For personal use only

Resource Mining Corporation Limited



SEPTEMBER 2020 QUARTERLY REPORT

For the period ended 30 September 2020

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

ABN: 97 008 045 083

Email: rmc@resmin.com.au

ASX Code: RMI

Contact:

Warwick Davies – ***Managing Director***

Project:

Papua New Guinea
Wowo Gap: Nickel-Cobalt

Resource Mining Corporation Limited ("**RMC**") is a Perth-based specialist mineral exploration company aiming to create wealth from mineral commodities using innovative technical, marketing and financial skills as it explores for economic metal deposits in Papua New Guinea ("**PNG**").

For personal use only

QUARTERLY REPORT

SUMMARY

Corporate Update

The Company continued to focus activities on cost control and the main asset of the Wowo Gap Nickel/Cobalt Project ("The Project") in Papua New Guinea. The key objective continues to be the preservation and maintenance of its interest in the wholly owned Wowo Gap Nickel/Cobalt Project.

The impact of COVID-19 continues to be felt across the Company and its operations. Operations continue to be maintained under an appropriate COVID-19 operations plan including social distancing, hygiene focus and regular updates to the virus awareness program on site.

The exploration licence for EL 1165 expired on 28th February 2020 with an application to renew the licence for a further two-year period being submitted to and accepted by the Mineral Resources Authority (MRA), prior to the expiry date. (Whilst the renewal process is being conducted, EL 1165 remains under the Company's control with the Company responsible for maintaining operational activities and expenditure commitments).

The first stage of the renewal process, the conduct of a Warden's Court hearing, has been delayed with two confirmed hearing dates, 13th May and 5th August, cancelled due to the direct effects of COVID-19 including the National Government's declaration of a State of Emergency which remained in effect until 1st June 2020.

Advice was received on 12th October that domestic travel restrictions within PNG had been lifted and overseas restrictions reduced. The Company was advised that we should anticipate a schedule for the Warden's Court Hearing for EL 1165. The country has experienced a relatively low number of COVID-19 infections, approximately 550, with less than 10 deaths.

Financial

Funding for the Company's ongoing operations continues to be provided from RMC's largest shareholder, Sinom (Hong Kong) Limited. Funds are being provided interest free and are not repayable before 30 September 2021.

The Company was advised on 7th April 2020 that Regency Mines PLC had agreed to acquire A$1.71 million of debt of RMI from Sinom (Hong Kong) Limited, RMI's largest Shareholder and an entity controlled by RMI's Non-Executive Director, Andy Zhang. RMI is not a party to this debt acquisition by Regency. Regency have confirmed to RMI that it will not request repayment of this debt prior to 30 September 2021 (subject to certain conditions, such as not appointing an administrator and not paying dividends).

Nickel Comment

The International Nickel Study Group, (INSG), announced in early October that they estimated world primary nickel production was 2.382Mt in 2019 and is forecast to reach 2.436Mt in 2020 and 2.586Mt in 2021. However, with the economic and social disruptions caused by COVID-19, there is a level uncertainty in these predictions. World primary nickel usage was 2.403Mt in 2019. The INSG forecasts increases to 2.318Mt in 2020 and 2.518Mt in 2021 implying a deficit of 21kt in 2019, followed by surpluses of 117kt in 2020 and 68kt in 2021.

In support of the INSG surplus predictions, Macquarie analyst Jim Lennon at a Nickel Conference in Perth recently suggested that by 2025 demand for nickel will reach "explosive levels". The demand for nickel

according to Lennon would be driven by uptake in the lithium battery market. Other analysts have suggested that the market will swing to significant deficit as early as 2023.

Further support to the notion of future deficits in nickel production was indicated at a recent London mining conference, where Glencore's chief executive officer Ivan Glasenberg indicated that Glencoe had received a lot of inquiries regarding nickel from battery and automobile producers. The comments follow from Tesla's chief executive officer Elon Musk who called on the mining industry to get busy and produce more nickel.

Operational Activities – COVID-19 Impacts

The quarter began with restrictions on both some domestic travel and strict international travel bans. The domestic travel restrictions were progressively eased but the strict international travel restrictions remain in place, particularly from the Australian Government. The domestic travel situation caused minor disruptions to fuel resupply to site but this matter was resolved immediately prior to the end of the Quarter.

The fuel resupply provided an additional opportunity to test the Company's emergency communications protocols which confirmed that previous lessons learnt and protocol modifications instituted worked in an acceptable manner. However, further reinforcement and training has been implemented with weekly follow-up sessions now routine.

The issues with company personnel being temporarily stranded in Popondetta, the nearest large town to EL 1165 has been successfully addressed with practical approaches by management and personnel to the 'new normal' situation brought about by COVID-19. Site personnel have appreciated and adapted to the revised contact protocols as well as local travel as they adapt their lives to changes brought by COVID-19.

Routine water sampling, monitoring and assays were conducted during the quarter together with the regular work associated with environmental monitoring. Access tracks were maintained, walking trails cleared and monitoring of the effects of heavy rains completed in areas prone to exposure of the laterite profile.

Social distancing and personal hygiene continue as a key focus for site operations. Personnel movement with strict controls of numbers of people on site and walking together have generally been accepted but require continual reinforcement, especially when goods are delivered by porters from some of the more remote hamlets and villages.

Restrictions to the numbers of personnel on site that were introduced in the March quarter to ensure social distancing is maintained remain in place. Whilst the strict conditions have become the accepted for site operating conditions, new casual employees require additional induction and training as social distancing appears unusual to some personnel. This attitude has heightened the need for additional awareness campaigns by supervisors and the Village Liaison Officers.

With satellite internet on site, the Company provides regular updates to local communities regarding Government and PNG newspaper information to ensure these communities have relevant information that assists in their understanding of actions being undertaken by the Company.

For personal use only



W J Davies
Managing Director
Dated: 27th October 2020

SCHEDULE OF TENEMENTS AS AT 30 SEPTEMBER 2020

Tenement	Tenement No.	RMC Interest
Wowo Gap	EL1165	100%

For personal use only