



RBX to Acquire Applications Prospective for Rare Earths

Highlights

- Resource Base executes binding term sheet for the material acquisition of five (5) Exploration Licence Applications over ground located within the Murray Basin across Victoria and South Australia, totalling a significant package of 1,380km² (collectively the Mitre Hill Project) with potential to be prospective for ionic clay hosted Rare Earth Elements (REE)
- The Exploration Licence Applications comprising the Mitre Hill Project are located on either side of Australian Rare Earths' (ASX:AR3) Red Tail and Yellow Tail deposits which contain a JORC 2012 Inferred Mineral Resource of 39.9Mt @ 725ppm Total Rare Earth Oxide (TREO)^{1,2}
- Strike length of at least 40km of Murray Basin sediments between the towns of Naracoorte and Penola in South Australia with the potential to host ionic clay hosted REE
- A low-cost exploration and drilling program is being planned to investigate areas prospective for shallow ionic clay hosted rare earth mineralisation
- The proposed acquisition of the Mitre Hill Project is aligned and complementary to the Company's existing Black Range Project in the Stavely Arc region of Western Victoria
- Firm commitments received to raise \$1.2 million through the issue of six (6) million shares at an issue price of \$0.20 per share, being a 4.1% premium to the 14-day VWAP, to progress exploration work as the Exploration Licence Applications are granted

Resource Base Limited (**ASX:RBX**) (**Resource Base** or the **Company**) is pleased to advise that it has executed a binding term sheet to acquire 100% of Mitre Hill Pty Ltd (**Mitre Hill**), the owner of five (5) strategic Exploration Licence Applications over ground located within the Murray Basin in Victoria and South Australia, prospective for ionic clay hosted Rare Earth Elements (**REE**) mineralisation (**Mitre Hill Project**).

ASX have advised that the proposed transaction is required to be approved by shareholders for the purposes of ASX Listing Rule 11.1.2. The Company will shortly convene a shareholder meeting to seek this approval, together with certain other approvals pertaining to the proposed transaction (refer to the summary of the material terms of the proposed transaction below for further details).

Commenting on the proposed acquisition, Resource Base Executive Chairman, Mr. Shannon Green, said:

"We are very excited to have secured multiple applications with prospectivity for ionic clay hosted rare earths mineralisation in such prospective parts of Victoria and South Australia. The recent announcements of significant ionic clay hosted Rare Earths by AR3 has highlighted the potential of this region."

¹ Refer to Australian Rare Earths Limited Prospectus dated 7 May 2021.

² These results do not guarantee the same or similar levels of success on the Mitre Hill Project tenements

Establishing a substantial footprint in this highly prospective region is a tremendous addition to our Black Range Copper Gold Project located approximately 150km away in the Stavelly Arc of Western Victoria. We are focused on expanding our portfolio across the region and will look to provide an extensive pipeline of exploration and growth opportunities exploring these two highly complementary projects which will both provide a solid stream of exploration news over the coming 12 months.

Furthermore, we consider both rare earths and copper to have strong demand fundamentals well into the future, thus providing a solid foundation for Resource Base to grow into a significantly larger diversified minerals company”.

The applications comprise one Exploration Licence Application in South Australia (ELA 2021/00059) and four Exploration Licence Applications in Victoria (EL7641, EL7647, EL7646 and EL7640) (together the **Applications**). The Applications are located on either side of Australian Rare Earths’ (ASX:AR3) (**AR3**) Red Tail and Yellow Tail deposits with a JORC 2012 Inferred Mineral Resource of 39.9Mt @ 725ppm Total Rare Earth Oxide (TREO)^{1,2}.

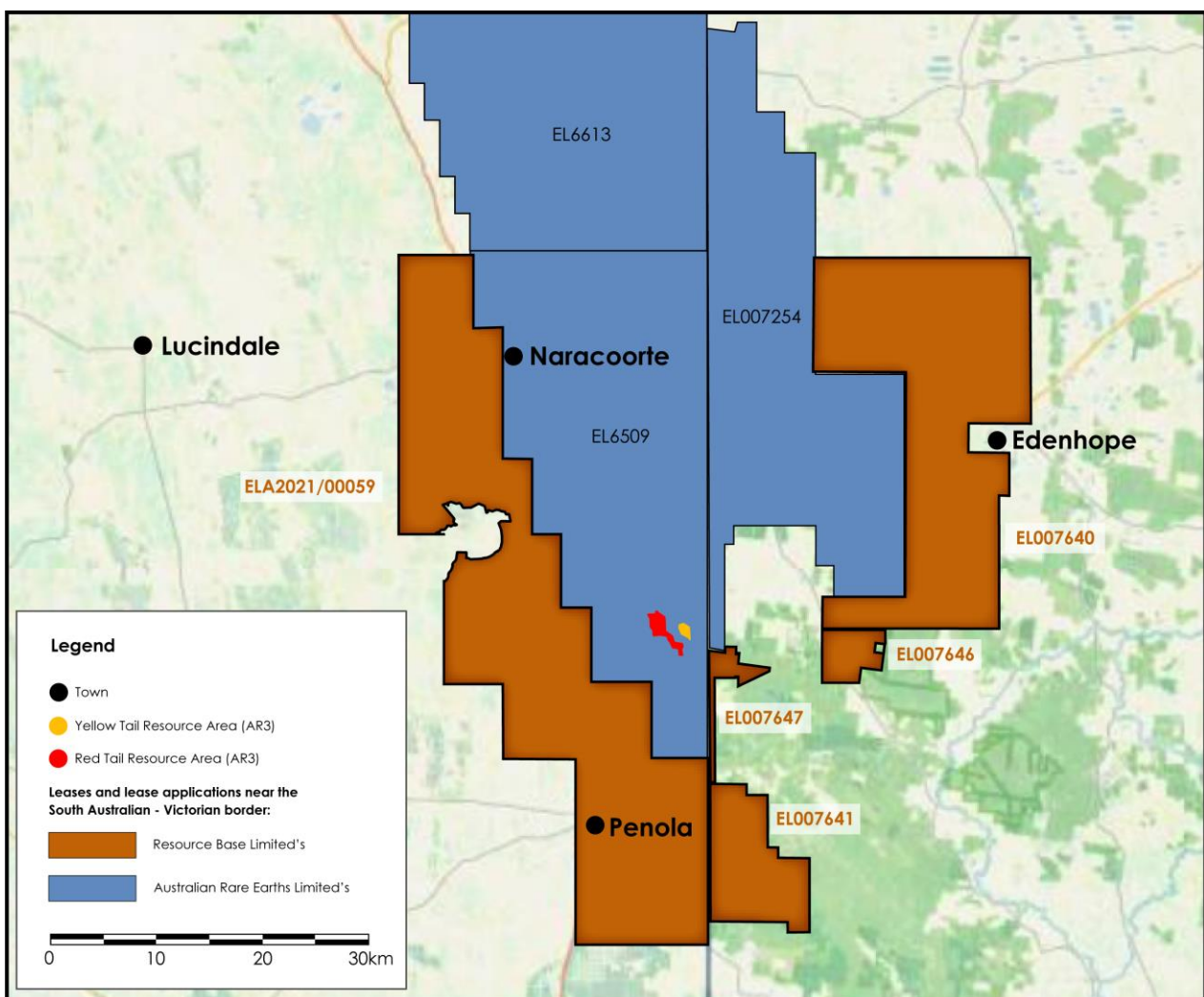


Figure 1: Mitre Hill Project Application locations surrounding the Red Tail and Yellow Tail deposits (ASX:AR3)

¹ Refer to Australian Rare Earths Limited Prospectus dated 7 May 2021.

²These results do not guarantee the same or similar levels of success on the Mitre Hill Project tenements



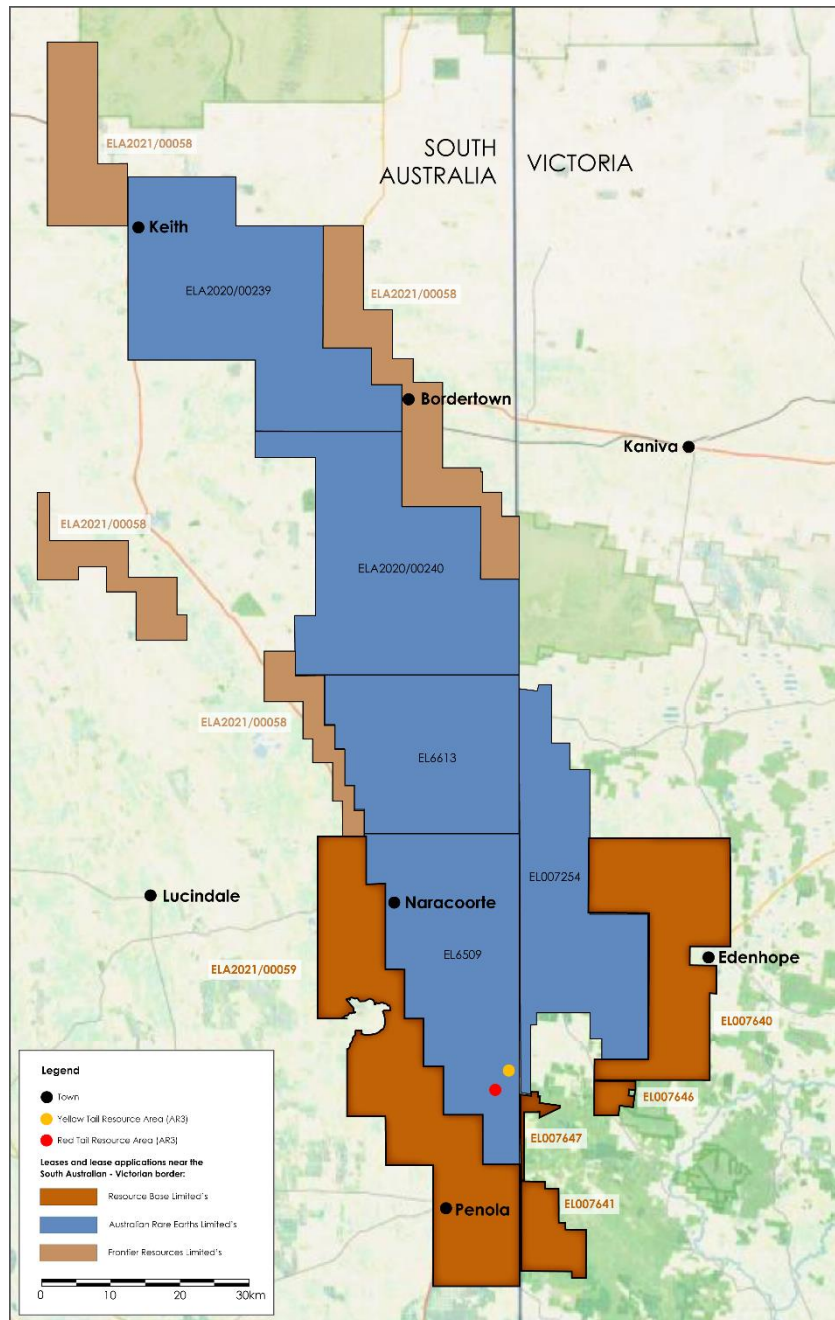


Figure 2: Tenement map of Mitre Hill Project with ASX:AR3 and ASX:FNT tenements

The Murray Basin extends over 300,000km² predominated by Cainozoic sediments. In the Mallee Region in the West, the Murray Basin Cainozoic Loxton Parilla sands are concealed beneath semi-arid landscape of quaternary dune fields. The tenement areas in both South Australia and Victoria occur in the Western margin of the Murray Basin.



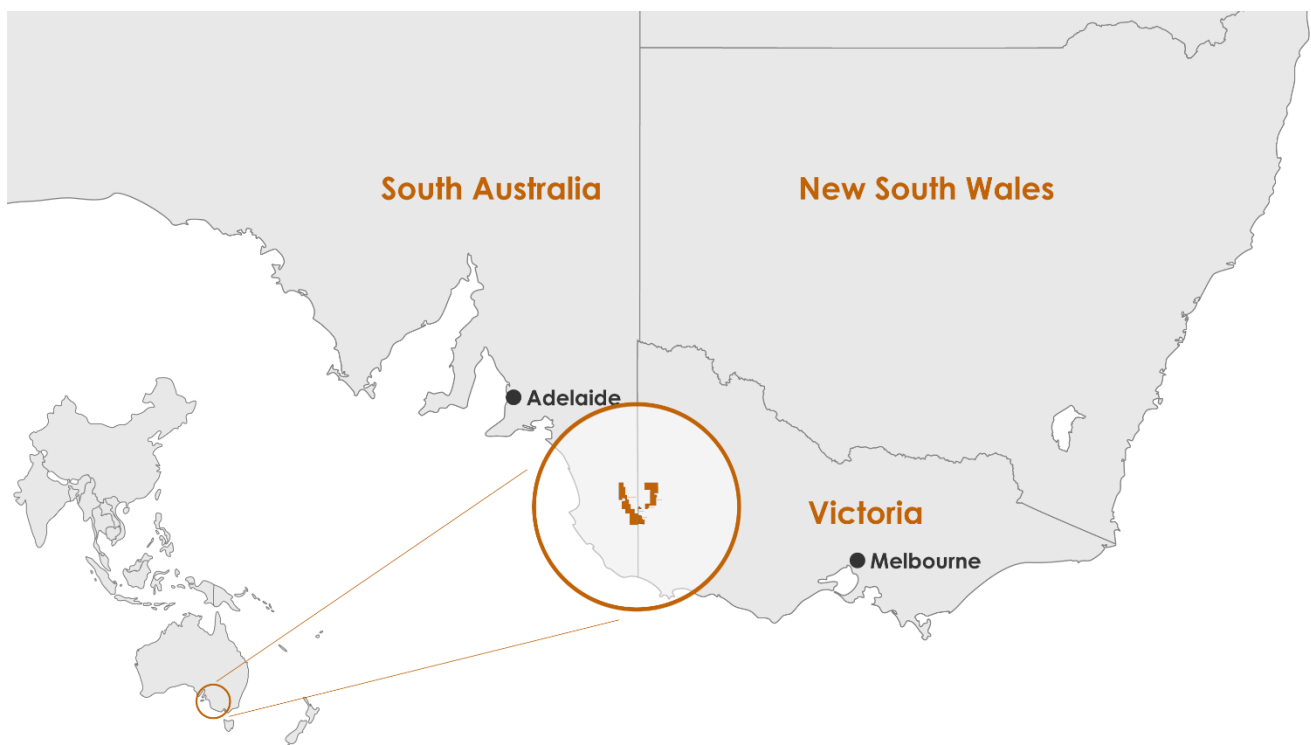


Figure 3: Mitre Hill Project Location Map

Location and Geology

The Applications comprising the Mitre Hill Project are located in the Murray Basin on the South Australian and Victorian state Border near the towns of Naracoorte, Penola and Edenhope. The Application, ELA 2021/00059, runs approximately in a line, covering over 40km of strike length, from the towns of Naracoorte and Penola in South Australia. The two Victorian applications closest to AR3's Yellow Tail and Redtail mineralisation offer prospective opportunities for early geological works. The main economic target is ionic clay hosted REE mineralisation, with possible economic concentrations of Heavy Rare Earths considered strategically important given global supply modelling.

The Applications are located over the transition from the concluding phases of the Loxton - Parilla strandlines to the more broadly spaced Bridgewater formation in South Australia and Victoria. A significant archive of historical exploration data has been acquired by the Company, including drilling results, numerous government studies and minor private exploration.

REE deposits are known to occur at the bottom of a shallow clay layer, on the top of basement (in this case the Gambier Limestone).



Proposed Exploration at the Mitre Hill Project

On completion of the proposed acquisition, and following grant of the Applications, the Company plans to complete the following exploration activities:

- Establish a geological database utilising all available historical exploration data;
- Surface sampling and field mapping to assist drill targeting;
- Undertake drilling utilising methods including auger, air core and push tube to test extent of potential ionic clay hosted REE mineralisation
- Metallurgical and mineralogical test work

Proposed Transaction

The material terms of the Proposed Transaction are summarised below:

(a) **Acquisition:** Resource Base (**Purchaser**) agrees to purchase 100% of the issued capital in Mitre Hill (who holds a 100% legal and beneficial interest in the Applications) from the shareholders of Mitre Hill, Brent Palmer (25%), Blackbird Capital Pty Ltd (25%) and Harbour View Capital Pty Ltd (50%) (**Vendors**).

(b) **Consideration:** the consideration for the acquisition is as follows:

- (i) Subject to shareholder approval for the purposes of Listing Rule 7.1, the issue (on a pro-rata basis) of 4,700,000 shares at settlement (**Consideration Shares**).

The Consideration Shares will be subject to ASX imposed escrow for a period of 12 months from their date of issue (**ASX Escrow Period**).

In the event that any of the exploration licences the subject of the Applications (**ELs**) remain ungranted at the end of the ASX Escrow Period, the proportional number of Consideration Shares (i.e. 1 ungranted EL equals 20% of the Consideration Shares) shall remain in voluntary escrow until such time as the ELs are granted, or the buy-back and cancellation procedure (outlined below) has taken place.

If any ELs have not been granted by the date which is 12 months from the date of the acquisition agreement (or such other date agreed by the parties in writing) (**Drop Dead Date**), the proportional number of Consideration Shares (i.e. 1 ungranted EL equals 20% of the Consideration Shares) will be subject to cancellation by the Company by way of a selective buy back, for nil consideration (subject to shareholder approval) (**Cancellation**).

If any ELs remain ungranted at the Drop Dead Date, the Company will procure the transfer of the granted ELs from Mitre Hill to a related group entity, then arrange for Mitre Hill (which will then only hold the ungranted EL applications) to be sold back to the Vendors for nominal consideration.

- (ii) Subject to shareholder approval for the purposes of Listing Rule 7.1, the issue (on a pro-rata basis) of 4,000,000 performance rights, that shall vest and convert into ordinary shares subject to the satisfaction of the following performance milestones (**Performance Rights**):

- (a) (**Tranche 1**): 2,000,000 Performance Rights shall vest upon the Purchaser achieving, at ten (10) contiguous drill holes at least 50 metres apart on the ELs,



intercept grades of a minimum of 600ppm total rare earth oxides (**TREO**) over at least one (1) metre, within fifteen (15) months of the Drop Dead Date.

- (b) (**Tranche 2**): 2,000,000 Performance Rights shall vest upon the announcement by the Purchaser of a JORC compliant Inferred Mineral Resource (as defined in the JORC Code 2012 Edition) on the ELs of 30 million tonnes or greater, grading a minimum of 700ppm TREO or greater, within two (2) years from the Drop Dead Date.

The Performance Rights will be issued on the date that is 3 business days following the later of (i) that date which shareholder approval is received for the issue of the Performance Rights and (ii) the date of grant of the first EL.

The Performance Rights will be subject to ASX imposed escrow for a period of 12 months from their date of issue.

- (iii) The Company shall pay to the Vendors on and from settlement of the Proposed Transaction (**Settlement**), a royalty of 1% of the net smelter return on all minerals (on a pro-rata basis), mineral products and concentrates, produced and sold from the ELs (or any tenement(s) which may be granted in lieu of or relate to the same ground as the ELs) by Resource Base (**Royalty**).
- (iv) The Company will reimburse the Vendors (on a pro-rata basis) up to \$50,000 for prior expenditure incurred on the Applications to date, subject to the production of valid receipts/invoices from the Vendors.

- (c) **Conditions Precedent:** The Proposed Transaction remains conditional upon:

- (i) completion of the Placement (as detailed further below), under which the Vendors shall have the right to allocate up to \$700,000; and
- (ii) the Company obtaining all necessary shareholder, regulatory or third-party approvals required to complete the Proposed Transaction, including approval pursuant to Listing Rule 11.1.2 and Listing Rule 7.1 for the issue of the Consideration Shares, Performance Rights and Attaching Options (defined below) ; and

- (d) **Exclusivity:** The Company has paid the Vendors (on a pro-rata basis) a \$50,000 exclusivity fee on execution, that in the event settlement occurs, may (at the Vendors' election) be refunded (in full) in consideration for the issue of 294,117 shares in the Company at settlement (to fall under the Company's existing placement capacity under Listing Rule 7.1).

Placement

As a condition precedent to completing the Proposed Transaction, the Company is required to raise a minimum of \$1.2 million to fund costs associated with the Proposed Transaction, proposed exploration program on the ELs (once granted) and working capital.

The Company is pleased to announce it has received firm commitments to raise \$1.2 million through a placement (**Placement**) of six (6) million shares at an issue price of \$0.20 per share, together with one free attaching option exercisable at \$0.25 on or before the date that is three years from their date of issue (**Attaching Options**) for every two shares applied for and issued under the Placement. The issue of the Attaching Options is subject to the receipt of shareholder approval.



Candour Advisory has been engaged by the Company to act as Lead Manager to the Placement and will receive a fee of 6% of the total proceeds raised under the Placement. Blue Bird Capital Pty Ltd, an associate of the Vendors, assisted as co-bookrunner.

The Placement shares will be issued pursuant to the Company's existing annual placement capacity under Listing Rule 7.1 and are expected to be issued and commence trading on or about 1 October 2021.

The Placement issue price of A\$0.20 per share represents:

- 2.4% discount to the last traded price on 22 September 2021 (A\$0.2050); and
- 4.1% premium to the 14-day VWAP price (A\$0.1922).

In the coming days, the Company proposes to issue a 'short form prospectus' pursuant to section 712 of the Corporations Act 2001 (Cth) (that will incorporate the Company's IPO prospectus by reference) for the purpose of cleansing the Placement shares for secondary trading.

The Company will shortly prepare and dispatch its notice of annual general meeting, which will include customary resolutions for an AGM, together with all necessary resolutions required to be approved by shareholders in order to complete the Proposed Transaction.

Indicative Capital Structure

Upon completion of the Proposed Transaction, and assuming full subscription under the Placement and no options are exercised, the Company's capital structure will be as follows.

	Shares	Options	Performance Rights
Current issued capital	43,591,152	9,685,640 ¹	-
Securities issued under the Placement	6,000,000	3,000,000 ^{2,3}	-
Securities to be issued in consideration for the Proposed Transaction	4,700,000 ^{3,4}	-	4,000,000 ^{3,4,5}
Securities to be issued in consideration for the refund of the exclusivity fee paid to the Vendors	294,117 ⁶	-	-
Total	54,585,269	12,685,640	4,000,000

1. Includes 7,185,640 Options exercisable at \$0.20 on or before 5 July 2026 and 2,500,000 Options exercisable at \$0.25 on or before 5 July 2024.
2. Attaching Options exercisable at \$0.25 on or before the date that is three years from their date of issue.
3. Subject to shareholder approval for the purposes of Listing Rule 7.1
4. Subject to ASX imposed escrow for a period of 12 months from their date of issue and, in the case of the consideration shares only, voluntary escrow as detailed above.
5. Performance Rights to vest and convert into ordinary shares subject to the satisfaction of the performance milestone noted above.
6. To be issued in lieu of \$50,000 exclusivity fee at the vendors election.
7. The Company proposes to issue a further 2,500,000 Options exercisable at \$0.25 on or before the date that is three years from their date of issue in consideration for corporate advisory services. These are not reflected in the indicative capital structure above.



Tenement Details

Victoria Tenements	Application Date
EL007640	23.07.2021
EL007641	11.06.2021
EL007646	22.06.2021
EL007647	11.06.2021
South Australia Tenement	Application Date
ELA 2021/00059	28.05.2021

-ENDS-

This announcement has been authorised by the Board of Resource Base Limited.

For further information please visit our website – www.resourcebase.com.au

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About Resource Base Ltd

Resource Base Ltd (ASX:RBX) is an Australian based mineral exploration company focused on the development of highly prospective exploration projects with demonstrated potential for scalable discoveries.

Black Range Project

The Black Range Project (124km²) in Victoria's premier porphyry and VHMS target district, the Mount Stavelly Volcanic Complex (MSVC) in Western Victoria, captures three fault-bound segments of the MSVC volcanics with a combined strike length of approximately 55 kilometres. The Project includes the advanced Eclipse prospect which is prospective for copper, gold and zinc.

The Mount Stavelly Volcanic Complex is considered an analogue of the Mt Read Volcanics in Tasmania, which is host to a number of world-class VHMS deposits (Rosebery, Hellyer, Que River), the giant Mt Lyell Cu-Au deposit, and the Henty Au deposit.

Numerous other targets, including Anomaly F, Honeysuckle, Anomaly K and Mt Bepcha are associated with MSVC rocks across the tenement but have seen little work to date.

Petrological studies indicate that important VHMS style hydrothermal alteration and is well developed on the Eclipse prospect. Resource Base will utilise systematic geophysics, drilling and geochemical analyses combined with petrological and hyperspectral SWIR alteration mapping to vector towards zones with high mineralisation potential as identified from comparison with known VHMS deposits in the Mt Read Volcanics and around the world.

Mitre Hill Project



On 27 September 2021, the Company announced it had entered a binding term sheet for the acquisition of the Mitre Hill Project (1380km²), which contains five strategic tenement applications over ground located within the Murray Basin across Victoria and South Australia, prospective for ionic clay hosted Rare Earth Element (REE) deposits.

The Applications are located in the Murray Basin on the South Australian and Victorian state Border near the towns of Naracoorte, Penola and Edenhope. The largest and most prospective Application, ELA 2021/00059, runs approximately in a line, covering over 40km of strike length, from the towns of Naracoorte and Penola in South Australia. The main economic target is ionic clay hosted Rare Earth deposits, with possible economic concentrations of Heavy Rare Earths considered strategically important given global supply modelling.

The Applications are located over the transition from the concluding phases of the Loxton - Parilla strandlines to the more broadly spaced Bridgewater formation in South Australia and Victoria. A significant archive of historical exploration data has been acquired by the Company, including drilling results, numerous government studies and minor private exploration.

Forward Looking Statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, and achievements to differ materially from any future results, performance, or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events, or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements, or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

