

December 2016 Quarterly Activities Report

The Company has continued to investigate and create opportunities to maximise the value of its strategic assets, the Broula King Mining Lease, processing and storage facilities.

During the quarter, the Company received approval from the NSW Department of Industry, Division of Resources & Energy ("NSW DRE") to commence an exploration drilling program of a number of targets which have been identified during a review of the exploration potential within the Broula King Mining Lease ("BKML").

Mapping of the Broula King pit's walls identified that the mined orebody was limited by post mineralisation faults. The drilling program will target potential "blind" offsets of the Broula King mineralisation and new anomalies identified by the integration of the 3D geological and geophysical models.

The Company has been advised by the drilling contractor that the drilling rig will commence drilling in early February.

During the quarter, the Company was advised by the NSW DRE that it has accepted the Company's application for a new exploration licence (ELA 5359). The 140 square kilometre licence area is considered prospective for high sulphidation epithermal gold similar to Broula King and contact metasomatic (skarn) iron and copper mineralisation.

The new licence encompasses the balance of the Cowfell workings which straddle the BKML boundary with the identified coincident magnetic high and copper in soil anomaly extends from the BKML into ELA 5359. The Boori Copper Mine which is located 1.5km to the south east of Cowfell is further evidence of the copper potential of ELA 5359. The Boori Copper Mine is recorded as producing in the 1900's about 30 tonnes of copper ore of estimated grade of between 5% and 15% copper, and worked to a depth of 24 metres.

Historic copper workings also occur around Abterra Australia Pty Limited's ML 1616 Broula Mine (skarn iron deposit of 1.44 Mt @ 70-80% magnetite (Source: NSW DRE February 2015)) which is excluded from ELA 5359. None of these historic copper workings have been specifically drilled but in 1970 BHP undertook exploration drilling looking for extensions to the south of Broula Mine. Drillhole DD5 from 27.4 metres to 66.1 metres is described as having contained "variable (often considerable) magnetite, minor pyrite, traces of copper mineralisation" and drillhole DDH6 from 67.1m to 100.9m (end of hole), was described as having "some magnetite and pyrite, also minor chalcopyrite (copper sulphide), sphalerite (zinc sulphide), and galena (lead sulphide), below 84.9 metres". Neither of these drill holes were assays for base metals or gold.

COMPANY DETAILS

Principal and Registered Office:

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AUSTRALIA

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ABN:

57 113 385 425

ASX Code:

RBX

Corporate Information:

Shareholders: 531
Shares on Issue: 412,367,657

Directors:

Non Executive Director:

Martin Janes
Michael Kennedy
Angelo Siciliano
Peter Kelliher

ML 1559 - Claypit, is a privately held clay mine which is also located on but not excluded form ELA 5359. The extensive argillic (clay) alteration seen at Claypit may be an “acid sulphate cap”, the upper level of an epithermal system. Acid sulphate caps inhibit vein formation and are known to obscure blind bonanza grade gold silver systems.

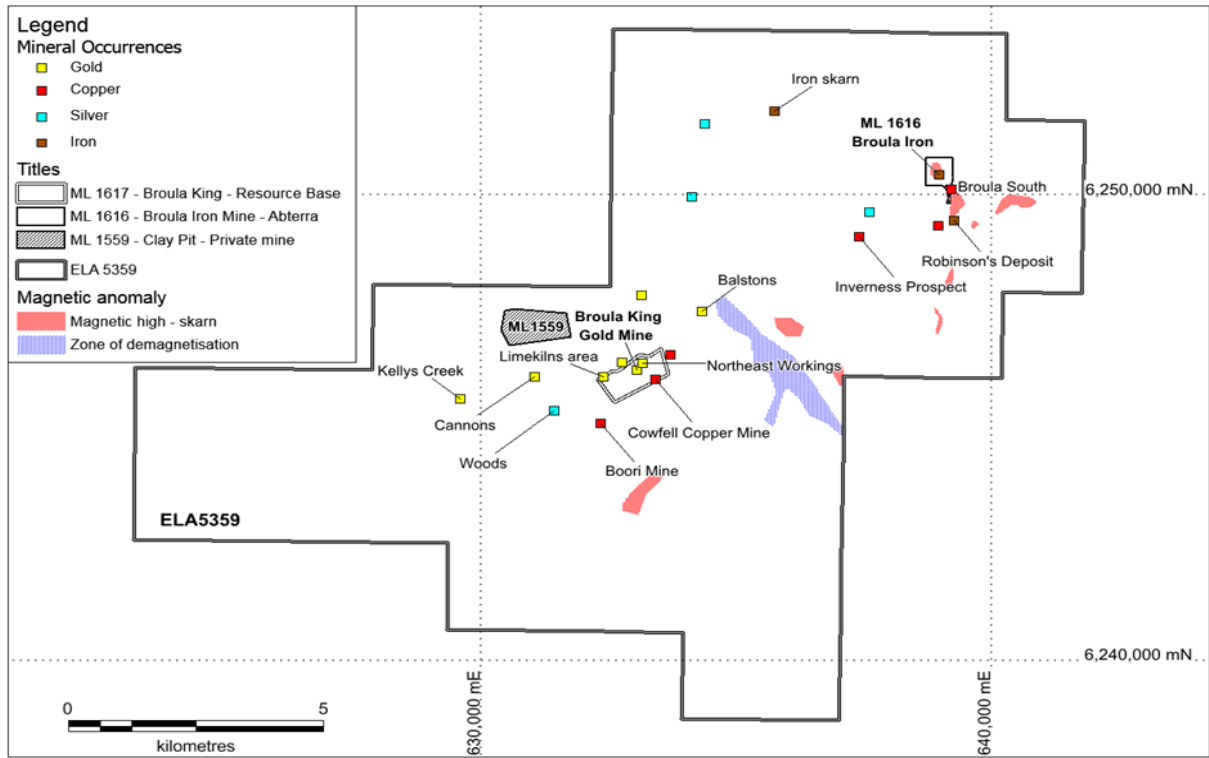


Figure 1. Tenement map show location of mineral occurrences by commodity and magnetic anomalies

The Company continues to have discussions with various third parties opportunities to treat third party ores or concentrates and potential acquisitions of third party orebodies.

BROULA KING PROJECT

The Broula King project is situated about 230 km due west of Sydney near Bumbaldry which is mid–way between the towns of Grenfell and Cowra. The modern 125,000 tpa CIL plant is fully permitted with existing tailings dam capacity with potential to increase that capacity. The plant successfully treated 183,863 tonnes of gold ore between 2012 and 2014.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

RESOURCE BASE LIMITED

ABN

57 113 385 425

Quarter ended ("current quarter")

DECEMBER 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	61	93
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(34)	(45)
(e) administration and corporate costs	(176)	(481)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	7	7
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(142)	(426)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		(50)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets	(21)	(21)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(21)	(71)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		541
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		(40)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities		501

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	296	129
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(142)	(426)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(21)	(71)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		501
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	133	133

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	133	296
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	133	296

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	26
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
6.1	Reimbursement and consulting fees	

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	120
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	35
9.6 Other (provide details if material)	175
9.7 Total estimated cash outflows	330

The Company will rely on its existing cash resources and future capital raising (either debt and/or equity) to funds its current activities.

In light of the above factors, the Company believes that it will have sufficient cash to fund its existing activities. The Company expects to have negative cashflows from operations of approximately \$330,000 for the forthcoming quarter. The Company's Board and Management is focused on meeting its current objectives and confirm that it is in compliance with ASX Listing Rules, in particular, Listing Rule 3.1.

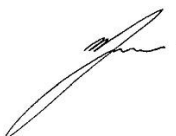
10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:Martin Janes.....
(Director)

Date:31 January 2017.....

Print name: 

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.