclosed. This is permitted under section 300(a) of the *Corporations Act 2001*.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITOR

BDO Audit (WA) Pty Ltd was appointed auditors in November 2012 in accordance with section 327 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no fees for non-audit services paid/payable to the external auditors during the year ended 30 June 2014.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration has been received for the year ended 30 June 2014 and commences on page 50.

Signed in accordance with a resolution of the Directors' and on behalf of the Directors



Warwick Davies
Managing Director
Dated at Perth 26th day of September 2014.

CORPORATE GOVERNANCE STATEMENT

Approach to Corporate Governance

Resource Mining Corporation Limited (**Company**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company has referred to the ASX Corporate Governance Council Principles and Recommendations 2nd edition (**Principles and Recommendations**). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at <http://www.resmin.com.au/investors/corporate-governance>, under the section marked "Investors", "Corporate Governance":

Charters

Board
Audit Committee
Nomination Committee
Remuneration Committee

Policies and Procedures

Policy and Procedure for Selection and (Re) Appointment of Directors
Process for Performance Evaluations
Policy on Assessing the Independence of Directors
Diversity Policy
Policy for Trading in Company Securities (summary)
Code of Conduct (summary)
Whistleblower Policy (summary)
Policy on Continuous Disclosure (summary)
Compliance Procedures (summary)
Procedure for the Selection, Appointment and Rotation of External Auditor
Shareholder Communication Policy
Risk Management Policy (summary)

The Company reports below on whether it has followed each of the recommendations during the 2013/2014 financial year (**Reporting Period**). The information in this statement is current at 26 September 2014.

Board

Roles and responsibilities of the Board and Senior Executives (Recommendations: 1.1, 1.3)

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter, which is disclosed on the Company's website.

The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, directly to the Chair or the lead independent Director, as appropriate.

CORPORATE GOVERNANCE STATEMENT (continued)

Skills, experience, expertise and period of office of each Director (Recommendation: 2.6)

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report on pages 9-10. The mix of skills and diversity for which the Board is looking to achieve in membership of the Board is a majority of independent Directors, with resources industry experience, and in particular operational processing and management experience in foreign jurisdictions, general corporate and commercial and investor relations experience, and a level of expertise and experience in industrial, regulatory and governmental relations both domestically and in Papua New Guinea. The qualifications and experience the Board continues to consider to be particularly relevant to the Company are in the areas of legal, finance, mining exploration and operation, investor relations and marketing.

Director independence (Recommendations: 2.1, 2.2, 2.3, 2.6)

The Board does not have a majority of Directors who are independent. The Company has found that with its direction of operations and the financial climate, it has been difficult to attract Directors. During the Reporting Period, the Board continued to review its structure and composition, including the balance of independence on the Board. The Board remains committed to appointing two or more independent Directors to the Board, when the opportunity to do so arises.

The Board considers the independence of Directors having regard to the relationships listed in Box 2.1 of the Principles and Recommendations and the Company's materiality thresholds. The Board has agreed on the following guidelines, as set out in the Company's Board Charter for assessing the materiality of matters:

- Statement of Financial Position items are material if they have a value of more than 10% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on Statement of Financial Position or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost which triggers any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

The sole independent Director of the Company is Mr Mackenzie who is deemed to be independent by the Board for the period 1 July 2013 to November 2013 when Mr Mackenzie was an employee and Director of an associate of a substantial shareholder of the Company. These circumstances meant that Mr Mackenzie did not satisfy paragraph one of the independence criteria set out in the Board's *Policy on Assessing the Independence of Directors*. Mr Mackenzie satisfied all other aspects of the independence criteria set out in the Board's *Policy on Assessing the Independence of Directors*. The Board considered Mr Mackenzie to be capable of and demonstrated that he consistently made decisions and took actions which are in the best interests of the Company. Further, the Board believed that Mr Mackenzie was able to bring independent judgement to his decision making and was aware of his statutory responsibilities and obligations in relation to conflicts of interests and acted accordingly. Therefore, the Board considered Mr Mackenzie to be independent.

Mr Mackenzie ceased being an employee and Director of an associate of a substantial shareholder of the Company in November 2013 and since that time he satisfied all of the independence criteria set out in the Board's *Policy on Assessing the Independence of Directors*.

The non-independent Directors of the Company are Warwick Davies and Zhang Chi.

The independent Chair of the Board is William Mackenzie.

The Managing Director is Warwick Davies who is not Chair of the Board.

CORPORATE GOVERNANCE STATEMENT (continued)

Independent professional advice (Recommendation: 2.6)

To assist Directors with independent judgement, it is the Board's policy that if a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a Director then, provided the Director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

Selection and (Re) Appointment of Directors (Recommendation: 2.6)

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent Directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. An election of Directors is held each year. Each Director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the Director's appointment or three years following that Director's last election or appointment (whichever is the longer). However, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one Director or one third of the total number of Directors must resign. A Director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of Directors is not automatic.

The Company's Policy and Procedure for the Selection and (Re) Appointment of Directors is disclosed on the Company's website.

Board committees

Audit Committee (Recommendations: 4.1, 4.2, 4.3, 4.4)

The Board has not established a separate Audit Committee and accordingly, it is not structured in compliance with Recommendation 4.2. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee. Accordingly, the Board performs the role of Audit Committee. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Audit Committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.

The full Board in its capacity as the Audit Committee held two meetings during the Reporting Period. Details of Director attendance at the Audit Committee meetings are set out in the Directors report on page 12.

The Company has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Audit Committee.

Details of each of the Director's qualifications are set out in the Directors' Report on pages 10-11. All of the Directors consider themselves to be financially literate and have relevant industry experience. Mr Zhang has a degree in economics and has worked in accounting and finance.

The Company has established a Procedure for the Selection, Appointment and Rotation of External Auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

The Company's Audit Committee Charter and Procedure for Selection, Appointment and Rotation of External Auditor are disclosed on the Company's website.

CORPORATE GOVERNANCE STATEMENT (continued)

Nomination Committee (Recommendations: 2.4, 2.6)

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.

As noted above, the full Board carries out the role of the Nomination Committee. The full Board did not officially convene as a Nomination Committee during the Reporting Period, however nomination related matters were discussed and addressed from time to time during the year, as required.

The Board has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Nomination Committee.

The Company's Nomination Committee Charter is disclosed on the Company's website.

Remuneration Committee (Recommendations: 8.1, 8.2, 8.3, 8.4)

The Board has not established a separate Remuneration Committee and accordingly, it is not structured in accordance with Recommendation 8.2. Given the current size and composition of the Company, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated to it in the Company's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.

The full Board did not officially meet in its capacity as the Remuneration Committee. Remuneration for the Board and senior executives did not change during the Reporting Period.

The Board has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Remuneration Committee.

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report and commences on page 13. The Company's policy on remuneration clearly distinguishes the structure of Non-Executive Directors' remuneration from that of executive Directors and senior executives. The remuneration of Non-Executive Directors is set by reference to payments made by other companies of similar size and industry, and by reference to the Director's skills and experience, and for the Reporting Period included a consideration of the financial restrictions place on the Company. Given the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options to Non-Executive Directors, subject to obtaining the relevant approvals. The Remuneration Policy is subject to annual review. All of the Directors' option holdings are fully disclosed. The maximum aggregate amount of fees (including superannuation payments) that can be paid to Non-Executive Directors is subject to approval by shareholders at general meeting.

Executive pay and rewards may consist of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed to ensure market competitiveness.

There are no termination or retirement benefits for Non-Executive Directors (other than for superannuation).

The Company's Remuneration Committee Charter includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

The Company's Remuneration Committee Charter is disclosed on the Company's website.

CORPORATE GOVERNANCE STATEMENT (continued)

Performance evaluation

Senior executives

(Recommendations: 1.2, 1.3)

The Managing Director is responsible for evaluating the performance of senior executives. The evaluation of senior executives comprises an informal interview process, which occurs annually or more frequently, as required and otherwise takes place as part of the annual salary review under the executives' employment contracts.

The Chair is responsible for evaluating the Managing Director. The evaluation of the Managing Director comprises an informal interview process with the Chair which occurs annually, or more frequently at the Chair's discretion. The Managing Director's performance is reviewed against his role description and responsibilities as set out in his contract with the Company.

During the Reporting Period, an evaluation of the Managing Director and senior executives did not take place, however the evaluations are scheduled to take place in accordance with the process disclosed in the first quarter of the 2014/2015 financial year.

Board, its committees and individual Directors

(Recommendations: 2.5, 2.6)

The Chair is responsible for evaluation of the Board and, when deemed appropriate, individual Directors. The evaluation of the Board and individual Directors comprise informal discussions on an ongoing basis with the Chair.

During the Reporting Period an evaluation of the individual Directors took place in accordance with the process disclosed.

The Company's Process for Performance Evaluation is disclosed on the Company's website.

Ethical and responsible decision making

Diversity

(Recommendations: 3.2, 3.3, 3.4, 3.5)

The Company has established a Diversity Policy. However, the Diversity Policy provides that the Board may establish measurable objectives for achieving gender diversity. If established, the Board will assess annually both the objectives and progress towards achieving them. The Board has not set measurable objectives for achieving gender diversity. The Board is committed to actively supporting and managing diversity as a means of enhancing the Company's performance by recognising and utilising the contribution of diverse skills and talent from its Directors, officers, employees and consultants. However, at this stage of the Company's operations and the Company's small number of employees, the Board has determined that no specific measurable objectives will be established. The Board will review this position as the Company's circumstances change.

The proportion of women employees in the whole organisation, women (including consultants) in senior executive positions in the Company and women on the Board as at 30 June 2014 are set out in the following table:

	Proportion of women
Employees in whole organisation	2 out of 7 (29%)
Senior Executive positions	2 out of 4 (50%)
Board*	0 out of 3 (0%)

* The Managing Director has been included in the Board category and the senior executive category.

The Company's Diversity Policy is disclosed on the Company's website.

CORPORATE GOVERNANCE STATEMENT (continued)

Code of Conduct

(Recommendations: 3.1, 3.5)

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Board has also adopted a Whistleblower Policy. The aim of the policy is to ensure that Directors, officers and employees comply with the Company's Code of Conduct. The policy encourages reporting of violations (or suspected violations) and provides effective protection to those reporting by implementing systems for confidentiality and report handling.

A summary of the Company's Code of Conduct and Whistleblower Policy are disclosed on the Company's website.

Continuous Disclosure

(Recommendations: 5.1, 5.2)

The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance.

A summary of the Company's Policy on Continuous Disclosure and Compliance Procedures are disclosed on the Company's website.

Shareholder Communication

(Recommendations: 6.1, 6.2)

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

The Company's Shareholder Communication Policy is disclosed on the Company's website.

Risk Management

Recommendations: 7.1, 7.2, 7.3, 7.4)

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

The Company has developed systems and procedures to manage its material business risks. The system includes identification by management of the Company's material business risks and risk management strategies for those risks, and identification of the risk level, their likelihood and their consequences. The process of management of material business risks has been allocated to the Managing Director. The risk register is reviewed by the Board annually, and updated as required. During the Reporting Period, a risk register was not reviewed by the Board. However, the Managing Director has presented a risk report to the Board in relation to the Company's material business risks. The risk register is scheduled to be reviewed by the Board at its October 2014 Board meeting.

CORPORATE GOVERNANCE STATEMENT (continued)**Recommendations: 7.1, 7.2, 7.3, 7.4) continued**

The categories of risks reported on as part of the Company's systems and processes for managing material business risks are: operational; financial reporting; sovereign risk and market-related risks.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Company's management of its material business risks for the Reporting Period.

The Managing Director and the Financial Controller have provided a declaration to the Board in accordance with section 295A of the *Corporations Act 2001* and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

A summary of the Company's Risk Management Policy is disclosed on the Company's website.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**



	Note	Consolidated Entity	
		2014	2013
		\$	\$
Revenue	2	35,264	1,424,233
Corporate expenses		(270,475)	(258,917)
Employee and consulting fees	3	(266,366)	(325,900)
Administration and other expenses		(189,883)	(184,202)
Finance costs	3	(438)	(4,744)
Depreciation and impairment	3	(6,357)	(7,450)
Exploration expenditure and project costs		(125,218)	(32,946)
Impairment expense		(311,060)	(463,311)
Research and development expenditure	3	(74,576)	(378,729)
LOSS BEFORE INCOME TAX		(1,209,109)	(231,966)
INCOME TAX	5	(287,990)	287,990
PROFIT/(LOSS) AFTER INCOME TAX FOR THE YEAR	4	(1,497,099)	56,024
OTHER COMPREHENSIVE PROFIT/(LOSS)			
<i>Items that maybe re-classified to profit and loss</i>			
Exchange translation difference		(1,167,422)	(34,746)
Income tax relating to components of other comprehensive loss		-	-
OTHER COMPREHENSIVE LOSS		(1,167,422)	(34,746)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		(2,664,521)	21,278
PROFIT/(LOSS) PER SHARE FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF RESOURCE MINING CORPORATION LIMITED			
Basic earnings/(loss) per share (cents per share)	4	(0.06)	0.002
Diluted earnings/(loss) per share (cents per share)	4	(0.06)	0.002

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014



	Note	Consolidated Entity	
		2014	2013
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	184,771	1,730,283
Trade and other current assets	7	72,182	203,919
Total Current Assets		256,953	1,934,202
NON CURRENT ASSETS			
Plant and equipment	8	52,879	62,500
Mineral exploration and evaluation	9	10,419,661	11,190,189
Total Non-Current Assets		10,472,540	11,252,689
TOTAL ASSETS		10,729,493	13,186,891
CURRENT LIABILITIES			
Trade and other payables	10	144,620	202,204
Provisions	11	291,298	13,997
Interest bearing liabilities	12	-	16,276
Total Current Liabilities		435,918	232,477
Provisions	11	15,689	12,007
Total Non-Current Liabilities		15,689	12,007
TOTAL LIABILITIES		451,607	244,484
NET ASSETS		10,277,886	12,942,407
EQUITY			
Issued capital	16	61,942,247	61,942,247
Accumulated losses		(52,211,018)	(50,713,919)
Reserves	13	546,657	1,714,079
TOTAL EQUITY		10,277,886	12,942,407

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2014



Consolidated Entity	Note	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Convertible Notes Share Reserve	Total
		\$	\$	\$	\$	\$
Year ended 30 June 2014						
Balance at 1 July 2013		61,942,247	(50,713,919)	1,714,079	-	12,942,407
Loss for the year		-	(1,497,099)	-	-	(1,497,099)
Other comprehensive loss for the year		-	-	(1,167,422)	-	(1,167,422)
Total comprehensive loss for the year		-	(1,497,099)	(1,167,422)	-	(2,664,521)
<i>Transactions with owners in their capacity as owners</i>						
Balance at 30 June 2014		61,942,247	(52,211,018)	546,657	-	10,277,886

Consolidated Entity	Note	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Convertible Notes Share Reserve	Total
		\$	\$	\$	\$	\$
Year ended 30 June 2013						
Balance at 1 July 2012		61,942,247	(50,947,830)	1,748,825	177,887	12,921,129
Profit for the year		-	56,024	-	-	56,024
Other comprehensive loss for the year		-	-	(34,746)	-	(34,746)
Total comprehensive profit/(loss) for the year		-	56,024	(34,746)	-	21,278
<i>Transactions with owners in their capacity as owners</i>						
Reversal of previous convertible note share reserve to accumulated losses		-	177,887	-	(177,887)	-
Balance at 30 June 2013		61,942,247	(50,713,919)	1,714,079	-	12,942,407

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2014



	Note	Consolidated Entity	
		2014	2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment to suppliers		(754,171)	(792,452)
Interest income received		38,607	69,242
Other income received		4,165	1,629
Interest expense paid		(438)	(4,744)
Government grant received		55,000	(11,148)
Research and development expenditure		(120,501)	(321,656)
Research and development tax concession		123,599	228,068
Net Cash (Outflow) From Operating Activities	22	(653,739)	(831,061)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(851,918)	(793,982)
Proceeds from sale of tenements		10,000	1,360,000
Payment for other fixed assets		(9,447)	(4,441)
Net Cash Inflow/(Outflow) From Investing Activities		(851,365)	561,577
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loan		-	62,145
Repayment of borrowings		(16,740)	(59,418)
Net Cash (Outflow)/Inflow From Financing Activities		(16,740)	2,727
Net decrease in cash and cash equivalents		(1,521,844)	(266,757)
Effect of exchange rate changes on cash holdings		(23,668)	(3,009)
Cash and cash equivalents at beginning of the financial year		1,730,283	2,000,049
Cash and cash equivalents at the end of this financial year	6	184,771	1,730,283

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated statements and notes represent those of Resource Mining Corporation Limited (Company) and controlled entities (the Consolidated Entity). Resource Mining Corporation Limited is a listed public company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Resource Mining Corporation Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial report was authorised for issue on 26 September 2014 by the Board of Directors.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Consolidated Entity is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis, and based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the Consolidated Entity in the preparation of the financial report.

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 Consolidated Entity has incurred a net loss after tax of \$1,497,099 (2013: net profit after tax of \$56,024) and experienced net cash outflows from operations of \$653,739 (2013: \$831,061) for the year ended 30 June 2014.

The directors are satisfied that the going concern basis of preparation is appropriate. Given the Consolidated Entity's history of successful capital raising to date, the Directors are confident of the Consolidated Entity's ability to raise additional funds as required and to meet the expenditure commitments of tenement leases held.

Notwithstanding the above, the ability of the Consolidated Entity to continue as a going concern is dependent upon the future successful raising of funding through equity.

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 Company be unable to continue as a going concern.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)
Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity over which Resource Mining Corporation Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 17 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

All inter-group balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position respectively.

(b) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Consolidated Entity recognises revenue when the amount of revenue can be easily measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Consolidated Entity's as described below:

- Revenue from the sale of a tenement is recognised at the point of transfer of significant risks and rewards of ownership;
- Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets; and
- All revenue is stated net of the amount of Goods and Service Tax (GST).

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and less bank overdraft, if any.

(d) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowable items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary difference can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Plant and Equipment

Each class of plant and equipment is carried at cost, less where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on historical cost basis less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a reducing balance commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Plant and Equipment	15 – 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Consolidated Statement of Profit and Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. Tenement acquisition costs are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the areas, sale of the respective areas of interest or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the areas is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

(g) Impairment of Assets

At each reporting date, the Managing Director reviews the carrying values of the Consolidated Entity's tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit and Loss and Other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Consolidated Entity, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(i) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Consolidated Entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Statement of Profit and Loss and Other Comprehensive Income.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(k) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(l) Trade Receivables

Trade receivables are recognised initially at fair value, less provision for impairment. Trade receivables are generally due for settlement with 30 days. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carry amount directly.

The amount of the impairment loss is recognised in profit and loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit or loss.

(m) Provisions

Provisions are recognised where there is a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Foreign Currency Transaction and Balances

Functional and presentation currency

The functional currency of each of the entities in the Consolidated Entity is measured using the currency of the primary economic environment in which the entity operates. The Consolidated Entity's financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Exchange differences arising on the transaction of monetary items are recognised in the Statement of Profit and Loss and Other Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange differences are recognised in the Statement of Profit and Loss and Other Comprehensive Income.

Controlled entities

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the Statement of Financial Position. These differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which the operation is disposed of.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Comparative Figures

When required by the Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) Share-based Payments

The Company may operate equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(q) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(r) Critical Accounting Estimates and Judgements

Estimates and judgements incorporated into the financial report are continually evaluated and are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity.

Key Estimates

Impairment of assets

The Managing Director assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Recoverability of exploration expenditure

The Consolidated Entity reviews annually whether the exploration and evaluation expenditure incurred in identifiable areas of interest is expected to be recouped through the successful development of the area. In addition it reviews whether activities in the area have not yet reached a stage that permits reasonable assessment of the existence of reserves and further work is expected to be performed. All expenditure that does not meet these criteria is expensed to the Statement of Profit and Loss and Other Comprehensive Income.

(s) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office in Australia and the Internal Revenue Commission in Papua New Guinea. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(u) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, and annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

(v) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan, capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(w) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

**NOTES TO AND FORMING PART OF THE CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**



	Consolidated Entity	
	2014	2013
	\$	\$
NOTE 2 REVENUE		
Interest received	31,141	66,718
Proceeds from sale of tenements	-	1,350,000
Other Income	4,123	7,515
	<u>35,264</u>	<u>1,424,233</u>

During the 2012/2013 financial year the Consolidated Entity received \$1,350,000 from Kimberley Metals Group, being the contingent purchase price and final payment for the sale of the Argyle Iron Ore tenement in 2009.

NOTE 3 LOSS FOR THE YEAR

Loss for the year is after the following expenses:

Depreciation and impairment

Depreciation – plant and equipment	5,400	6,808
Depreciation – office furniture and equipment	546	642
Impairment of fixed assets	411	-
	<u>6,357</u>	<u>7,450</u>

Finance costs

Credit charges	438	4,744
	<u>438</u>	<u>4,744</u>

Employee expenses

Wages and salaries	140,546	193,229
Consultants	117,135	120,256
Other employee costs	8,685	12,415
	<u>266,366</u>	<u>325,900</u>

Research and development expenditure

Grant funds received	-	11,148
Research and development expenditure	74,576	367,581
	<u>74,576</u>	<u>378,729</u>

During the 2012/2013 financial year the sum of \$11,148 was returned as unspent in accordance with the agreement with Commonwealth of Australia represented by its Department of Innovation, Industry, Science and Research.

NOTE 4 EARNINGS PER SHARE

Basic earnings/(loss) per share (cents)	(0.06)	0.002
Diluted earnings/(loss) per share (cents)	(0.06)	0.002

The following reflects the profit/(loss) and share data used in the calculations of basic and diluted earnings per shares:

Profit/(losses) attributed to the ordinary equity holders of the Company

For basic earnings/(loss) per share (cents)	(1,497,099)	56,024
For diluted earnings/(loss) per share (cents)	(1,497,099)	56,024

Weighted Average of shares used as a denominator

For basic earnings/(loss) per share (cents)	2,714,387,147	2,714,387,147
For diluted earnings/(loss) per share (cents)	2,714,387,147	2,714,387,147

NOTE 5 INCOME TAX

Major components of income tax expense for the years ended 30 June 2014 and 30 June 2013 are:

	Consolidated Entity	
	2014	2013
	\$	\$
Income Statement:		
Current Income		
Current income tax charge (benefit)	-	(287,990)
Adjustments in respect of previous current income tax	287,990	-
Income tax expense (benefit) reported in income statement	287,990	(287,990)
A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the years ended 30 June 2014 and 30 June 2013 is as follows:		
Accounting profit (loss) before tax from continuing operations	(1,209,110)	56,022
Accounting profit (loss) before income tax	(1,209,110)	56,022
At the statutory income tax rate of 30% (2013:30%)	(362,733)	16,807
<i>Add:</i>		
Non-deductible expenses	-	-
NANE related expenditure (income)	29,710	23,144
Research and development claim	-	113,619
Temporary difference and losses not recognised	354,545	284,999
Adjustments in respect of previous current income tax	287,990	-
<i>Less:</i>		
Unrecognised tax losses utilised	-	(406,831)
Non-assessable income	-	(287,990)
Tax amortisation of capital raising costs	(21,522)	(31,738)
	287,990	(287,990)
Income tax expense reported in income statement	287,990	(287,990)
	287,990	(287,990)

Other deductible temporary differences not recognised other than the above are immaterial.

Tax Consolidation

The Company and its 100% owned controlled entities have formed a tax consolidated group. Members of the Consolidated Entity have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned controlled entities on a pro-rata basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Resource Mining Corporation Limited.

Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of AASB 112 Income Taxes. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the controlled entities intercompany accounts with the tax consolidated group head company, Resource Mining Corporation Limited.

NOTE 5 INCOME TAX (continued)

Unrecognised deferred tax assets/(liabilities)

	Consolidated Entity	
	2014	2013
	\$	\$
Deferred assets /(liabilities) have not been recognised in respect of the following items:		
Prepayments	(1,335)	-
Trade and other payables	6,180	-
Employee benefits	5,334	-
Business Related costs	31,400	-
Capital losses	465,432	465,432
Tax losses	5,507,150	5,882,080
	<u>6,014,161</u>	<u>6,347,512</u>

The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

On the basis of the formation of the tax consolidated group in 2012, any intra group balances (including loans) of entities within the tax consolidated group is disregarded for taxation purposes. Previously mentioned deductible temporary differences in respect of investments in subsidiaries for which no deferred tax has been recognised (\$20,311,167 with a potential tax benefit at 30%) are no longer disclosed given that it is eliminated from an Australian tax view point.

NOTE 6 CASH AND CASH EQUIVALENTS

Cash at bank and on hand	181,035	474,491
Deposits at call	3,736	1,255,792
	<u>184,771</u>	<u>1,730,283</u>

Cash not available for use

There is a lien over deposit at call of \$3,736 (\$8,316 Kina) to secure a Bank Guarantee of \$2,246 (\$5,000 Kina) to the Department of Minerals (now Mineral Resources Authority (MRA)) in Papua New Guinea.

Refer to Note 20 for further information on financial Instruments.

NOTE 7 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Current

Trade receivables	-	566
Other receivables	121	136,306
GST receivables	25,355	19,083
Prepayments	46,706	43,176
Other current assets	-	4,788
	<u>72,182</u>	<u>203,919</u>

Trade receivables are considered to be of high credit quality and were received in the subsequent period. No debts are due past due or impaired.

Refer to Note 20 for further information on risk exposure.

Consolidated Entity

	2014	2013
	\$	\$
NOTE 8 PLANT AND EQUIPMENT		
Cost	162,096	164,956
Accumulated depreciation	(109,217)	(102,456)
	<u>52,879</u>	<u>62,500</u>
Movement in carrying amounts		
Opening balance	62,500	74,989
Additions	9,211	5,423
Disposal	-	-
Written off	(411)	-
Written off capitalised – exploration	(696)	20
Foreign exchange adjustment	(3,811)	(102)
Depreciation expense	(5,946)	(7,450)
Depreciation expense capitalised – exploration costs	(7,968)	(10,380)
Closing balance	<u>52,879</u>	<u>62,500</u>

NOTE 9 MINERAL EXPLORATION AND EVALUATION

At cost less impairment brought forward	11,190,189	10,926,053
Foreign exchange adjustment	(1,144,129)	(61,025)
Expenditure during the year	734,661	788,472
Exploration expenditure written off	(311,060)	(463,311)
Government Grant	(50,000)	-
At cost less impairment carried forward	<u>10,419,661</u>	<u>11,190,189</u>

The ultimate recoupment of exploration expenditure carried forward is dependent upon successful development and commercial exploration, or sale of the respective areas.

Royalties for Regions Co-funded Government – Industry Drilling Program 2013 funding of \$50,000 was recognised during the period.

WOWO Gap Project – EL1165 Renewal

EL1165, the exploration licence for the tenement with a carry value of \$10,391,827 (2013:\$10,873,092), expired on the 28 February 2014. An application for its renewal for a period of two years has been lodged by Niugini Nickel Limited with the Government of Papua New Guinea. Tenure of the tenement remains in good standing during the renewal process. It is not unusual that the renewal process is lengthy, with a past renewal taking over 18 months to complete.

NOTE 10 TRADE AND OTHER PAYABLES

Trade payables and accruals	126,305	183,375
Due to Director or Related Party: remuneration	18,315	18,829
	<u>144,620</u>	<u>202,204</u>

All amounts are expected to be settled within 12 months.

Refer to Note 20 for further information on financial Instruments.

	Consolidated Entity	
	2014	2013
	\$	\$
NOTE 11 Provisions		
Current		
Employee benefits	3,308	13,997
Provision – ATO	287,990	-
	<u>291,298</u>	<u>13,997</u>
All amounts are expected to be settled within 12 months.		
Non-Current		
Employee benefits	15,689	12,007
	<u>15,689</u>	<u>12,007</u>
All amounts are not expected to be settled within 12 months.		
<i>Employee benefits</i>		
The provision for employee benefits relates to the Consolidated Entity's liability for annual and long service leave.		
<i>Australian Taxation Office</i>		
The Company submitted an amendment to the 2011/2012 tax return which it is anticipated will result in the requirement to repayment of \$287,990 in R&D tax concession benefit. See Note 5 for further detail.		

NOTE 12 INTEREST BEARING LIABILITIES

Current		
Loan for Insurance	-	16,276
	<u>-</u>	<u>16,276</u>

NOTE 13 RESERVES

- (a) **Foreign Currency Reserve**
The foreign currency reserve records exchange differences arising on translation of a foreign controlled subsidiary.
- (b) **Convertible Note Reserve**
The convertible note reserve records the equity portion of convertible notes after tax.

NOTE 14 CONTINGENT ASSET AND CONTINGENT LIABILITY

- (a) **Contingent Asset**
Resource Mining Corporation Limited and its controlled entities do not have a known material contingent asset, as at 30 June 2014.
- (b) **Contingent Liability**
Resource Mining Corporation Limited and its controlled entities do not have a known material contingent liability, as at 30 June 2014.

NOTE 15 RELATED PARTY INFORMATION

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties:

- (a) **Ultimate Parent Company**
Resource Mining Corporation Limited is the ultimate Australian parent company.
- (b) **Controlled Entities**
Interests in controlled entities are set out in Note 17.

During the year, funds have been advanced between entities within the Consolidated Entity for the purposes of working capital requirements only.

Consolidated Entity

NOTE 16 CONTRIBUTED EQUITY

(a) Issued Capital

2014: 2,714,387,147 ordinary shares fully paid
(2013: 2,714,387,147 ordinary shares fully paid)

	2014	2013
	\$	\$
	61,942,247	61,942,247
	61,942,247	61,942,247

(b) Movement in ordinary share capital of the Company during the past two years were as follows:

Date	Details	Number of Shares	Issue Price	Value
		No	Cents	\$
01/07/2012	Opening Balance	2,714,387,147		61,942,247
	No activity during the year			
30/06/2013	Closing Balance	2,714,387,147		61,942,247
	No activity during the year			
30/06/2014	Closing Balance	2,714,387,147		61,942,247

- (a) Options as at 30 June 2014:
226,177,905 listed options remain on issue, exercisable at \$0.006 on or before 31 January 2015.
- (b) Voting and dividend rights
Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.
- (c) Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(c) Capital Management

Management controls the capital of the Consolidated Entity in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Consolidated Entity can fund its operations and continue as a going concern.

The Consolidated Entity's debt and capital includes ordinary share capital, and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Consolidated Entity's capital by assessing the Consolidated Entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The Director's have considered the strategy to be adopted by management to control the capital of the Consolidated Entity during and subsequent to the reporting period. Ongoing operations will be funded by a mix of any or all of: equity, convertible debt, debt or joint ventures with third parties.

(d) Dividends

The Consolidated Entity did not pay nor declare dividends in the last financial year.

NOTE 17 INVESTMENT IN CONTROLLED ENTITIES

	Class of Shares	Percentage Owned	
		2014	2013
Resource Minerals Pty Ltd (ABN: 67 145 739 322)	Ordinary	100%	100%
Argyle Iron Ore Pty Ltd (ABN: 77 106 440 564)	Ordinary	100%	100%
Resource Exploration Limited (ABN: 12 074 686 776) and its controlled entity (d)	Ordinary	100%	100%

- (a) All of the above controlled entities are incorporated in Australia and have a place of business in Australia.
- (b) All of the above controlled entities principal activities are exploration.
- (c) The carrying value of Resource Mining Corporation Limited's investment in the ordinary shares of controlled entities, are at cost less provision for impairment which do not exceed the underlying net assets of each entity.
- (d) Niugini Nickel Limited (ABN: 33 071 497 884) is a wholly owned subsidiary of Resource Exploration Limited. Niugini Nickel Limited's place of business is Papua New Guinea, and its principal activity is exploration.

NOTE 18 CAPITAL AND LEASING COMMITMENTS

(a) Mineral Tenement Commitments

In order to maintain current rights of tenure to mining tenements, the Consolidated Entity will be required to outlay in the year ending 30 June 2015 approximately \$62,576 (2014:\$262,638), in respect of minimum tenement expenditure requirements and lease rentals.

The Company has a number of avenues available to continue the funding of its current exploration program and as and when decisions are made, the Company will disclose this information to shareholders.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	Consolidated Entity	
	2014	2013
	\$	\$
Payable – minimum lease commitments:		
Within 1 Year	66,282	94,497
Later than 1 year but not later than five years	-	89,852
Later than 5 years	-	-
	<u>66,282</u>	<u>184,349</u>

Contingent rental provisions within the lease agreement require that the minimum lease payments be paid one month in advance and shall be increased by CPI or current market rental on a per annum basis. The lease allows for subletting.

NOTE 19 REMUNERATION OF AUDITORS

Amount received, or due and receivable, by the auditors for:

Auditing and reviewing of the financial statement of Resource Mining Corporation Limited and its controlled entities

BDO Audit (WA) Pty Ltd audit services	45,280	44,209
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NOTE 20 FINANCIAL RISK MANAGEMENT

The Consolidated Entity's activities expose it to a variety of financial risks, including market risk (including currency risk), credit risk and liquidity risks. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. To date, the Consolidated Entity has not used derivative financial instruments. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by the Managing Director under policies approved by the Board of Consolidated Entity's Directors. The Managing Director and the finance function identifies and evaluates the financial risks in close co-operation with the Consolidated Entity's operating units. The Board provides principles for overall risk management and the finance function provides policies with regard to financial risk management that are defined and consistently applied.

(a) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date, is the carrying amount net of any provisions for impairment of debts, as disclosed in the Statement of Financial Position and notes to the financial statement.

In the case of material cash deposited, credit risk is minimised by depositing with recognised financial intermediaries such as banks, subject to Australian Prudential Regulation Authority Supervision. For banks and financial institutions, only independently rated parties with a minimum rating of AA are accepted.

The Consolidated Entity does not have any material risk exposure to any single debtor or consolidated entity of debtors under financial instruments entered into by it.

(b) Liquidity and Capital Risk

Capital

The Consolidated Entity's total capital is defined as the shareholders' net equity plus net debt, and amounted to approximately \$9.8 million at 30 June 2014 (30 June 2013: \$12.7 million). The objectives when managing the Consolidated Entity's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Consolidated Entity does not have a target debt/equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise.

Cash

The Consolidated Entity has appropriate procedures in place to manage cash flows including continuous monitoring of forecast and actual cash flows to ensure funds are available to meet commitments.

All material cash holdings are held in Australian Banks with a rating of AA or more.

Financing arrangements

As at 30 June 2014, the Consolidated Entity has sufficient cash and cash equivalent to settle its current liabilities when they fall due. Interest bearing liabilities and trade payables will be paid in full by the 30 September 2014 (2013: 30 September 2013).

(c) Net Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. The Consolidated Entity has no financial assets or liabilities that are readily traded on organised markets at reporting date and has no financial assets where the carrying amount exceeds net fair values at reporting date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Consolidated Statement of Financial Position and in the notes to and forming part of the financial statements.

Recurring fair value measurements

The Consolidated Entity does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

The Consolidated Entity does not have any financial instruments that are not measured at fair value.

NOTE 20 FINANCIAL RISK MANAGEMENT (continued)

(d) Foreign Exchange Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the Consolidated Entity's functional currency. The Consolidated Entity exposure to foreign exchange risk is the operation of its subsidiary in Papua New Guinea.

At balance date the Consolidated Entity's exposure to foreign currency movement of 10% would have been \$1,041,966 on its exploration asset.

(e) Interest Rate Risk

The Consolidated Entity's exposure to market risk for changes in interest rates relates primarily to interest on deposits with banking institutions

2014		Fixed interest rate maturing in				
	Floating interest rate	1 Year or less	Over 1 to 5 years	More than 5 years	Non- interest bearing	Total
	\$	\$		\$	\$	\$
Financial Assets						
Cash	120,296	3,736	-	-	60,739	184,771
Trade Receivables	-	-	-	-	79	79
	120,296	3,736	-	-	60,818	184,850
Weighted average interest rate	2.47%	3.72%				
Financial Liabilities						
Trade Creditors and accruals	-	-	-	-	126,305	126,305
Amounts payable related parties	-	-	-	-	18,315	18,315
Interest bearing liabilities	-	-	-	-	-	-
	-	-	-	-	144,620	144,620
Weighted average interest rate	-	-				
2013		Fixed interest rate maturing in				
	Floating interest rate	1 Year or less	Over 1 to 5 years	More than 5 years	Non- interest bearing	Total
	\$	\$		\$	\$	\$
Financial Assets						
Cash	391,678	1,255,792	-	-	82,813	1,730,283
Trade Receivables	-	-	-	-	136,872	136,872
	391,678	1,255,792	-	-	219,685	1,867,155
Weighted average interest rate	3.15%	4.53%				
Financial Liabilities						
Trade Creditors and accruals	-	-	-	-	183,375	183,375
Amounts payable related parties	-	-	-	-	18,829	18,829
Interest bearing liabilities	-	16,276	-	-	-	16,276
	-	16,276	-	-	202,204	218,480
Weighted average interest rate	-	7.76%				

The following table summarises the sensitivity of the Consolidated Entity's and Company's financial assets to movements in interest rates of 100 percentage basis points.

		Interest rate risk			
		Increase 1%		Decrease 1%	
Consolidated and Parent		Profit \$	Equity \$	Profit \$	Equity \$
30 June 2014	\$				
Financial assets					
Deposits at call and term deposits	181,035	1,810	1,810	(1,810)	(1,810)
		Interest rate risk			
		Increase 1%		Decrease 1%	
Consolidated and Parent		Profit \$	Equity \$	Profit \$	Equity \$
30 June 2013	\$				
Financial assets					
Deposits at call and term deposits	1,647,470	16,475	16,475	(16,475)	(16,475)

	Consolidated Entity	
	2014	2013
	\$	\$
NOTE 21 KEY MANAGEMENT PERSONNEL		
(a) Key management personnel or Director compensation		
Short-term benefit	183,469	176,230
	183,469	176,230

Detailed remuneration disclosures are provided in the remuneration report on pages 13 to 15.

(b) Loans to key management personnel or Directors

There were no loans to key management personnel or Directors in either the year ending 30 June 2013 or 30 June 2014.

(c) Other transactions with key management personnel or Directors

There were no other transactions with key management personnel or Directors in either the year ending 30 June 2013 or 30 June 2014.

	Consolidated Entity	
	2014	2013
	\$	\$
NOTE 22 NOTES TO THE STATEMENT OF CASH FLOWS		
Reconciliation of profit/(loss) after tax to net operating cash flows		
Profit/(loss) from ordinary activities	(1,497,099)	56,024
Sale of tenements	-	(1,360,000)
Depreciation	6,357	7,450
Write down of exploration costs	311,060	463,311
Exploration costs not capitalised	93,266	29,557
Government Grant Funds	55,000	-
<i>Movement in assets and liabilities</i>		
Receivables	157,480	(70,499)
Payables	(65,963)	36,822
Provisions	286,160	6,274
Net cash used in operating activities	(653,739)	(831,061)

During the year there were no non-cash investing or financing activities.

Financing Agreements

No overdraft facilities have been formalised at 30 June 2014 and neither the Company nor any of its Controlled Entities have lines of credit at 30 June 2014.

NOTE 23 SEGMENT INFORMATION

For management purposes, the Consolidated Entity has one segment which is exploration activities relating to minerals and the exploration in 2 countries; Papua New Guinea and Australia.

For the year ended 30 June 2014:

	Exploration		Head Office	Total
	Papua New Guinea	Australia		
	\$	\$	\$	\$
Segment revenue from external customers	1,443	-	-	1,443
Revenue from external customers	-	-	33,821	33,821
Total revenue from external customers	1,443	-	33,821	35,264
Reportable segment loss before income tax	(100,476)	(369,701)	-	(470,177)
Corporate costs (net)	-	-	(699,620)	(699,620)
Research and Development expenditure	-	-	(74,576)	(74,576)
Loss before income tax	(99,033)	(369,701)	(740,375)	(1,209,109)
Segment assets	10,467,059	-	-	10,467,059
Cash and cash equivalents	52,384	-	132,387	184,771
Other assets	-	-	77,663	77,663
Total Assets	10,519,443	-	210,050	10,729,493
Segment liabilities	49,274	-	-	49,274
Other liabilities	-	-	402,333	402,333
Total liabilities	49,274	-	402,333	451,607

For the year ended 30 June 2013:

	Exploration		Head Office	Total
	Papua New Guinea	Australia		
	\$	\$	\$	\$
Segment revenue from external customers	5,069	1,350,462	-	1,355,531
Revenue from external customers	-	-	68,702	68,702
Total revenue from external customers	5,069	1,350,462	68,702	1,424,233
Reportable segment loss before income tax	(93,269)	(458,129)	-	(551,398)
Corporate costs (net)	-	-	(726,072)	(726,072)
Research and Development expenditure	-	-	(378,729)	(378,729)
Loss before income tax	(88,200)	892,333	(1,036,099)	(231,966)
Segment assets	10,934,842	321,060	-	11,255,902
Cash and cash equivalents	51,468	10,000	1,668,815	1,730,283
Other assets	-	-	200,706	200,706
Total Assets	10,986,310	331,060	1,869,521	13,186,891
Segment liabilities	58,964	2,266	-	61,230
Other liabilities	-	-	183,254	183,254
Total liabilities	58,964	2,266	183,254	244,484

**NOTES TO AND FORMING PART OF THE CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**



	Company	
	2014	2013
	\$	\$
NOTE 24 PARENT ENTITY DISCLOSURES		
Financial Position		
ASSETS		
Current assets	193,190	1,847,462
Non current assets	16,860	22,058
Total Assets	210,050	1,869,520
LIABILITIES		
Current liabilities	385,644	171,247
Non current liabilities	15,689	12,007
Total Liabilities	401,333	183,254
NET ASSETS/(LIABILITIES)	(191,283)	1,686,266
EQUITY		
Issued capital	61,942,247	61,942,247
Accumulated losses	(62,133,530)	(60,255,981)
Reserves	-	-
TOTAL EQUITY/(DEFICIENCY IN EQUITY)	(191,283)	1,686,266
Financial Performance		
Loss for the year	(1,877,550)	(9,031,478)
Total comprehensive loss for the year	(1,877,550)	(9,031,478)

The parent has no further commitments or contingency other than those disclosed in notes 14 and 18.

NOTE 25 MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On the 31 July 2014, the Company entered into a Funding Agreement (“Agreement”) with the Company’s largest shareholder, Sinom (Hong Kong) Limited (“Sinom”) who currently holds 43.14% of the issued shares in the Company. Mr Zhang Chi (Andy) who is a Non-Executive director of the Company is a director and controlling shareholder of 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:

- a. Drawings
 - a. Tranche 1 -\$300,000 drawn down 29 July 2014
 - b. Subsequent Tranches – Available upon giving Sinom 5 business days’ notice
- b. Interest
 - a. This facility is interest free
- c. Repayments
 - a. Principal repayable in full on or before 31 October 2014
- d. Fees
 - a. There are no establishment or other fees payable

Apart from the matters above, since the end of the financial year under review and the date of this report, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Consolidated Entity, in subsequent financial years.

NOTE 26 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

New and amended standards adopted by the Consolidated Entity

The Consolidated Entity has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2013:

- *AASB 10 Consolidated Financial Statements;*
- *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB13; and*
- *AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards from AASB119 (September 2011).*

The adoption of *AASB 11, AASB 13 and AASB 119* has had no effect on the financial position or performance of the Consolidated Entity.

New Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2014 reporting periods and have not been early adopted by the Consolidated Entity. The Consolidated Entity's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	Nature of change	Impact	Mandatory application date / date adopted by Company
AASB 9 Financial Instruments	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting.	There will be no impact on the Company's accounting for financial assets and financial liabilities, as the new requirements only effect the accounting for available-for-sale financial assets and the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such financial assets or financial liabilities. The new hedging rules align hedge accounting more closely with the Company's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.	Must be applied for financial years commencing on or after 1 January 2017. Therefore application date for the Company will be 30 June 2018. The Company does not currently have any hedging arrangements in place.
IFRS 15 (issued June 2014) Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Due to the recent release of this standard the Company has not yet made an assessment of the impact of this standard.	Must be applied for annual reporting periods beginning on or after 1 January 2017. Therefore application date for the Company will be 30 June 2018.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements:
 - a. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Consolidated Entity;
2. the Managing Director and Financial Controller have each declared that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view; and
3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors and on behalf of the Directors.

A handwritten signature in black ink, appearing to read 'Warwick Davies'.

Warwick Davies
Managing Director

Dated this 26th day of September 2014

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 24 September 2014.

ANALYSIS OF SHAREHOLDING - Ordinary Shares Listed

1 – 1,000	249
1,001 – 5,000	146
5,001 – 10,000	165
10,001 – 100,000	890
100,001 – or more	841
	<hr/>
	2,291

Total on issue	2,714,387,147
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Shareholders holding less than a marketable parcel	1,961
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Voting Rights

Article 15 of the Constitution specifies that on a show of hands every member present in person, by attorney or by proxy shall have:

- (a) for every fully paid share held by him one vote
- (b) for every share which is not fully paid a fraction of the vote equal to the amount paid on the share over the nominal value of the shares.

Substantial Shareholders

The following substantial shareholders have notified the Company in accordance with the *Corporations Act 2001*.

Sinom (Hong Kong) Limited	1,171,026,986	43.14%
---------------------------	---------------	--------

Directors' Shareholding

Interest of each Director in the share capital of the Company is detailed in the Directors' report.

		No. Shares	% of Shares
TWENTY LARGEST FULLY PAID SHAREHOLDERS			
1	Sinom (Hong Kong) Limited	1,171,026,986	43.14%
2	Century Three X Seven Resources Fund Inc	105,562,500	3.89%
3	Thunder Luck International Ltd	95,031,711	3.50%
4	Nefco Nominees Pty Ltd	91,920,248	3.39%
5	Bell Potter Nominees Ltd <BB Nominees A/C>	90,006,575	3.32%
6	Best Venture Development Limited	84,698,951	3.12%
7	Tierra De Suenos SA	58,668,197	2.16%
8	Classic Roofing Pty Limited	51,250,000	1.89%
9	Brispot Nominees Pty Ltd	41,000,000	1.51%
10	Ms Nada Saade	36,511,461	1.35%
11	Mount Gibson Iron Limited	34,780,251	1.28%
12	Century Three X Seven Resource Fund Inc	31,700,000	1.17%
13	Mr Dimitrios Graikos <The Graikos Family A/C>	31,000,000	1.14%
14	Proridge Pty Ltd <Proridge Super Fund A/C>	28,450,000	1.05%
15	HSBC Custody Nominees (Australia) Ltd	21,406,823	0.79%
16	Erceg Enterprises Pty Ltd	20,000,000	0.74%
17	Dominant Holdings AG	18,000,000	0.66%
18	Swiss Trading Overseas Corp	16,772,598	0.62%
19	Corporate Finance (Heidelberg) Pty Ltd <Miller Corp Staff S/F A/C>	16,035,000	0.59%
20	Mr Warwick Jeffrey Davies	15,502,500	0.57%

The largest shareholders listed above own 75.87% of the total issued fully paid ordinary shares.

INTEREST IN MINING TENEMENTS

PAPUA NEW GUINEA

Oro Province – Wowo Gap (Niugini Nickel Limited – 100%)

EL1165

EL1980

INDEPENDENT AUDITOR'S REPORT

To the members of Resource Mining Corporation Limited

Report on the Financial Report

We have audited the accompanying financial report of Resource Mining Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2014, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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 Resource Mining Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Resource Mining Corporation Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity. This condition, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Resource Mining Corporation Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd



Peter Toll

Director

Perth, 26 September 2014

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF RESOURCE MINING CORPORATION LIMITED

As lead auditor of Resource Mining Corporation Limited for the year ended 30 June 2014, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Resource Mining Corporation Limited and the entities it controlled during the period.



Peter Toll

Director

BDO Audit (WA) Pty Ltd

Perth, 26 September 2014

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