



ANNUAL REPORT 2016

RESOURCE MINING CORPORATION LIMITED

ABN 97 008 045 083

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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 Secretaries	Amanda Sparks Ann Hadden
Registered Office	702 Murray Street WEST PERTH, WESTERN AUSTRALIA 6005
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Share Registry	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace PERTH, WESTERN AUSTRALIA 6000 Telephone Within Australia: 1300 850 505 Outside Australia: +61 3 9415 4000 www.investorcentre.com/contact
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

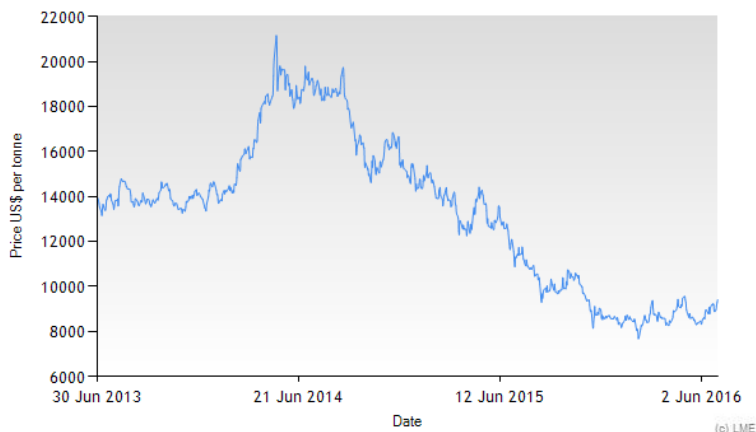
CHAIRMAN'S LETTER



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 2016.

As a single project, single commodity focused business, RMC is operating in a challenging business environment, best illustrated by the following graph of the London Metal Exchange nickel cash buyer price over the last 3 years.



To put this in perspective, the LME cash buyer nickel price on 11 February this year of USD\$7,700 was the lowest level for 14 years.

Roughly 15% to 20% of global nickel production is derived from China's Nickel Pig Iron (NPI) industry, which relies solely on imports of nickel laterite ores. The value of nickel laterite ore, whilst not as transparent as the LME metal price, is understood to have followed a similar path as nickel metal. These ores have traditionally been sourced from mines in the Philippines, Indonesia and New Caledonia. The price of nickel and nickel ores rose rapidly in early 2014 in response to the Indonesian government's ban on the export of ore.

During the latter part of the current financial year, the Philippines National Government announced that its mining industry would be subject to audits with particular reference to the environmental performance of mining companies. To date, it is understood that the audit process has concentrated on small mines some of which have been forced to close on the basis of breaches to environmental or social operating conditions.

These restrictions on the availability of nickel laterite ore both from Indonesia and now the Philippines when viewed in a medium to longer term context, are considered positive for RMC's potential future development of the Wowo Gap Project and the boards desire to preserve and retain control of your company's Wowo Gap nickel laterite deposit.

A Feasibility Study (FS) for a Direct Shipped Ore (DSO) Project was completed and presented to the MRA prior to the end of February 2016. The completion of the FS was a requirement of the tenement renewal for the period February 2014 to February 2016. Key findings of the FS were that a DSO project from Wowo Gap is feasible but dependent upon a sustainable nickel price and continued ore demand from the Chinese NPI industry.

The renewal process for EL 1165 was initiated during the year with the tenement falling due for renewal at the end of February 2016. The Warden's Court Hearing, an integral part of the renewal process was undertaken during June 2016 with positive feedback being received from both villages of Embessa and Obea where the hearings were conducted.

A dramatically reduced site presence is being maintained at Wowo Gap with all supervisors, specialist and general labour sourced from within a pool of PNG national that live close to the main tenement EL 1165. The company's commitment to maximizing local food purchase remains in place with local fresh produce supplemented by produce from exploration camp gardens.

Under these difficult circumstances, your directors secured funding for this reduced level of company activity by way of unsecured loans from the company's largest shareholder, Sinom Investments Limited.

In closing, 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

Resource Mining Corporation Limited (ASX: RMI) (**Resource Mining, RMC or the Company**) 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.

PAPUA NEW GUINEA - WOWO GAP NICKEL LATERITE PROJECT (the Project): EL1165, EL1980 and EL 2337 (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.

Exploration results have been used to estimate a total Mineral Resource of 125 million tonnes grading 1.06 per cent Nickel (Ni) and 0.07 per cent Cobalt (Co)*. See Table 1 on page 5 for further details and JORC classifications.

*Refer to ASX announcement 14 December 2011, RMC confirms that it is not aware of any new information or data that affects the information included in that market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. RMC's policy for Mineral Resources estimates is to have the estimates prepared by a suitably qualified and experienced external consultant and have these estimates reviewed internally by the Board periodically.

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 Exploration Licence for EL1165 expired on 28 February 2016 with a renewal application being made prior to the expiration period.

Subsequent to year end, the Mineral Resources Authority, (MRA), confirmed that the Minister for Mines has granted an extension of the lease EL 1165 for a further two years from 29th February 2016.

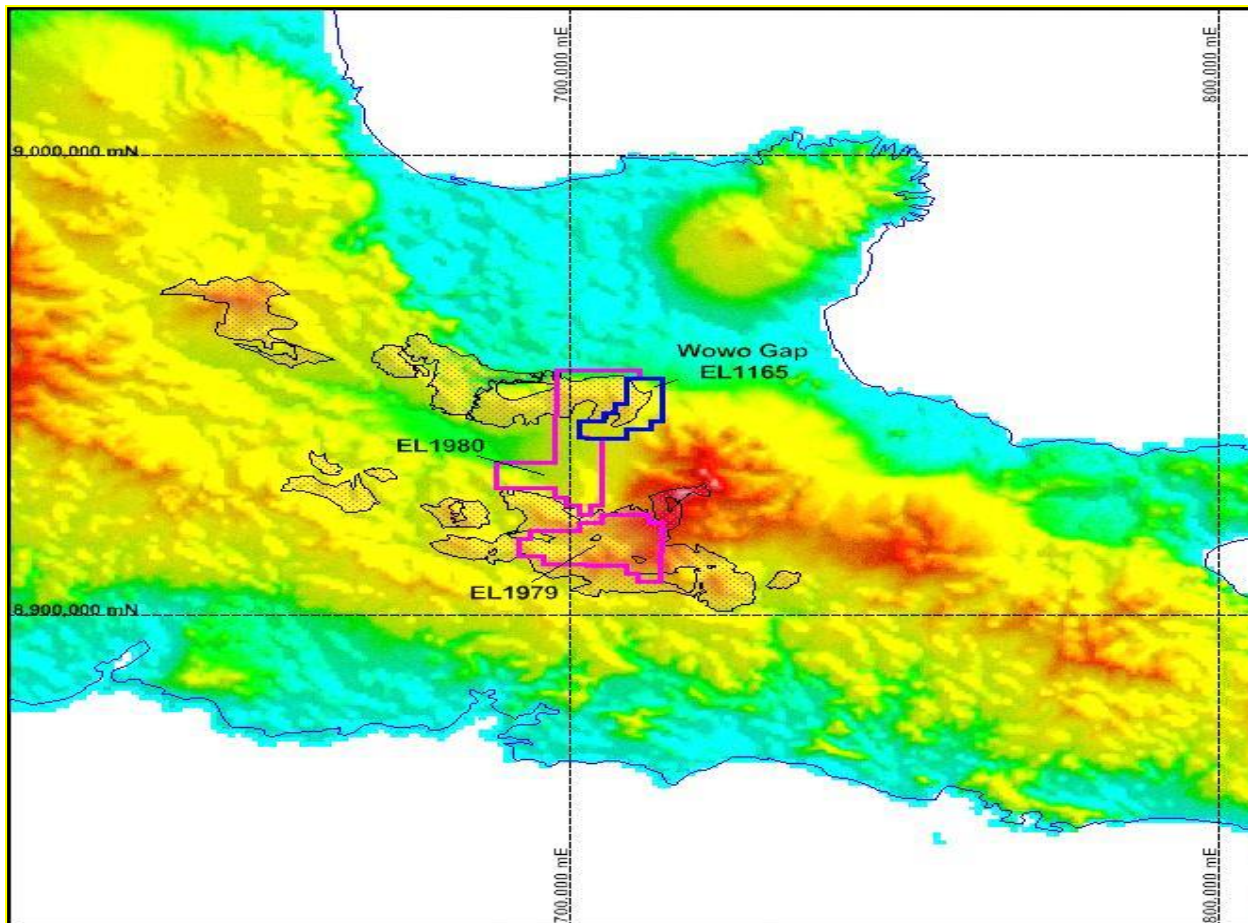


Figure 1: Location of the Wowo Gap Nickel Laterite Project Exploration Licences

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 Nickel Laterite 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

Over 15 months ago, the demand for nickel laterite ore, (saprolite and limonite ores), for both the Chinese **NPI** industries and the Japanese nickel producers was very buoyant. The ban on mineral exports introduced by the Indonesian Government in January 2014 had resulted in significant draw-down of China based port stockpiles of high grade nickel laterite to effectively zero stock levels.

Chinese imports of laterite ores from the Philippines increased significantly together with interest in alternative sources of nickel laterite. However, the dramatic downturn in demand initially for iron ore and coking coal and then for generally all metals, changed the investor interest landscape completely. Nickel prices fell to near historic low levels in April 2016 and investor interest in alternative nickel laterite sources for the Chinese NPI industry declined significantly.

At the end of the 2015 financial year, the Philippines government had initiated an audit program of its mining industry to ensure mine operators are complying with environmental and social regulations. This audit program has the potential to impact the supply of DSO laterite ore to the Chinese NPI industry.

Under this program, the recently appointed Philippines Mining Minister is reported to have ordered the suspension of operations at two Philippines nickel ore mines, operated by Benguet Corp Nickel Mines Inc and Zambales Diversified Metals Corp. According to Reuters (7th July 2016), the mine operations were suspended for the operators failing to adhere to environmental standards. Reuters reports that the Mining Minister has also halted the issuance of exploration permits as a nationwide review of mining activity relative to environmental and social commitments is undertaken.

There is speculation that the suspension of mining activity could directly impact nickel ore shipments from the Philippines which is the main supplier of DSO nickel ore to the Chinese market. Further news implied that the Philippine government would review all mining operations in the country. In the medium term, assuming an uplift in nickel demand in China with an increase in the nickel price, the Wowo Gap Project is a potential alternative supply source to both Indonesia and the Philippines.

EL 1165

As advised in the 2015 Annual Report, exploration drilling to identify high grade saprolite beneath the base of the previous auger program was suspended in April 2015. Prior to the suspension of exploration drilling, a total of 40 diamond holes were drilled on the Koyama prospect and 125 auger holes drilled on Kaoyama and Joan East prospects.

All holes were drilled on 100 metres by 100 metres line spacing on Koyama and Joan East prospects with drill hole locations typically targeting areas where the Ground Penetrating Radar (GPR), profile indicated thick clay intercepts. Geological assessment has concluded that additional drilling is required before firm conclusions can be made.

With the suspension of exploration drilling, attention was focussed on completing the Feasibility Study required as a condition of the EL 1165 Licence renewal in 2014. The FS Report was delivered to the MRA in February 2016 ensuring that the renewal conditions were fully met.

Application for renewal of EL 1165 was submitted to the MRA with the first stage of the renewal process, completion of the Warden's Court Hearing, being completed on 15th June 2016. Positive support was received from landowners and the residents of Embessa and Obea villages. The tenement remains in good standing, work activities continue and RMC retains ownership of the tenement whilst the renewal process is completed. Subsequent to year end, the Mineral Resources Authority, (MRA), confirmed that the Minister for Mines has granted an extension of the lease EL 1165 for a further two years from 29th February 2016.

EL 1980

Limited core drilling was undertaken on EL 1980, the tenement adjacent to EL 1165 where the laterite mineralisation extends from EL 1165 into EL 1980. The core drilling program was hampered by the topographical conditions where narrow ridge lines and steep gullies restricted location of drill pads. Whilst nickel was encountered in several of the core holes, the levels identified were of limited interest. Based on mapping of the local area in conjunction with the limited assay results, it was determined that the laterite mineralisation was discontinuous and of limited thickness.

Following the decision in 2014 to relinquish tenement EL 1979 on the basis that ground access was topographically challenging, a decision was also made to 'drop-off' approximately 50% of tenement EL 1980. Whilst hosting an extension of the laterite mineralisation from EL 1165, core drilling during the past 2 years has shown the mineralisation to be discontinuous across the tenement. In addition, the mineralisation appears to be restricted to the ridge lines making future mining and development problematic when topographic features are carefully considered.

EL 2337

Work on EL2337 was limited to mapping, general track surveys and two social awareness campaigns together with preliminary social mapping of the area. The two awareness campaigns were conducted to introduce the company and to explain the process of future exploration activities to the areas limited inhabitants. Most of the limited numbers of people living in areas of possible interest to the company are related in some way to the people in Embessa and Taruma, villages close to EL 1165.



Other Activities

From the suspension of exploration drilling to the end of the year, work activity on EL 1165 has progressively decreased. All drilling equipment has been dismantled, cleaned and stored. All motors and mechanical equipment are regularly checked, run and kept in an "operational ready state".

Exploration camp facilities have been maintained and non-active facilities closed. An extensive campaign of updating all policies and procedures and training manuals has been completed along with successful rationalization of operational roles on site. The objectives of the rationalization program have been to multi-skill local employees to ensure a pool of personnel trained in all aspects of current site activities.

Other activities include the following:

Environmental

Water quality monitoring, providing data essential for future development, continued as a priority task. The drought of the previous year finally broke in the area of EL 1165 with normal rainfall and stream flows being re-established. A viable water supply was maintained to the exploration camps throughout the drought period. The sustainability of the water supply in extreme conditions bodes well for any future development.

Continued forest and vegetation monitoring, particularly in drought conditions, showed no significant negative effects from the drought. One minor effect was a reduction in the rate of growth of natural grasses around the exploration camps reducing the trimming frequency.

Social

Social mapping and the maintenance of an active social engagement policy continued during the year. Airstrip, village storage, and school room maintenance and construction have all continued during the year at both the Embessa and Obea communities

The policy of sourcing local produce as an alternate to purchasing from Port Moresby continues to pay dividends with the delivery of fresh food now a streamlined process that benefits both the Company and the local community. The company provided advice and assistance with the distribution of drought aid at a time when local food sources were at critically low levels.

Despite the negative effects of the drought, the local communities of Embessa, Obea and Taruma managed to survive with valuable lessons learnt regarding the importance of native species providing 'last resort' food sources.

Camp gardens were maintained during the drought to provide employees with a source of fresh food with a significant expansion of these facilities being undertaken immediately after the drought ended. Expansion of the camp garden with an enhanced variety of produce, together with follow-up training of local cooks has provided a decrease in reliance on food sourced from Port Moresby. In turn this has reduced the frequency of charter flights with associated costs.

DIRECTORS' REPORT



Your Directors present their report for the financial year ended 30 June 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was mineral exploration in Papua New Guinea.

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: 2,092,847 ordinary shares

Special Responsibilities: Mr Mackenzie is a Non-Executive Chairman.

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: 137,793,768 ordinary shares 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.

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 7 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: 1,679,437 ordinary shares held directly and 2,655,945 ordinary shares held by related parties.

Special Responsibilities: Mr Davies is responsible for the day-to-day operations of the Group and in particular Metallurgy, Marketing and Infrastructure.

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

Amanda Sparks **Company Secretary - Joint**

Qualifications: B.Bus, CA, F.Fin

Term: Company Secretary since August 2016

Experience: Ms Amanda Sparks is a Chartered Accountant with over 28 years of resources related financial experience, both with explorers and producers. Ms Sparks has extensive experience in financial management, corporate governance and compliance for listed companies.

Ann Hadden **Company Secretary - Joint**

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

Term: Company Secretary since October 2011

Experience: Ms Hadden 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.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2016, and the number of meetings attended by each Director.

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group 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 immediately preceding this Directors' Report.

DIVIDENDS

No dividends were paid or declared during the year. The Directors do not recommend payment of a dividend.

ENVIRONMENTAL REGULATIONS

The Group has conducted exploration activities on mineral tenements. The right to conduct these activities is granted subject to environmental conditions and requirements. The Group 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.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements, but there may be in the future.

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 Group that occurred during the financial year under review not otherwise disclosed in this report or in the consolidated accounts.

OPERATING AND FINANCIAL REVIEW

Review of Operations

Wowo Gap

The major focus of the Company remains on the development of its wholly owned Wowo Gap Nickel Laterite Project located 200 kilometres from the PNG capital of Port Moresby.

Nickel prices remain volatile around US\$10,000/ton having fallen as low as US\$8,550/ton in April 2016. LME warehouse stocks have also fallen suggesting that primary nickel metal is being used in place of NPI in China. Against this background, demand for nickel laterite for the Chinese NPI market is subdued and DSO ore prices are low.

With reduced investor interest in sources of DSO nickel laterite ore for NPI plants, activity at Wowo Gap was reduced with work focussed on:

- Completion of the Feasibility Study;
- Activities associated with the renewal of licence for EL 1165;
- Rationalisation of exploration camp facilities and personnel;
- Maintenance of environmental and social activities; and
- Other work to ensure the integrity of the tenement to ensure all facilities and personnel are in an "operationally ready" condition.

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

Summary of Financial Position, Asset Transactions and Corporate Activities

A summary of key financial indicators for the Group, with prior period comparison, is set out in the following table:

	Year	Restated Year
	30 June 2016	30 June 2015
	\$	\$
Cash and cash equivalents held at year end	69,049	131,447
Net loss for the year after tax	(1,726,357)	(3,375,642)
Included in loss for the year:		
Exploration costs	(624,047)	(2,384,526)
Borrowing costs	(337,459)	(154,070)
Basic loss per share (cents) from continuing operations	(0.58)	(1.20)
Net cash (used in) operating activities	(1,353,284)	(3,393,183)
Net cash (used in) investing activities	-	(213,548)
Net cash from financing activities	1,294,000	3,549,522

During the year:

- The Company consolidated its issued capital on the basis of every 10 fully paid ordinary shares being consolidated into one fully paid ordinary share. The consolidation process was completed on 9 December 2015, with notification and new holding statements being sent to shareholders.
- On 15 March 2016, the Company entered into an amendment to the Funding Agreement ("Agreement") dated 9 June 2015 (as amended), with the Company's largest shareholder, Sinom (Hong Kong) Limited ("Sinom") who currently holds 46.5% 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 amendment to the Agreement, Sinom has agreed to increase the total of the loan to \$1,210,000, for general working capital purposes as an unsecured loan on the same terms and conditions as the initial loan and as disclosed in note 12 of the financial statements. Furthermore Sinom has extended the final repayment date from 31 October 2016 to 31 March 2017. Subsequent to year end, the final repayment date was extended to 31 December 2017. During the year, \$910,000 was drawn down, with the facility fully utilised as at 30 June 2016.
- During the period 17 March to 30 June 2016, Sinom provided an additional \$330,000 of funding to the Company. This funding is interest free, unsecured with no set repayment date.
- On 30 June 2016, the Company announced entering into an additional Funding Agreement ("Additional Agreement") with Sinom. Under the terms of the Additional Agreement and its subsequent amendments, Sinom has agreed to provide the Company up to \$500,000 for general working capital purposes as an unsecured loan with a repayment date of 31 December 2017.

Change in Accounting Policy – Exploration and Evaluation Expenditure

Exploration expenditure of \$624,047 was expensed to the statement of profit or loss and other comprehensive income this year following a voluntary change in the Company's accounting policy. Under the new policy, exploration and evaluation expenditure is charged to the profit or loss account as incurred. Comparative information has been restated.

SHARE OPTIONS

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

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Subsequent to year end, the following occurred:

- The Company has drawn an additional \$134,000 of funding from the unsecured loan facility with Sinom (Hong Kong) Limited.
- On 19 September 2016, the Company announced that the Mineral Resources Authority, (MRA), had confirmed that the Minister for Mines has granted an extension of the lease EL 1165 for a further two years from 29th February 2016.
- On 19 September 2016, the final repayment date of the \$1.21 million loan from Sinom (Hong Kong) Limited was extended from 31 March 2017 to 31 December 2017.

There are no other matters or circumstances that have arisen since 30 June 2016 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

REMUNERATION REPORT (Audited)

A. INTRODUCTION

The directors are pleased to present your Group's remuneration report which summarises remuneration arrangements for the reporting period 1 July 2015 to 30 June 2016 for the directors and executives of Resource Mining Corporation Limited and its subsidiaries.

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

B. 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 Group. 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.

The Group did not use remuneration consultants during the year.

Remuneration Report approval at the 2015 Annual General Meeting (AGM)

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 2015 be adopted.

C. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

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. 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. The maximum aggregate Directors' fees payable to non-executive Directors was increased from \$100,000 per annum to \$250,000 per annum as approved by the shareholders at the 2014 AGM on 26 November 2014.

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, when made, are 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 superannuation).

Relationship between remuneration and the Group's performance

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

Non-Executive Directors' Remuneration

Non-Executive Directors' remuneration consists of base fees (inclusive of superannuation) and is currently set at \$50,000 per annum for the Chairman. The Directors are entitled to reimbursement of out-of-pocket expenses incurred whilst on Company business.

D. SERVICE AGREEMENTS

Executive Directors

Mr Warwick Davies is an Executive Director and as Managing Director, is responsible for the day-to-day operations of the Group. The Group 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, extended to 31 March 2016. Services continue to be provided under this agreement since 31 March 2016.	\$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.

Non-Executive Directors

All non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, if any.

E. REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

2016	Short-term benefit			Post-employment Benefits	Share-based payments	
Name	Salary and Fees	Cash Bonus	Non-Monetary Benefit	Super-annuation	Shares	Total
	\$	\$	\$	\$	\$	\$
W Davies ¹	133,948	-	-	-	-	133,948
W Mackenzie	50,000	-	-	-	-	50,000
Zhang C ³	-	-	-	-	-	-
Totals	183,948	-	-	-	-	183,948

2015	Short-term benefit			Post-employment Benefits	Share-based payments	
Name	Salary and Fees	Cash Bonus	Non-Monetary Benefit	Super-annuation	Shares	Total
	\$	\$	\$	\$	\$	\$
W Davies	170,395	-	-	-	-	170,395
W Mackenzie ²	-	-	-	-	50,000	50,000
Zhang C	-	-	-	-	-	-
Totals	170,395	-	-	-	50,000	220,395

1. Mr Davies' fees for the period May 2015 to 30 June 2016 are unpaid as at 30 June 2016.
2. Mr Mackenzie elected to receive his Director's Fees in shares for the 2015 financial year, as approved by the shareholders on 26 November 2014. Mr Mackenzie's fees for the 2016 financial year are unpaid as at 30 June 2016.
3. Mr Zhang Chi elected not to receive his Director's fees effective 1 July 2014.

Long term benefits and termination benefits for the year were nil (2015: nil).

F. SHARE-BASED COMPENSATION

During the year, no remuneration options or incentive options were granted, vested, exercised or lapsed (2015: none).

Shares were issue to the Directors in lieu of fees for the 2015 year – refer to note 13 in the financial statements.

G. EQUITY HOLDINGS AND MOVEMENTS DURING THE YEAR

Share holdings of key management personnel ¹

30 June 2016	Balance At the beginning of the Year	Granted as Remuneration	Share Consolidation	Balance 30 June 2016
Directors				
W Davies	43,353,833	-	(39,018,451)	4,335,382
W Mackenzie	15,220,705	5,707,765 ²	(18,835,623)	2,092,847
Zhang C	1,377,937,692	-	(1,240,143,924)	137,793,768
Totals	1,436,512,230	5,707,765	(1,297,997,998)	144,221,997

1. Includes shares held directly, indirectly and beneficially by key management personnel.
2. Number of shares is prior to share consolidation

There are no options on issue as at year end.

H. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Advances from Managing Director

During the year, Mr Davies, Managing Director, has advanced a total of \$54,000 to the Company as short term funding. These advances are interest free, unsecured and repayable by 30 September 2016.

Unsecured loans

Non-Executive Director, Mr Zhang is the Managing Director of Sinom (Hong Kong) Limited (Sinom).

On 4 June 2015, the Company announced entering into a Funding Agreement ("Agreement") with its major shareholder Sinom. Under the terms of the Agreement and its subsequent amendments, Sinom has agreed to provide the Company up to \$1,210,000 for general working capital purposes as an unsecured loan on the following conditions:

- no interest or fees are payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 March 2017. Subsequent to year end, the final repayment date was extended to 31 December 2017.

As at 30 June 2016, \$1,210,000 of this facility has been utilised (2015 \$300,000).

During the period 17 March to 30 June 2016, Sinom provided an additional \$330,000 of funding to the Company. This funding is interest free, unsecured with no set repayment date.

On 30 June 2016, the Company announced entering into an additional Funding Agreement ("Additional Agreement") with its major shareholder Sinom (Hong Kong) Limited ("Sinom"). Under the terms of the Additional Agreement and its subsequent amendments, Sinom has agreed to provide the Company up to \$500,000 for general working capital purposes as an unsecured loan on the following conditions:

- no interest or fees are payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 December 2017.

As at 30 June 2016, this facility had not been utilised.

A total of \$1,540,000 was payable to Sinom under these secured loans as at 30 June 2016.

Convertible notes

In December 2014, the Company issued two Convertible Notes with an issue price of \$1 million each to Sinom.

The key terms of the Convertible Notes are:

- a conversion price of \$0.02;
- the Convertible Note is interest free and unsecured; and
- a maturity date of 2 years after the date of the Deed i.e. 14 October 2016.

RMC shareholders approved the issue of the Convertible Notes at the Annual General Meeting on 26 November 2014. As at 30 June 2016, the fair value of the convertible notes was \$1,894,472.

This is the end of audited remuneration report.

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*.

INDEMNIFICATION OF AUDITORS

The Company has agreed to indemnify their auditors, BDO Audit (WA) Pty Ltd, to the extent permitted by law, against any claim by a third party arising from the Company's breach of their agreement. The indemnity stipulates that the Company will meet the full amount of any such liabilities including a reasonable amount of legal costs.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of the Court under section 237 of the *Corporations Act 2001* 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.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Resource Mining Corporation Limited support and adhere to the principles of corporate governance. The Company's Corporate Governance Statement is contained in this annual report.

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 2016.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is included after the Auditor's Report in this annual report.

Signed in accordance with a resolution of the Directors

A handwritten signature in black ink, appearing to read 'W. Mackenzie', written in a cursive style.

William Mackenzie
Chairman

Dated at Perth 20th day of September 2016.

APPROACH TO CORPORATE GOVERNANCE

Resource Mining Corporation Limited (**Company**) is committed to conducting its business in accordance with corporate governance standards. The Board has established a corporate governance framework, including corporate governance policies, procedures and charters to support this commitment. The framework is reviewed and revised, where necessary, in response to changes in law, corporate governance developments or the Company's operations to endeavour that the Company continues to develop, maintain and improve its governance practices.

As a listed entity, the Company must comply with the Corporations Act 2001 (Cth) (**Corporations Act**) and the Australian Securities Exchange Listing Rules (**ASX Listing Rules**) and report against the ASX Corporate Governance Council's Principles and Recommendations 3rd Edition (**ASX Principles**).

This Corporate Governance Statement aims to disclose, in summary form, as required by the ASX Listing Rules, the extent to which the Company has followed the ASX Principles during the year ended 30 June 2016 (**Reporting Period**).

The Company's corporate governance principles and policies are therefore structured as follows:

1. Lay solid foundations for management and oversight;
2. Structure the Board to add value;
3. Act ethically and responsibly;
4. Safeguard integrity in corporate reporting;
5. Make timely and balanced disclosure;
6. Respect the rights of security holders;
7. Recognise and manage risk; and
8. Remunerate fairly

COMPLIANCE WITH THE ASX PRINCIPLES

Details of the Company's compliance with the ASX Principles are set out below.

The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark, and relevant in the context of its business activities, operations, size and stage of development as a listed exploration company, 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 are on the Company's website at <http://www.resmin.com.au/our-company/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 Evaluation
- Policy on Assessing the Independence of Directors
- Policy for Trading in Company Securities
- Code of Conduct (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)
- Whistleblower Policy (summary)
- Diversity Policy

RESPONSIBILITIES OF THE BOARD

The Company has established the functions reserved to the Board, and those delegated to Senior Management 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, including approving budgets, engaging appropriate management personnel commensurate with the Company's structure and objectives, monitoring, reviewing the development and implementation of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

Responsibility for management of the Company's operations and activities and ensuring the implementation of policies and strategy set by the Board, is delegated to the Managing Director. This responsibility is subject to a delegation of authority, and matters beyond the scope of the delegation of authority require Board approval.

Senior Management 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 Management 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 Chairman or the lead independent director, as appropriate.

The Board's composition and size, combined with the small number of Company personnel enables frequent and dynamic engagement and information transfer between the Managing Director and directors, and between directors. These channels of communication ensure that the Board has or is able to readily access information to enable it to efficiently address issues and matters that in other organisations due to their size and structure may be delegated to committees.

The Board has sufficient understanding of the Company's operations to enable it to provide input into material decisions to ensure compliance with the principles of good corporate governance.

APPOINTMENT OF DIRECTORS

The Company's policy is that full checks should be conducted on all potential directors. These include a check on the person's character, experience, education, criminal record and bankruptcy history. All potential directors are required to provide their consent to such checks being performed. No new directors were appointed to the Board during this Reporting Period.

Biographical details, including relevant qualifications and experience and the skills each director brings to the Board are detailed on the Company's website and in the Director's Report section of this annual report.

Directors and senior executives are aware of their roles and responsibilities and the Company's expectations of them. The Board provides a letter of appointment that contains the terms on which each Non-Executive director is appointed, their role and responsibilities including the basis on which they will be indemnified. Upon commencement with the Company senior executives are required to enter into a written agreement with the Company by way of either a letter of appointment or a service contract.

The appointment and removal of the Company Secretary/s is a decision of the Board. The Company Secretaries are responsible and accountable to the Board, through the Chairman on all matters to do with the proper functioning of the Board. This is reflected in the Company's Secretary's letter of appointment and their reporting lines. There is a communication channel between the Chairman, Managing Director and the Company Secretaries on corporate governance matters.

DIVERSITY

The Company has a Diversity Policy. 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 in senior executive positions in the Company and women on the Board as at 30 June 2016 are set out in the following table:

	Female	
	No.	%
Employees in whole organisation	3	50%
Senior Executive positions	2	67%
Board, including Company Secretary *	1	25%

The Managing Director has been included in the Board category and the senior executive category. Senior executives are defined as those whose role has a professional and educational speciality and associated requirements.

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

REVIEW OF BOARD PERFORMANCE

The Chairman is responsible for the 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 Chairman.

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

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

EVALUATION OF PERFORMANCE OF MANAGING DIRECTOR AND SENIOR EXECUTIVES

The Managing Director is responsible for evaluating the performance of all personnel, including senior management. The evaluation of senior executives comprises an interview process, on either a formal or informal basis, which occurs annually or more frequently, as required and may take place as part of the annual salary review under those senior executives' employment or service contracts. A review of senior executives occurred during the Reporting Period in accordance with the process disclosed.

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

During the Reporting Period, an evaluation of the Managing Director took place in accordance with process disclosed.

STRUCTURE THE BOARD TO ADD VALUE

The Board comprises three members, William Mackenzie, Zhang Chi and Warwick Davies. William Mackenzie is the independent Chairman of the Board.

The Board considers the existing structure remains appropriate for the Company, in its current circumstance, stage of development and operations.

NOMINATION COMMITTEE

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.

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 Board did not officially convene as a Nomination Committee during the Reporting Period.

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

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 (AGM) 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 AGM of the Company. At each AGM a minimum of one Director or one third of the total number of Directors must resign. A Director who retires at an AGM 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 Appointment/Re-appointment of Directors is on the Company's website.

SKILLS, EXPERIENCE AND EXPERTISE OF DIRECTORS

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report included in this annual report.

The Company has formalised a process to assist in identifying areas of focus and with the aim of mapping an appropriate mix of skills, experience and expertise which in the Board's opinion should, when circumstances allow, be represented on the Board to enable it to continue to effectively meet the Company's strategic needs.

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, marketing and investor relations experience, and a level of expertise and experience in industrial, regulatory and governmental relations both in Australia 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 (i.e. audit, taxation), mining exploration and overseas operations, investor relations, regulatory affairs, business development, human resources, technology and environment and sustainability.

The table below details the collective skills of the current Board and will be utilised in the selection process for nominees for any future candidates for the Board and for purposes of Board self-assessment. The current collective experience, skills and attributes of the Board will be reviewed in conjunction with material changes to the Company's operating requirements and strategy.

Summary of collective experience, skills and attributes of the Board
Experience
Resource industry including exploration and mining development and operations
Executive management, strategy and leadership
International global commercial experience
Financial, tax and accounting services experience
Marketing
Skills and attributes
Engineering, project management
Community and stakeholder engagement and investor relations
Operational Business Development
Corporate Governance, risk management and regulatory

The Board is of the view that current Board possesses an appropriate mix of skills, experience and knowledge to enable the Board to discharge its responsibilities and deliver on corporate objectives and governance. No new directors were appointed during the Reporting Period.

INDEPENDENCE

The Board does not have a majority of directors who are independent. The Company has continued to find that given the combination of its current financial positioning, operations and financial climate it has remained difficult to recommend the appointment of additional directors. During the Reporting Period, the Board continued to review its structure and composition, including the balance of independence on the Board and considers that it is appropriately structured to discharge its duties in a manner that achieves the objectives of the Company. The Board remains committed to appointing additional director/s to the Board, when optimal circumstances prevail.

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the ASX Principles 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:

- Balance Sheet items are material if they have a value of more than 10% of pro-forma net asset.
- Profit or 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 Balance Sheet or profit or 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, and independent Chairman of the Board is William Mackenzie. The non-independent directors of the Company are Warwick Davies and Zhang Chi. The Managing Director is Warwick Davies who is not Chairman of the Board.

The Company has at all times maintained a separation between the roles of the Chairman and the Managing Director. The day to day management of the Company is overseen by the Managing Director.

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 Chairman for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

PROFESSIONAL DEVELOPMENT AND INDUCTION

The Company does not currently have a program for the induction of new directors. It is envisaged that any induction program developed would cover all aspects of the Company's operations so as to ensure that new directors are able to fulfil their responsibilities and contribute to Board decisions. No new directors were appointed during the Reporting Period.

The Company provides or makes available resources for directors to develop and maintain their skills and knowledge they consider are necessary to perform their role as directors. This may include ongoing in-house briefings on relevant accounting standards, seminar, conference and course attendance and undertaking structured continuing education.

ETHICAL AND RESPONSIBLE DECISION MAKING

The Company's governance policies and procedures incorporate all the recommendations in relation to this principle.

Directors, officers and employees in addition to their legal obligations must maintain high ethical standards in their dealings with the public and other members of the industry.

CODE OF CONDUCT

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 is on the Company's website.

AUDIT COMMITTEE

The role and functions of an Audit Committee are undertaken by the full Board. 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. The Company has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Board in its capacity as the Audit Committee. 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 any director with conflicting interests is not party to the relevant discussions.

All of the directors consider themselves to be financially literate and have relevant industry experience or exposure. Mr Zhang has a degree in economics and experience and skills 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) with particular emphasis on the scope and quality of the audit 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.

s295A Corporations Act Declaration

The Managing Director and Company Secretary are required to make and provide a declaration to the Board in accordance with section 295A of the Corporations Act that, in their opinion, the financial records of the Company have been properly maintained and that the Company's financial reports comply with the appropriate accounting standards and present a true and fair view of the Company's financial position and performance and assurance to 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.

These declarations have been provided in relation to the Company's Financial Reports for the year ended 30 June 2016.

External Auditor's Attendance at the AGM

The Board takes measures to ensure that a representative of the external auditor of the Company attends the AGM to enable shareholders to ask them any questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

The Board is aware of its obligations to ensure the appropriate selection and rotation of external auditors and the external audit engagement partners and monitors and reviews the engagement of the Company's external auditors.

TIMELY AND BALANCED DISCLOSURE

Continuous Disclosure

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

The Board remains aware of the Company's disclosure obligations under the Corporations Act, ASX Listing Rules and the ASIC Guidance Principles.

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

Shareholder Communication

The Company communicates with shareholders via a variety of ways, and endeavours to ensure that they are provided with sufficient information to assess the activities and performance of the Company to make informed investment decisions. The Company maintains ASX announcements and general company information on its website which has a dedicated investor centre section which is accessible to the public.

All security holders have the option to receive communications from, and send communications to, the Company or its share registry electronically and are able to register via the website to receive ASX Announcements and official company news direct to their inbox.

The website includes a link to the Company's share registry, Computershare via which investors can access their account information, update their details, including their instructions as to how they would like to communicate with us.

Copies of presentations made at the AGM are released to the ASX and posted on the Company's website. A summary of the outcomes of the voting on items of business are released to the ASX and posted to the Company's website as soon as they are available following the completion of the meeting.

Investor Relations Program

The Company does not have a formalised investor relations program but endeavours to promote effective communication with shareholders and takes appropriate measures to encourage shareholder participation at general meetings. Given the Company's current circumstances, it is considered that this approach remains effective and efficient.

At the AGM senior management, including the Managing Director and the Company Secretaries are present and available to answer questions. The external auditor attends the AGM and is also available to answer questions.

Directors and senior management actively engage with shareholders at the AGM and the Managing Director when reasonably requested by a shareholder will meet with or facilitate information sharing by way of regular telephone discussions, respond to written requests to assist the shareholders understanding of Company's business or operations or provide their feedback.

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

RECOGNISE AND MANAGE RISK

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Pursuant to this 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. The Board has not established a separate Risk Committee to oversee risk. Given the current size and composition of the Board and the Company, the Board believes that there would be no efficiencies gain by establishing a separate committee.

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 (with the prior approval of the Board) obtain independent expert advice on any matter they believe appropriate.

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 continually develops and enhances its systems and procedures to manage its 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 Board requires management to design, implement and maintain a risk management framework 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

The risk register is reviewed and updated as required. During the Reporting Period the Board undertook a formal review of the risk management framework of the Company. In addition, during the Reporting Period the Managing Director provided updates during director discussions on the material business risks and other risks in accordance with the risk appetite conveyed by the Board. The categories of risks that may be 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.

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

The Company does not have a formal internal audit function. The Audit Committee monitors the need for an internal audit function having regard to the size, geographic location and complexity of the Company's operations. Management periodically undertakes an internal review of financial transactions, processes and systems.

The Company values economic, environmental and social sustainability within the areas which it operates. In order to mitigate any material exposure to economic, environmental and social sustainability risks, the Board has oversight of risk management.

During the year, the Company identified and addressed the following as material risks relating to economic, environmental and social sustainability:

- Nickel price volatility and currency conversion fluctuations in Australian dollars and Papua New Guinea kina are affected by many factors beyond the control of the Company. Management regularly monitor the movements in the commodities market.
- The Company is committed to maintaining a high standard of health, safety and environmental management and reporting, as well as conducting its business in a manner that prevents injury or illness to employees, contractors and the community within which it operates. The Company has policies, process and procedures in place to mitigate such risk.
- The Company's Wowo Gap Nickel Laterite Project (Project) in Papua New Guinea is subject to the risk associated with operating in foreign countries such as economic, social or political change and instability. The Company monitors these ongoing risks, and maintains government and community relations in Papua New Guinea. In addition the Company endeavours to conduct the Project with a view to positively affecting the people, community and environments in which it operates.

REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration Committee

The Board has not established a separate Remuneration Committee. Given the current size and composition of the Company and operation and financial affairs, 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.

If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles. The Managing Director is responsible for management of staff including setting the remuneration and terms of appointment of employees and contractors. Non-Executive remuneration for the Reporting Period was determined following investigation of and analysis of market data on fees paid to directors of companies of similar size and industry, and discussion with director/s.

The Board did not officially meet in its capacity as the Remuneration Committee.

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 part of the Directors' Report which is included in this Annual Report.

The Managing Director is responsible for management of staff including determining the remuneration, appointment of employees and contractors. 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 of 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 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 on the Company's website.

COMPANY WEBSITE

RMC has made available details of all its corporate governance principles, which can be found in the corporate governance information section of the Company website at www.resmin.com.au.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2016**



	Note	Consolidated 2016 \$	Restated* 2015 \$
Revenue	2	4,149	7,613
Expenses			
Administration and corporate expenses	3(a)	(769,000)	(1,014,157)
Exploration expenditure and project costs	3(b)	(624,047)	(2,384,526)
Borrowing costs	3(c)	(337,459)	(154,070)
Total expenses		(1,730,506)	(3,552,753)
LOSS BEFORE INCOME TAX		(1,726,357)	(3,545,140)
INCOME TAX BENEFIT / (EXPENSE)	5	-	169,498
LOSS AFTER INCOME TAX FOR THE YEAR		(1,726,357)	(3,375,642)
OTHER COMPREHENSIVE PROFIT / (LOSS)			
<i>Items that maybe re-classified to profit or loss</i>			
Exchange translation difference		(38,019)	(34,188)
OTHER COMPREHENSIVE PROFIT / (LOSS)		(38,019)	(34,188)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,764,376)	(3,409,830)
LOSS PER SHARE FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF RESOURCE MINING CORPORATION LIMITED			
Basic and diluted loss per share (cents per share)	4	(0.58)	(1.20)

* Refer to Note 1(d) for more information regarding prior year restatement.

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

CONSOLIDATED BALANCE SHEET
as at 30 June 2016



	Note	30 June 2016 \$	Consolidated Restated* 30 June 2015 \$	Restated* 1 July 2014 \$
CURRENT ASSETS				
Cash and cash equivalents	6	69,049	131,447	184,771
Trade and other current assets	7	17,816	61,791	72,182
Total Current Assets		86,865	193,238	256,953
NON CURRENT ASSETS				
Plant and equipment	8	184,653	239,605	52,879
Total Non-Current Assets		184,653	239,605	52,879
TOTAL ASSETS		271,518	432,843	309,832
CURRENT LIABILITIES				
Trade and other payables	9	307,480	317,745	144,620
Provisions	10	30,486	39,613	291,298
Interest bearing liabilities	11	13,242	5,016	-
Non-interest bearing liabilities	12	3,488,472	300,000	-
Total Current Liabilities		3,839,680	662,374	435,918
NON-CURRENT LIABILITIES				
Provisions	10	-	14,408	15,689
Non-interest bearing liabilities	12	-	1,571,263	-
Total Non-Current Liabilities		-	1,585,671	15,689
TOTAL LIABILITIES		3,839,680	2,248,045	451,607
NET ASSETS / (NET ASSET DEFICIENCY)		(3,568,162)	(1,815,202)	(141,775)
EQUITY				
Issued capital	13	63,294,571	63,283,155	61,942,247
Reserves	14	595,180	633,199	271,892
Accumulated losses		(67,457,913)	(65,731,556)	(62,355,914)
TOTAL EQUITY / (DEFICIENCY IN EQUITY)		(3,568,162)	(1,815,202)	(141,775)

* Refer to Note 1(d) for more information regarding prior year restatement.

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2016



Group	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Convertible Notes Reserve	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2016					
Balance at 1 July 2015 – Restated*	63,283,155	(65,731,556)	237,704	395,495	(1,815,202)
Loss for the year	-	(1,726,357)	-	-	(1,726,357)
Other comprehensive income/(loss) for the year	-	-	(38,019)	-	(38,019)
Total comprehensive income / (loss) for the year	-	(1,726,357)	(38,019)	-	(1,764,376)
Transactions with owners in their capacity as owners					
Shares issued in lieu of directors fees	11,416	-	-	-	11,416
Balance at 30 June 2016	63,294,571	(67,457,913)	199,685	395,495	(3,568,162)
Year ended 30 June 2015 – Restated*					
Balance at 1 July 2014	61,942,247	(62,355,914)	271,892	-	(141,775)
Loss for the year	-	(3,375,642)	-	-	(3,375,642)
Other comprehensive income/(loss) for the year	-	-	(34,188)	-	(34,188)
Total comprehensive income / (loss) for the year	-	(3,375,642)	(34,188)	-	(3,409,830)
Equity component of Convertible Notes	-	-	-	564,993	564,993
Deferred tax on Convertible Notes	-	-	-	(169,498)	(169,498)
Transactions with owners in their capacity as owners					
Shares issued on exercise of options	1,249,522	-	-	-	1,249,522
Shares issued in lieu of directors fees	91,386	-	-	-	91,386
Balance at 30 June 2015 – Restated*	63,283,155	(65,731,556)	237,704	395,495	(1,815,202)

* Refer to Note 1(d) for more information regarding prior year restatement.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2016



	Note	Consolidated 2016 \$	Restated* 2015 \$
CASH FLOWS FROM OPERATION ACTIVITIES			
Payments to suppliers and employees		(1,223,446)	(3,250,302)
Interest income received		149	5,755
Other income received		4,000	1,364
Interest expense paid		(9,432)	-
Tax paid – repayment of R&D tax concession benefit		(124,555)	(150,000)
Net Cash Utilised In Operating Activities	21	(1,353,284)	(3,393,183)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for other fixed assets		-	(214,526)
Proceeds from sale of other fixed assets		-	978
Net Cash Utilised In Investing Activities		-	(213,548)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues		-	1,249,522
Proceeds from borrowings and advances		1,294,000	2,800,000
Repayment of borrowings		-	(500,000)
Net Cash From Financing Activities		1,294,000	3,549,522
Net decrease in cash and cash equivalents		(59,284)	(57,209)
Cash and cash equivalents at beginning of the year		131,447	184,771
Effect of exchange rate changes on cash and cash equivalents		(3,114)	3,885
Cash and cash equivalents at the end of the year	6	69,049	131,447

* Refer to Note 1(d) for more information regarding prior year restatement.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report was authorised for issue on 2 September 2016 by the Board of Directors.

(a) Basis of Preparation and Accounting Policies

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 and the *Corporations Act 2001*. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards. The financial report has also been prepared on a historical cost basis.

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

The consolidated financial statements are presented in Australian dollars. The functional currency of Resource Mining Corporation Limited and its subsidiaries is Australian dollars, except for Niugini Nickel Ltd whose functional currency is Papua New Guinean Kina.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

(c) 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 Group has incurred a net loss after tax of \$1,726,357 (2015: \$3,375,642), experienced net cash outflows from operations of \$1,353,284 (2015 outflow: \$3,393,183) for the year ended 30 June 2016 and had a working capital deficiency of \$3,752,815 at balance date, of which \$1,894,472 relates to the convertible notes which will be converted to shares in October 2016. As such the ability of the Group to continue as a going concern, pay its debts as and when they fall due and to meet the expenditure commitments of tenement leases held, is dependent upon the future successful raising of funding through equity or other available forms of funding and continued support from its creditors and financiers. These conditions indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

The Directors are satisfied that the going concern basis of preparation is appropriate. Given the combination of the Group's history of successful capital raising to date; the Loan Agreements with Sinom (Hong Kong) Limited as disclosed in Note 12; and letters of support obtained from creditors of significant value to defer amounts payable at balance date until the Group has sufficient funds to repay the debts, the Directors are confident of the Group's ability to pay its debts as and when they fall due and to meet the expenditure commitments of tenement leases held.

Should the company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. 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 Group be unable to continue as a going concern.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

(d) Voluntary Change in Accounting Policy - Exploration and evaluation expenditure and recognition of assets

The report for the year ended 30 June 2016 has been prepared on the basis of a retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure.

The previous accounting policy was to capitalise and carry forward exploration and evaluation expenditure as an asset when rights to tenure of the area of interest are current and either:

- such expenditure is expected to be recovered through successful development and commercial exploitation of the area of interest; or
- the exploration activities in the area of interest have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Accumulated exploration expenditure, which no longer satisfied the above policy, was written off to profit or loss to the extent to which they are considered to be impaired.

The new exploration and evaluation expenditure accounting policy is to charge exploration and evaluation expenditure against profit or loss as incurred.

The new accounting policy was adopted as at 30 June 2016 and has been applied retrospectively. Management judges that the change in policy will result in the financial report providing more relevant and no less reliable information. Recognition treatment of exploration and evaluation assets are inherently uncertain and expensing as incurred results in a more transparent Balance Sheet and Profit or Loss. Both the previous and new accounting policies are compliant with AASB 6 Exploration for and Evaluation of Mineral Resources.

The impacts of the accounting policy change are set out below:

The capitalised exploration and evaluation asset previously reported as at 30 June 2015 has decreased by \$13,637,826 (2014: decreased by \$10,419,661). The Statement of Profit or Loss and Other Comprehensive Income increased the loss for the 2015 year by \$2,298,650 and increased the accumulated losses brought forward at 1 July 2014 by \$10,144,896. Basic loss per share has also been restated. This has resulted in an increase in the loss per share by 0.82 cents per share for the year ended 30 June 2015.

Exploration and evaluation expenditure that is expensed is included as part of cash outflows from operating activities, and exploration and evaluation expenditure that is capitalised is included as cash flows from investing activities. This change in accounting policy has resulted in additional cash outflows from operating activities for the year to 30 June 2015 to be increased by \$2,258,917 with a corresponding decrease in cashflows from investing activities.

(e) New and Amended Accounting Standards and Interpretations

Early adoption of accounting standards

The Company has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2015.

New and amended standards adopted by the Company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2015 affected any of the amounts recognised in the current year or any prior period and are not likely to affect future periods. Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting year. The Company's assessment of the impact of these new standards and interpretations that may have an impact on the Company is set out below:

AASB 9 Financial Instruments

AASB 9 includes requirements for the classification and measurement of financial assets. There is no material impact for the Group. This standard is not applicable until the financial year commencing 1 July 2018.

AASB 15 Revenue from Contracts with Customers

AASB 15 requires that an entity recognises 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. There is no impact on the Group as it is not yet earning revenue. This standard is not applicable until the financial year commencing 1 July 2017.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

AASB 16 Leases

AASB 16 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. The Group has not yet determined the impact on the group accounts. This standard is not applicable until the financial year commencing 1 July 2019.

(f) Significant 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 Group.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

Commitments - Exploration

The Group has certain minimum exploration commitments to maintain its right of tenure to exploration permits. These commitments require estimates of the cost to perform exploration work required under these permits.

(g) Accounting Policies

i) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Resource Mining Corporation Limited ("Company" or "Parent Entity") as at 30 June 2016 and the results of all subsidiaries for the year then ended. Resource Mining Corporation Limited and its subsidiaries together are referred to in these financial statements as the "Group".

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 Group. They are deconsolidated from the date that control ceases.

All inter-group balances and transactions between entities in the Group, 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 Balance Sheet respectively.

ii) 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 Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

iii) 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.

iv) 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 or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit or loss.

v) 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 Group 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 or 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.

vi) Exploration and Evaluation Expenditure

Exploration expenditure is expensed to the profit or loss statement as and when it is incurred and included as part of cash flows from operating activities.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

vii) 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 Group, 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.

viii) 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 the statement of profit or loss and other comprehensive income.

Classification and Subsequent Measurement

(1) 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.

(2) Financial Liabilities

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

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

Impairment

At each reporting date, the Group 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 or Loss and Other Comprehensive Income.

ix) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group 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.

x) 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.

xi) 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 Balance Sheet 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.

xii) Borrowings

(i) 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 Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest related to the financial liability is recognised in the statement of profit or loss and other comprehensive income. On conversion the financial liability is reclassified to equity and no gain or loss is recognised.

xiii) 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.

xiv) Foreign Currency Transaction and Balances

Functional and presentation currency

The functional currency of each of the entities in the Group is measured using the currency of the primary economic environment in which the entity operates. The Group'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 or 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 or 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 Balance Sheet. 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.

xv) 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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi) 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.

xvii) 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 Balance Sheet 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 Balance Sheet.

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.

xviii) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss 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.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
for the year ended 30 June 2016**



	Consolidated	
	2016	2015
	\$	\$
2. REVENUE		
Interest received	149	5,718
Other income	4,000	1,895
	4,149	7,613
3. EXPENSES		
(a) Administration and Corporate Expenses		
Compliance and regulatory expenses	167,900	182,463
Salaries and wages	267,324	354,296
Superannuation	35,128	50,888
Consultants	17,759	54,821
Non-Executive directors' fees	50,000	50,000
Occupancy	112,353	125,121
Insurance	55,219	80,725
Legal fees	25,244	26,075
Depreciation – administration equipment	5,174	6,088
Other expenses	32,899	83,680
	769,000	1,014,157
(b) Exploration Expenditure and Project Costs		
Depreciation – exploration equipment	27,872	23,260
Other exploration and project costs	596,175	2,361,266
	624,047	2,384,526
(c) Borrowing costs		
Interest accreted on convertible note	323,209	152,064
Interest paid	10,612	-
Finance charges on insurance funding	3,638	2,006
	337,459	154,070
4. LOSS PER SHARE		
Basic and diluted loss per share (cents per share)	(0.58)	(1.20)
Loss used in the calculation of weighted average basic and diluted loss per share	(1,726,357)	(3,375,642)
	Number of shares	Number of shares
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	296,267,347	281,847,185

5. INCOME TAX

	Consolidated	
	2016	2015
	\$	\$
(a) Income Tax Expense		
The components of income tax (benefit) / expense comprise:		
Deferred income tax benefit	-	(169,498)
Income tax (benefit) / expense reported in the consolidated statement of profit or loss and other comprehensive income	-	(169,498)

A reconciliation of income tax (benefit) / expense 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 is as follows:

Loss before tax	(1,726,357)	(3,545,140)
Prima facie income tax (benefit) @ 30%	(517,907)	(1,063,542)
Add:		
Non-assessable non-exempt related expenditure (income)	-	41,507
Non deductible expenses	6,192	45
Temporary difference and losses not recognised	642,305	858,229
Tax differential	(120,175)	-
Tax amortisation of capital raising costs	(10,415)	(5,737)
Income tax (benefit) / expense attributable to operating loss	-	(169,498)

Tax Consolidation

The Company and its 100% owned controlled entities have formed a tax consolidated group. Members of the Group 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 reporting 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.

(b) Net Deferred Tax Assets Not Recognised Relate to the Following:

Unrecognised deferred tax assets / (liabilities):

Deferred Tax Assets/(Liabilities) – Other Timing Differences, net	(17,001)	(93,974)
Deferred Tax Assets - Capital losses	465,432	465,432
Deferred Tax Assets - Tax losses	6,394,112	5,939,084
	6,842,543	6,310,542

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.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
for the year ended 30 June 2016**



	Consolidated	
6. CASH AND CASH EQUIVALENTS	2016	2015
	\$	\$
Cash at bank and on hand	65,323	127,350
Deposits at call	3,726	4,097
	69,049	131,447

Cash not available for use

There is a lien over deposit at call of \$4,097 (\$8,601 Kina) to secure a Bank Guarantee of \$5,000 Kina to the Mineral Resources Authority (MRA) in Papua New Guinea.

7. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Current

Prepayments	13,808	34,889
GST receivables	3,935	24,298
Other	73	2,604
	17,816	61,791

Fair Value and Risk Exposures:

- (i) Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.
- (ii) The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security.
- (iii) Details regarding interest rate risk and foreign exchange risk exposure are disclosed in note 20.
- (iv) Other receivables generally have repayments between 30 and 90 days.

Receivables do not contain past due or impaired assets as at 30 June 2016 (2015: none).

8. PLANT AND EQUIPMENT

Cost	349,953	382,111
Accumulated depreciation	(165,300)	(142,506)
	184,653	239,605
Movement in carrying amounts:		
Opening balance	239,605	52,879
Additions	-	214,526
Disposals	-	(867)
Depreciation expense	(5,174)	(6,088)
Depreciation expense capitalised – exploration costs	(27,872)	(23,260)
Currency translation differences	(21,906)	2,415
Closing balance	184,653	239,605

	Consolidated	
	2016	2015
	\$	\$
9. TRADE AND OTHER PAYABLES		
Trade payables	100,420	100,318
Other payables and accruals	193,625	79,437
Australian Tax Office – R&D	13,435	137,990
	307,480	317,745

Fair Value and Risk Exposures

- (i) Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.
- (ii) Trade and other payables are unsecured, non-interest bearing and usually paid within 60 days of recognition.

Australian Taxation Office

The Company submitted an amendment to the 2011/2012 tax return which has resulted in the requirement of the repayment of \$287,990 in R&D tax concession benefit. As at 30 June 2016, \$13,435 remained payable.

10. PROVISIONS

Current

Employee benefits	30,486	39,613
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Non-current

Employee benefits	-	14,408
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Employee benefits

The provision for employee benefits relates to the Group's liability for annual and long service leave.

11. INTEREST BEARING LIABILITIES

Current

Insurance premium funding	13,242	5,016
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	Consolidated	
	2016	2015
	\$	\$
12. NON INTEREST BEARING LIABILITIES		
Current		
Advances from Managing Director	54,000	-
Convertible notes	1,894,472	-
Unsecured loans	1,540,000	300,000
	3,488,472	300,000
Non-current		
Convertible notes	-	1,571,263

Advances from Managing Director

During the year, the Managing Director has advanced a total of \$54,000 to the Company as short term funding. These advances are interest free, unsecured and repayable by 30 September 2016.

Unsecured loans

On 4 June 2015, the Company announced entering into a Funding Agreement ("Agreement") with its major shareholder Sinom (Hong Kong) Limited ("Sinom"). Under the terms of the Agreement and its subsequent amendments, Sinom has agreed to provide the Company up to \$1,210,000 for general working capital purposes as an unsecured loan on the following conditions:

- no interest or fees are payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 March 2017 (subsequent to year end extended to 31 December 2017).

As at 30 June 2016, \$1,210,000 of this facility had been used (2015 \$300,000).

During the period 17 March to 30 June 2016, Sinom provided an additional \$330,000 of funding to the Company. This funding is interest free, unsecured with no set repayment date.

On 30 June 2016, the Company announced entering into an additional Funding Agreement ("Additional Agreement") with its major shareholder Sinom (Hong Kong) Limited ("Sinom"). Under the terms of the Additional Agreement and its subsequent amendments, Sinom has agreed to provide the Company up to \$500,000 for general working capital purposes as an unsecured loan on the following conditions:

- no interest or fees are payable on the Facility;
- the Facility is unsecured; and
- Principal repayable in full on or before 31 December 2017.

As at 30 June 2016, none of this facility had been used.

Convertible notes

On 14 October 2014 the Company announced entering into a Facility and Note Deed with its major shareholder Sinom. Pursuant to the Deed, Sinom agreed to provide a loan facility to the Company, and (subject to shareholder approval), to subscribe for two Convertible Notes with an issue price of \$1 million each.

The key terms of the Convertible Notes are:

- a conversion price of \$0.02;
- the Convertible Note is interest free and unsecured; and
- a maturity date of 2 years after the date of the Deed i.e. 14 October 2016.

Sinom may at any time after the issue of the notes and up to 5 business days before the maturity date, provide the Company with a conversion notice electing to convert the notes into shares.

The Company may, at any time after the issue of a note and prior to the maturity date, redeem a note by giving Sinom at least 3 business days written notice and re-paying the issue price to Sinom in immediately available funds. The Lender may not elect to redeem a note early and the Company is not required to redeem a note early.

12. NON INTEREST BEARING LIABILITIES - continued

Unless the notes have been converted or redeemed early, the Company must use reasonable endeavours to obtain any approvals necessary for the conversion or the issue of shares on conversion, within 3 months following the maturity date. If the approvals have not been obtained by the date 3 months after the maturity date, the notes shall become incapable of being converted into shares, and the Company shall redeem the note by paying the redemption amount to Sinom in immediately available funds at that date.

RMC shareholders approved the issue of the Convertible Notes at the Annual General Meeting on 26 November 2014 and the Convertible Notes were subscribed for during December 2014.

Accounting standards require the separate recognition of debt and equity components of the Convertible Notes.

At the date of recognition of the new notes, the debt and equity components of the Convertible Notes were separated according to their fair values. Total proceeds of the issue were allocated to the respective fair values of the equity and debt components with the effect that the discount on the debt component is being amortised into earnings as an interest expense.

Accordingly, over the term of the Convertible Notes, the debt component will increase to the face value of \$2 million at the maturity date of 14 October 2016. The increase in the debt component is accounted for by recognising a non-cash interest expense reflecting an effective interest rate of approximately 19% over the life of the note.

No interest is payable to the note holder.

13. CONTRIBUTED EQUITY

	2016 Number	2015 Number	2016 \$	2015 \$
Issued and fully paid	296,267,347	2,956,967,898	63,294,571	63,283,155

Movement in ordinary share capital of the Company:

Date	Details	Number of shares	Value \$
1 July 2014	Opening Balance	2,714,387,147	61,942,247
	Issue of shares upon conversion of options	208,253,713	1,249,522
	Issue of shares to Directors (i)	34,327,038	91,386
30 June 2015	Closing Balance	2,956,967,898	63,283,155
1 July 2015	Opening Balance	2,956,967,898	63,283,155
1 July 2015	Issue of shares to Non-Executive Director (i)	5,707,765	11,416
9 December 2015	Share Consolidation (ii)	(2,666,408,316)	-
30 June 2016	Closing Balance	296,267,347	63,294,571

- (i) The following shares were issued in satisfaction of director fees as approved by the shareholders at the Annual General Meeting on 26 November 2014:

Issued during year ended 30 June 2015

- On 9 December 2014, 19,106,333 shares were issued in satisfaction of the \$57,139 fees payable to Fairstone Holdings Pty Ltd for Mr Warwick Davies services as Managing Director for the period 1 July 2014 to 30 September 2014.
- On 16 December 2014, 3,805,175 shares were issued in satisfaction of the \$11,415 non-executive director's fees payable to the Chairman, William Mackenzie for the period 1 July 2014 to 30 September 2014.
- On 8 January 2015, 5,707,765 shares were issued in satisfaction of the \$11,415 non-executive director's fees payable to the Chairman, William Mackenzie for the period 1 October 2014 to 31 December 2014.
- On 7 April 2015, 5,707,765 shares were issued in satisfaction of the \$11,415 non-executive director's fees payable to the Chairman, William Mackenzie for the period 1 January 2015 to 31 March 2015.

Issued during year ended 30 June 2016

- On 1 July 2015, 5,707,765 shares were issued in satisfaction of the \$11,416 non-executive director's fees payable to the Chairman, William Mackenzie for the period 1 April 2015 to 30 June 2015.

13. CONTRIBUTED EQUITY - continued

- (ii) On 26 November 2015, Shareholders approved the share consolidation of issued capital on the basis of every 10 fully paid ordinary shares being consolidated into one fully paid ordinary share. The consolidation process was completed on 9 December 2015.

Options as at 30 June 2016

There are no listed options on issue as at 30 June 2016 (2015: nil).

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.

Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as maintains optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. There are no plans to distribute dividends in the next year.

Dividends

The Group did not pay nor declare dividends in the last financial year (2015: nil).

		Consolidated	
		2016	2015
		\$	\$
14. RESERVES			
Foreign currency reserve	(a)	199,685	237,704
Convertible notes reserve	(b)	395,495	395,495
		595,180	633,199
(a) Foreign currency reserve			
Balance at the beginning of the year		237,704	271,892
Currency translation differences arising during the period		(38,019)	(34,188)
Balance at the end of the year		199,685	237,704
(b) Convertible Notes reserve			
Balance at the beginning of the year		395,495	-
Equity portion of the Convertible Notes		-	564,993
Deferred tax on the Convertible Notes		-	(169,498)
Balance at the end of the year		395,495	395,495

The foreign currency translation reserve is used to record exchange differences arising on translation of the Group entities that do not have a functional currency of Australian dollars and have been translated into Australian dollars for presentation purposes.

The Convertible Note reserve records the equity portion of the Convertible Notes as described in note 12.

15. RELATED PARTY TRANSACTIONS

Subsidiaries

The consolidated financial statements included the financial statements of Resource Mining Corporation Limited and the subsidiaries listed in the following table:

Name		Class of shares	Country of incorporation	% Equity Interest	
				2016	2015
Resource Exploration Limited and its controlled entity	(a)	Ordinary	Australia	100%	100%
Resource Minerals Pty Ltd	(b)	Ordinary	Australia	-	100%
Argyle Iron Ore Pty Ltd	(b)	Ordinary	Australia	-	100%

(a) Niugini Nickel Limited 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.

(b) During the 2016 year, Resource Minerals Pty Ltd and Argyle Iron Ore Pty Ltd were deregistered.

Ultimate Parent

Resource Mining Corporation Limited is the ultimate Australian parent entity and the ultimate parent of the Group.

Compensation of Key Management Personnel

	Consolidated	
	2016	2015
	\$	\$
Short term benefits	183,948	220,395
Post-employment benefits	-	-
	183,948	220,395

Transactions with Related Parties

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

a) Outstanding balances arising from services

Current payables (included in trade creditors and accruals)

Key management personnel	216,458	40,940
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Outstanding balances relate to remuneration services during 2015 and 2016 (inclusive of GST where applicable).

b) Loans and Advances from related parties

Advances (unsecured and interest free) from related parties

Warwick Davies

Balance at the beginning of the year	-	-
Loans advanced	54,000	-
Balance at the end of the year – refer note 12	54,000	-

15. RELATED PARTY TRANSACTIONS - continued

	Consolidated	
	2016	2015
	\$	\$
<i>Loans (unsecured and interest free) from related parties</i>		
Sinom (Hong Kong) Limited ⁽ⁱ⁾		
Balance at the beginning of the year	300,000	-
Loans advanced	1,240,000	800,000
Loan repayments made	-	(500,000)
Balance at the end of the year – refer note 12	1,540,000	300,000

(i) Non-Executive Director Mr Zhang Chi is the Managing Director of Sinom (Hong Kong) Limited.

Sinom (Hong Kong) Limited also holds two Convertible Notes with a face value of \$2,000,000. Refer to note 12 for further details on the loan and Convertible Notes.

c) Other transactions with related parties

Refer to note 13 regarding shares issued in satisfaction of directors fees.

16. PARENT ENTITY DISCLOSURES

	Parent Entity	
	2016	2015
	\$	\$
Current assets	36,435	102,382
Non-current assets	13,730	18,904
Total assets	50,165	121,286
Current liabilities	3,799,667	607,650
Non-current liabilities	-	1,585,671
Total liabilities	3,799,667	2,193,321
Net liabilities	(3,749,502)	(2,072,035)
Issued capital	63,294,571	63,283,155
Reserves	395,495	395,495
Accumulated losses	(67,439,568)	(65,750,685)
Total deficiency in equity	(3,749,502)	(2,072,035)
Loss for the year	(1,688,883)	(3,617,155)
Total comprehensive loss for the year	(1,688,883)	(3,617,155)

- i) Guarantees: No guarantees have been entered into by the parent entity on behalf of the subsidiaries.
- ii) Contingent liabilities: No contingent liabilities exist.

17. CONTINGENCIES

Resource Mining Corporation Limited and its controlled entities do not have any known material contingent assets or liabilities as at 30 June 2016.

18. CAPITAL AND LEASING COMMITMENTS

(a) Mineral Tenement Commitments

In order to maintain current rights of tenure to mining tenements, the Group has exploration and evaluation expenditure obligations up until the expiry of those licences. The following stated obligations are not provided for in the financial statements and represent a commitment of the Group:

	Consolidated	
	2016	2015
	\$	\$
Within 1 Year	49,740	50,509
Later than 1 year but not later than five years	24,668	9,243
	74,408	59,752

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.

Payable – minimum lease commitments:

Within 1 Year	90,354	98,568
Later than 1 year but not later than five years	-	90,354
	90,354	188,922

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.

19. REMUNERATION OF AUDITORS

The auditor is BDO Audit (WA) Pty Ltd.

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

Auditing and reviewing of the financial report	42,332	46,974
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20. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including market risk (including currency risk), credit risk and liquidity risks. The Group'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 Group has not used derivative financial instruments. The Group 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 Group's Directors and includes evaluation of financial risks. 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 Balance Sheet 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 Group does not have any material risk exposure to any single debtor or Group of debtors under financial instruments entered into by it.

(b) Liquidity and Capital Risk

The Group 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. The objectives when managing the Group'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 Group 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.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, these balances will not necessarily agree with the amounts disclosed in the Balance Sheet.

Financial liabilities	Less than 6 months	6 to 12 months	1 to 5 years	Over 5 years	Total
2016					
Trade and other payables	307,480	-	-	-	307,480
Interest bearing liabilities	13,242	-	-	-	13,242
Non-interest bearing liabilities	2,278,472	1,210,000	-	-	3,488,472
	2,599,194	1,210,000	-	-	3,809,194
2015					
Trade and other payables	317,745	-	-	-	317,745
Interest bearing liabilities	5,016	-	-	-	5,016
Non-interest bearing liabilities	300,000	2,000,000	-	-	2,300,000
	622,761	-	2,000,000	-	2,622,761

20. FINANCIAL RISK MANAGEMENT - continued

(c) Foreign Exchange Risk

As a result of operations in Papua New Guinea being denominated primarily in Papua New Guinean Kina, the Group's balance sheet can be affected by movements in the Kina/A\$ exchange rate. The Group does not hedge this exposure.

The Group manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained in Kina, to meet current operational commitments.

At balance date, the Group had the following exposures to foreign currencies that are not designated in cash flow hedges:

	Consolidated	
	2016	2015
	\$	\$
<i>Financial Assets:</i>		
Cash and cash equivalents - Kina (in AUD)	44,682	68,539
Trade and other receivables – current – Kina (in AUD)	4,080	8,900
<i>Financial Liabilities:</i>		
Trade and other payables – current – Kina (in AUD)	(19,830)	(47,991)
Net exposure	28,932	29,448

Sensitivity

Any sensitivity on changes of exchange rates is immaterial on the groups result.

Management believes the balance date risk exposures are representative of the risk exposure inherent in financial instruments.

(d) Interest Rate Risk

The Group's exposure to market risk for changes in interest rates relates primarily to interest on deposits with banking institutions. The sensitivities of a movement in interest rates has no material impact on the RMC Group due to the small balances that are interest bearing.

(e) Net Fair Values

Disclosure of fair value measurements by level are as follows:

- Level 1 – the fair value is calculated using quoted prices in active markets
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data

Fair values of other financial instruments

The carrying value of assets and liabilities, due to their short term nature, are assumed to approximate their fair value, except for the convertible notes.

The fair value of the convertible notes has been determined by discounting the cash-flows over the term of the facility, being the principal repayable on maturity, using a market interest rate for a similar instrument that does not have the conversion feature. As at 30 June 2016, the fair value of the convertible notes was \$1,896,858 (carrying value \$1,894,472). In the prior year the fair value was \$1,579,926 with a carrying value of \$1,571,263.

	Consolidated	
21. NOTES TO THE STATEMENT OF CASH FLOWS	2016	2015
	\$	\$
<i>Reconciliation from net loss after tax to the net cash flow from operating activities</i>		
Loss after income tax	(1,726,357)	(3,375,642)
Depreciation	33,046	29,348
Directors and consultants fees - settled in shares (refer note 13)	-	74,913
Profit on sale of plant and equipment	-	(111)
Interest accretion	323,209	152,064
Convertible note costs capitalised	-	(15,808)
Other	-	(40,486)
<i>Movement in assets and liabilities</i>		
Decrease in trade and other receivables	43,975	10,391
Increase / (decrease) in trade and other payables	(11,848)	194,612
(Decrease) / increase in provisions	(23,535)	(252,966)
(Decrease) / increase in interest bearing liabilities	8,226	-
Movement in deferred tax	-	(169,498)
Net cash used in operating activities	(1,353,284)	(3,393,183)

22. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group does not have any customers and all its' assets and liabilities are primarily related to the mining industry and its operations are located within Papua New Guinea. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, balance sheet and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

23. MATTERS SUBSEQUENT TO THE REPORTING PERIOD

Subsequent to year end, the following occurred:

- The Company has drawn an additional \$134,000 of funding from the unsecured loan facility with Sinom (Hong Kong) Limited.
- On 19 September 2016, the Company announced that the Mineral Resources Authority, (MRA), had confirmed that the Minister for Mines has granted an extension of the lease EL 1165 for a further two years from 29th February 2016.
- On 19 September 2016, the final repayment date of the \$1.21 million loan from Sinom (Hong Kong) Limited was extended from 31 March 2017 to 31 December 2017.

There are no other matters or circumstances that have arisen since 30 June 2016 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

**DIRECTOR'S DECLARATION
for the year ended 30 June 2016**



1. In the opinion of the directors:
 - a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the year then ended; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - iii) complying with International Financial Reporting Standards (IFRS) as stated in note 1 of the financial statements; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

This declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'W. Mackenzie', is written over a light blue horizontal line.

William Mackenzie
Chairman

Dated this 20th day of September 2016

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 balance sheet as at 30 June 2016, 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 2016 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(c) in the financial report, which describes the conditions which give rise to 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 pages 12 to 14 of the directors' report for the year ended 30 June 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd



Jarrad Prue
Director

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF RESOURCE MINING CORPORATION LIMITED

As lead auditor of Resource Mining Corporation Limited for the year ended 30 June 2016, 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.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 20 September 2016

ADDITIONAL SHAREHOLDER INFORMATION



Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. The information is current as at 16 September 2016.

ANALYSIS OF SHAREHOLDING - Ordinary Shares Listed

Size of Holding	Number of Holders	Number of Shares
1 – 1,000	505	184,910
1,001 – 5,000	584	1,609,218
5,001 – 10,000	266	2,065,708
10,001 – 100,000	605	22,109,711
100,001 – or more	155	270,297,800
TOTAL	2,115	296,267,347

Shareholders holding less than a marketable parcel 1,978

SUBSTANTIAL SHAREHOLDERS

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

Sinom (Hong Kong) Limited 137,793,768 46.51%

DIRECTORS' SHAREHOLDING

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

TOP 20 SHAREHOLDERS

The top 20 largest shareholders are listed below:

	Name	Number of Shares	% of Shares
1	Sinom (Hong Kong) Limited	137,793,768	46.51
2	Century Three X Seven Resource Fund Inc	10,656,250	3.60
3	Thunder Luck International Ltd	9,503,171	3.21
4	Nefco Nominees Pty Ltd	9,192,024	3.10
5	Best Venture Development Limited	8,469,895	2.86
6	J P Morgan Nominees Australia Limited	6,330,080	2.14
7	Tierra De Suenos Sa	5,866,819	1.98
8	Classic Roofing Pty Limited <Superannuation Fund Account>	5,510,000	1.86
9	Ms Nada Saade	4,451,146	1.50
10	Brispot Nominees Pty Ltd <House Head Nominee No 1 A/C>	4,100,000	1.38
11	Mount Gibson Iron Limited	3,478,025	1.17
12	Century Three X Seven Resource Fund Inc	3,170,000	1.07
13	Mr Dimitrios Graikos <The Graikos Family A/C>	3,100,000	1.05
14	Mr Yucheng Wu	2,635,374	0.89
15	Mr William Ross Mackenzie	2,092,847	0.71
16	Erceg Enterprises Pty Ltd	2,000,000	0.68
17	Nicama Investments Pty Ltd	2,000,000	0.68
18	Fairstone Holdings Pty Limited	1,910,633	0.64
19	Dominant Holdings Ag	1,800,000	0.61
20	Mr Warwick Jeffrey Davies	1,679,437	0.57
TOTAL TOP 20 HOLDERS		225,739,469	76.21%
TOTAL REMAINING HOLDERS BALANCE		70,527,878	23.79%
TOTAL		296,267,347	100.00%

ADDITIONAL SHAREHOLDER INFORMATION



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.

INTEREST IN MINING TENEMENTS

Tenement	Tenement No.	RMC Interest	Country in which Licence is held
Wowo Gap	EL1165	100%	Papua New Guinea
Didiana	EL1980	100%	Papua New Guinea
Wanigela	EL2337	100%	Papua New Guinea



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