



ACN 158 837 186

AUTHORISED REPRESENTATIVE MELBOURNE VENTURE SECURITIES PTY LTD AFSL 224 313

## RMR to drill in late June. Targets delineated by soils, VTEM and ground EM.

- RMR approved to drill 12 RC holes for 1,500m
- 2 high priority targets, defined by EM and soils
- Highly leveraged to success

### Speculative Buy

#### Snapshot

Last Price	0.6c
Shares on issue	779.7m
Market cap	\$4.7m
Cash on hand	\$0.42m
(as at 31 March 2015)	
Options on issue	177.5m
Ex price 2.5c; expire 20 Feb 2017	
Major shareholder :	
Regency Mines	35.0m (4.49%)
(RGM.AIM)	

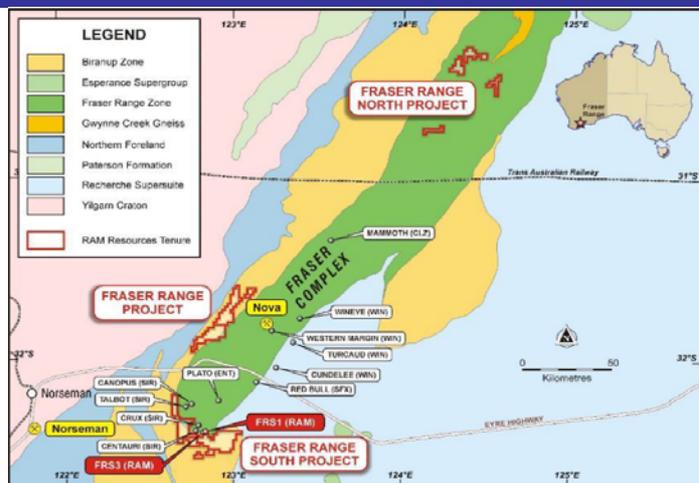
#### Board & Management

Bill Guy	Managing Director
Neville Bassett	Non-exec. Chairman
Ed Mead	Non-exec. Director

RMR has 870km<sup>2</sup> in Fraser Range;

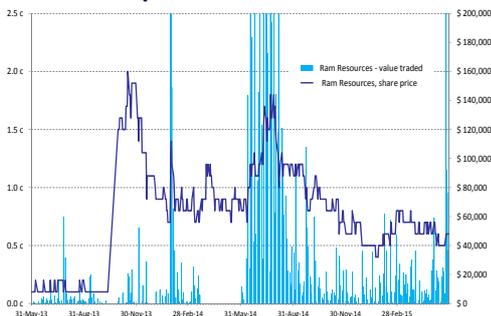
Figure 1 shows RMR’s tenements in three areas of the Fraser Range Complex. RMR also has a tenement further to the south.

Figure 1 : RMR : 870km<sup>2</sup> in margins of Fraser Range complex



Source : Ram Resources presentation, April 2015

#### RMR share price v. value traded



#### RMR – Exploring Fraser Range

Over the last 12 months, RMR has :

- Undertaken extensive soils sampling;
- Executed 5,500 line-km of aero-mag (VTEM) survey, which identified 45 mafic - ultra-mafic intrusives, 6 of which are coincident with high nickel in soil anomalies;
- Executed ground EM surveys over the identified targets, to delineate 2 high priority drill targets; and
- Obtained clearances to drill the delineated targets.

#### Beer & Co rates RMR as a Speculative buy

RMR is about to start drilling in the high prospective Fraser Range. RMR has identified targets only 2km from Sirius Resources’ Crux deposit

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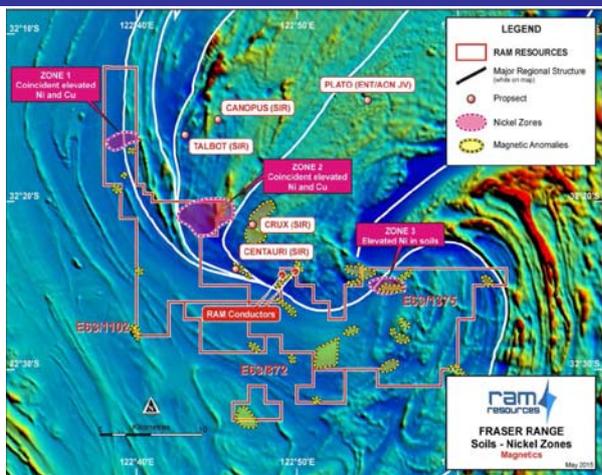
**Fraser Range South focus**

As shown in Figure 1, RMR has title to about 870km<sup>2</sup>

- 270km<sup>2</sup> in Fraser Range (Central), near SIR's Nova;
- 163km<sup>2</sup> in Fraser Range North;
- 410km<sup>2</sup> in Fraser Range South, only 2km from SIR's Crux project; and
- 28km<sup>2</sup> at Sheoak, further to the south.

RMR has undertaken precursor geological work, as shown in Figure 2, to identify 3 co-incident nickel in soils and magnetic anomalies.

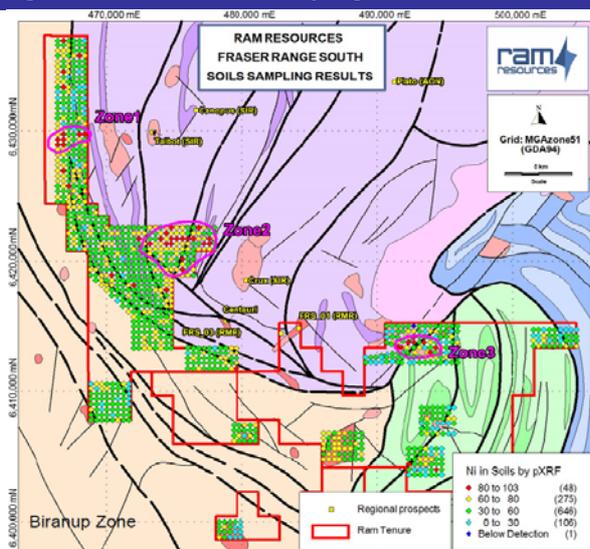
**Figure 2 : VTEM (magnetic) anomalies**



Source : RMR ASX announcement, 25 May 2015

Figure 3 shows the detailed results of RMR's geo-chemical sampling programme that has identified 3 nickel anomalies.

**Figure 3 : Results of soil sampling**

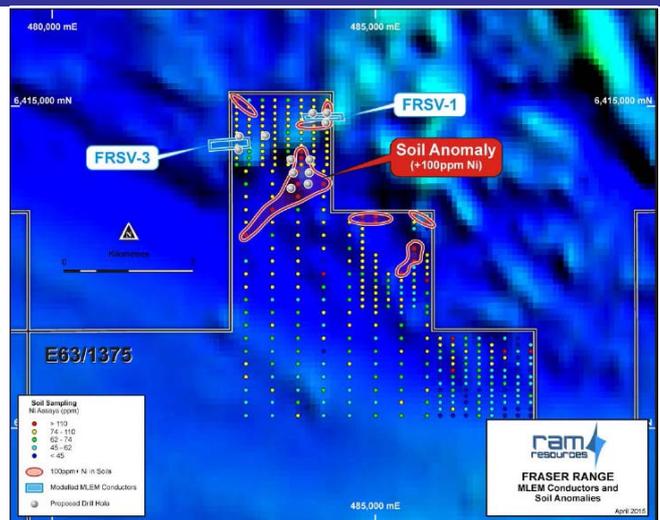


Source : RMR ASX announcement, 25 May 2015

**Fraser range South : drill targets**

Figure 4 shows the location of the first 2 delineated targets to be drilled by RMR, FRSV-1 and FRSV-3. These were originally identified via Variable Time-domain Electromagnetics (VTEM) from an airborne survey and confirmed by ground Moving Loop Electromagnetics (MLEM). These are identified in Figure 2 as "RAM Conductors".

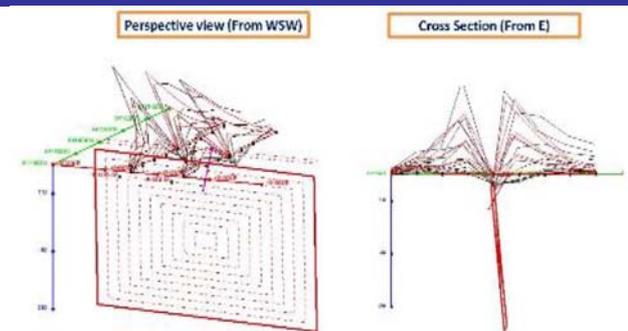
**Figure 4 : two delineated drill targets**



Source : RMR ASX announcement, 28 April 2015

As shown in Figure 5a, FRSV-1 is modelled as beginning 35m below the surface and extending a further 515m, and 850m in strike length.

**Figure 5a : Modelling of FRSV-1**

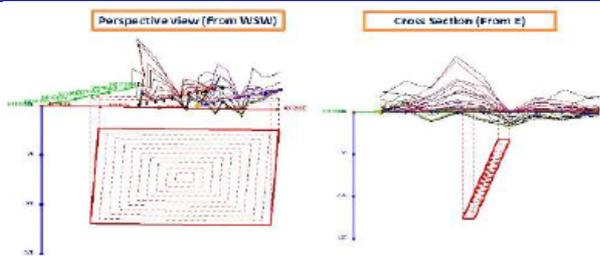


Source : RMR ASX announcement, 28 April 2015

Figure 5b shows that FRSV-3 is modelled as beginning 120m below the surface and extending to 400m below surface, with a strike length of 600m.

Both are to be tested with 2 RC holes for a total of 800m, of the proposed 12 hole, 1,500m programme.

**Figure 5b : Modelling of FRSV-3**



Source : RMR ASX announcement, 28 April 2015

RMR also intends to drill 6 to 8 holes, each of 50m to 100m depth across the soil anomaly immediately south of FRSV-3 and FRSV-1. These holes are to confirm lithologies and explain the soil anomaly and its relationship to the conductors.

This drill program, RMR’s first, is focussed on a 20km<sup>2</sup> area. Figures 2 & 3 shows significant other targets in Fraser Range South, identified as Zone 1, Zone 2 and Zone 3.

**Fraser Range North**

As shown in Figure 1, RMR also has an interest in 5 tenements, 150km to the north of its core operations, covering an area of 163km<sup>2</sup>, at Fraser Range North. The acquisition of these tenements, by way of a two-year option, was announced on 17 February 2014.

An auger drilling program undertaken between 2005 and April 2012 produced results including 282ppm Ni, 928ppm As, 87ppm Co, 75ppm Cu, 238ppb Pb and 53ppb Pt.

**Fraser Range**

RMR has 400km<sup>2</sup> of tenements just 20km west of SIR’s Nova -Bollinger deposit.

RMR has identified 6 category-1 MLEM (Moving loop electro-magnetic) drill targets.

**Other Exploration**

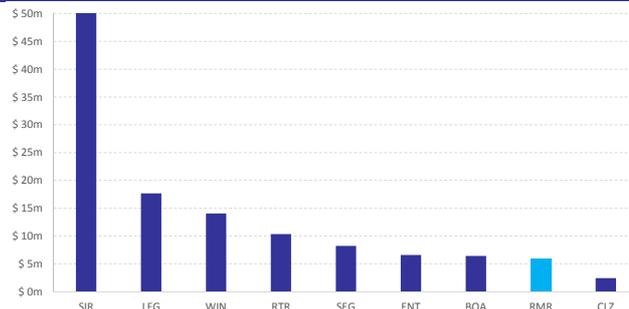
RMR has secured an option to purchase 70% of a granted 28km<sup>2</sup> exploration lease, the Sheoak project. The prospect has reported elevated nickel in soils and is along strike from Mt Ridley Mines’ Target 19 and 20, which have reported nickel sulphides from drilling.

**RMR is a cheap exposure**

Figure 6 shows that RMR is about the cheapest of all the Fraser Range “pure play” stocks; all of which are dwarfed by Sirius Resources (SIR), which has a market cap of over \$1,500m due to the Nova-Bollinger discovery.

In Beer & Co’s view, RMR is cheap because it is yet to execute a drill programme.

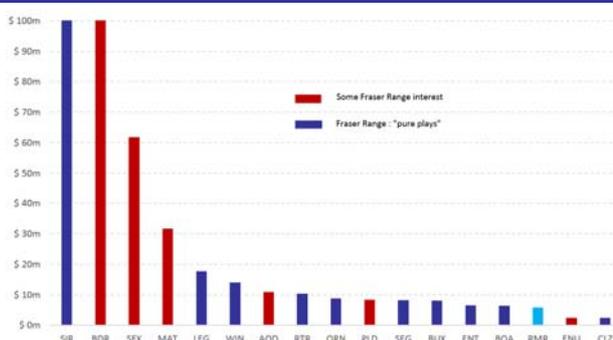
**Figure 6 : Other “pure play” Fraser Range stocks**



Source : IRESS, Beer & Co

Figure 7 shows there are many companies with some exploration interest in the Fraser Range district, and that RMR is about the smallest of them all

**Figure 7 : ASX listed companies, Fraser Range interest**



Source : IRESS, Beer & Co

**Capital Raising**

On 1 May 2015, RMR announced it had placed 129m shares at 0.5c each, raising \$645k. For each 2 new RMR shares, investors were given one option to buy an RMR hare for 2.5c by 20 February 2017.

Existing RMR investors are now being given the opportunity to subscribe for up to \$15k through a Share Purchase Plan, on the same terms as the placement, which could raise up to \$1.0m.

**Conclusions**

RMR has been active in the Fraser range area for about 30 months. It is now cleared to undertake its inaugural drill programme.

RMR is a very low cost entry into a good address, which makes it very highly leveraged to discovery. Success should see a strong share price reaction, as was seen when RMR was able to conclude the transaction to enter into Fraser Range.

In Beer & Co’s view, RMR ticks all the boxes for a good explorer and we rate RMR as a Speculative Buy.

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### **Analyst Certification**

The analyst responsible for this research report certifies that all of the views expressed reflect his personal views about the securities and the issuer.

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