

June 2017 - 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 ("BKML"), processing and storage facilities.

During the quarter, the Company received final assay results from the Broula King reverse circulation (RC) drilling program announced on 21 March 2017 (refer announcement 28 June 2017). The RC program consisted of 10 holes (BK220 to BK229) for 898m, (Figure 1). The drilling targeted a mix of structural and geophysical features around the Broula King mine and the historic Cowfell copper mine.

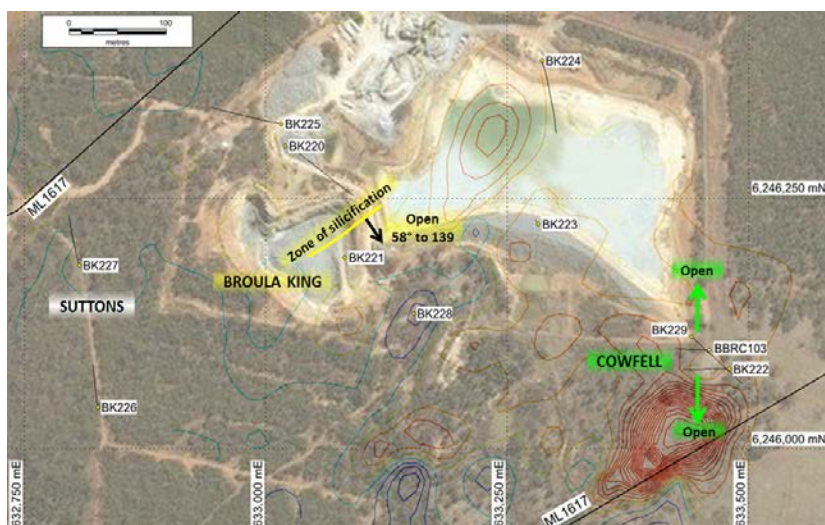


Figure 1. Location of drillholes with contours from WMC's 1976 ground magnetic survey shown.

Hole BK221 which returned from 17m, 1m @ 19.73g/t Au was drilled to increase the understanding of the high grade gold intersected in grade control drilling above the pit ramp. The southernmost drillholes above the pit ramp BK16E13 and BK16F11 respectively intersected from 0, 5m at 32.5g/t Au and 5m @ 28.3g/t Au (Figure 2). Modelling of previous resource and grade control drillholes has defined an 80m long NE striking zone of silicification which when intersected by the main N-S striking quartz reefs resulted in bonanza gold grades. This helps explain the array of the historic surface workings. This zone of silicification remains open at depth and to the west. Importantly the 19.73g/t Au intercept in BK221 is the deepest (by RL) high grade gold interval ever intersected at Broula King.

COMPANY DETAILS

Principal and Registered Office:

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ABN:

57 113 385 425

ASX Code:

RBX

Corporate Information:

Shareholders: 495
Shares on Issue: 27,491,373

Directors:

Non Executive Director:

Martin Janes
Michael Kennedy
Angelo Siciliano
Peter Kelliher

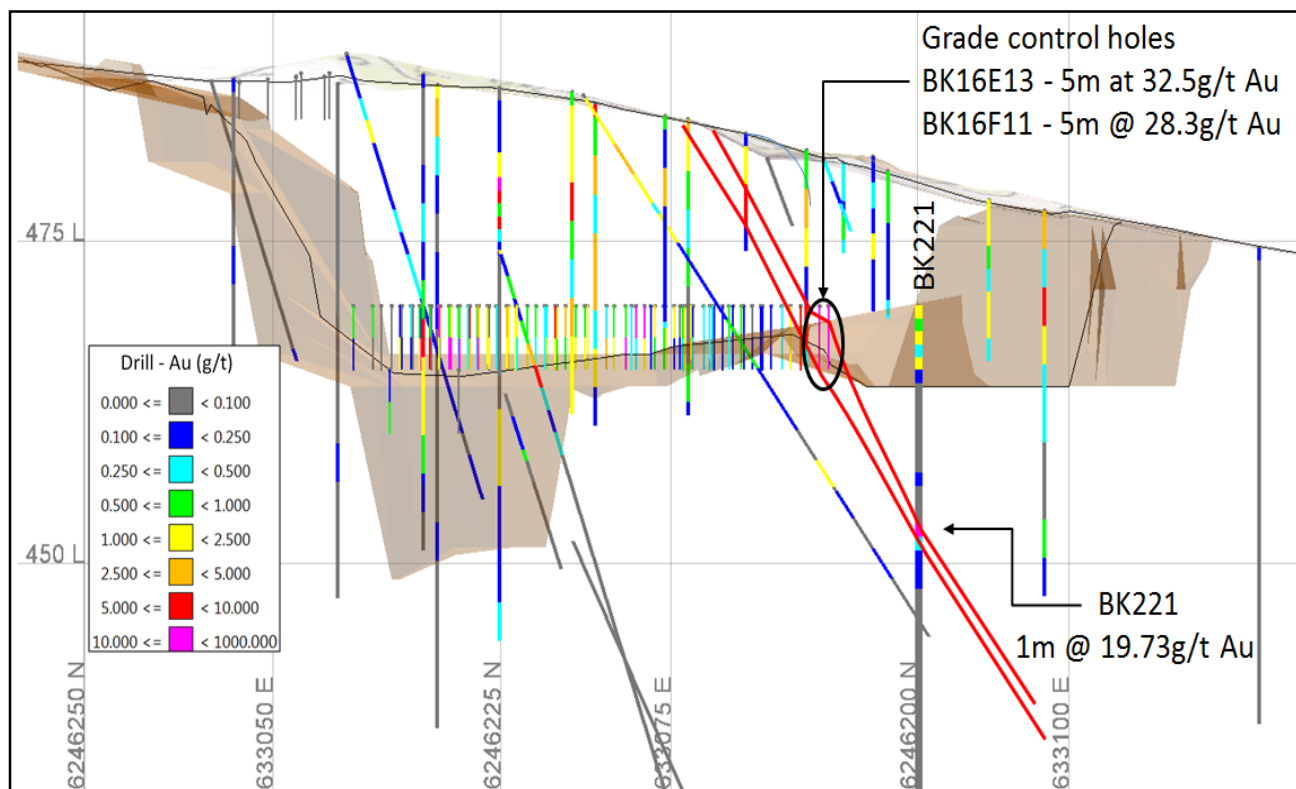


Figure 2. Cross section through the Broula King pit showing the location of BK221 in relation to grade control holes BK16E13 and BK16F11 and the interpreted high grade gold trend.

Two drillholes BK222 and BK229 were drilled beneath the northern Cowfell workings. The Cowfell mine produced 270 tonnes at 7% Cu, 1.6g/t Au and 60g/t Ag in early the 1900's.

Hole BK229 intersected from 18m, 37m @ 0.53% Cu including from 24m, 9m @ 1.06% Cu. BK229 was drilled to scissor Western Mining Corporation Ltd.'s 1983 drillhole BBRC103 which intersected from 10m, 32m at 0.57% copper including from 21m, 9m at 1.04% Cu. The importance of BK229 is that it demonstrated that +1% Cu was present as chalcopryite (from 26m, 7m@ 1.12% Cu) in quartz veins and not a result of near surface supergene enrichment. There was no geological log for BBRC103 so it was not known if the Cu intersected was primary or secondary mineralisation.

BK222 also intersected a broad zone of chalcopryite bearing quartz veins, from 34m, 58m @ 0.27% Cu which included several 2m or wider zones of +0.5% Cu. Holes BBRC103, BK222 and BK229 (Figure 3) are the only drillholes that have tested the Cowfell structure.

Planned drilling to the south of BK222 to test the large magnetic anomaly over which malachite is present at surface was postponed due to concerns over access over the historic workings.

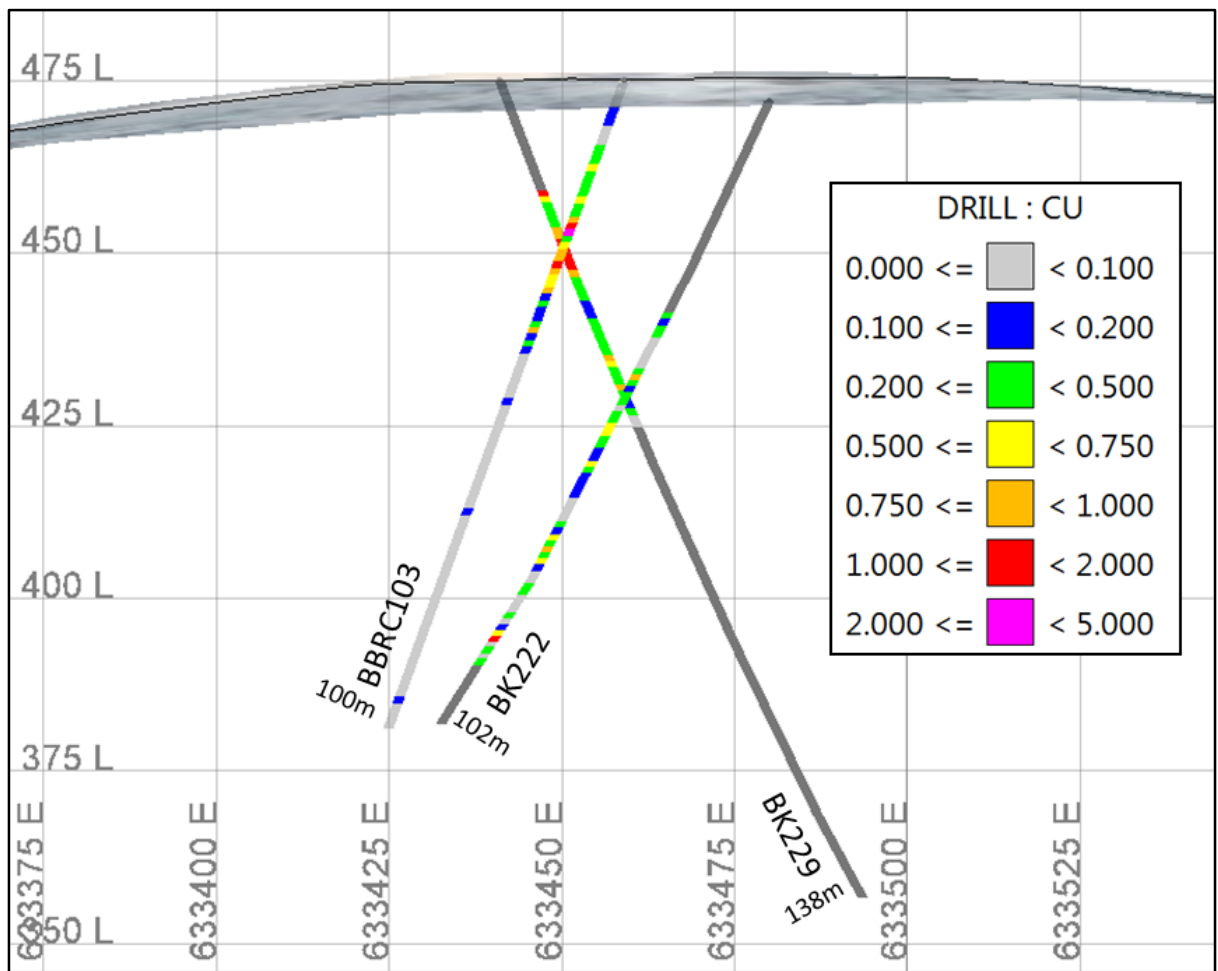


Figure 3. Cowfell cross section 6246100N +/-25m

Regionally, holes BK220 and BK223 to BK227 all targeted induced polarization anomalies. All holes intersected enough sulphide minerals to explain the chargeable anomalies. The only intersection of interest from these holes was in BK220 which intercepted from 77m, 1m @ 1.4% Pb, 23.2g/t Ag and 0.24% Cu.

A summary of significant intercepts is presented in Table B and individual assays from are presented in Table C. Summary intervals for BK229 are broken down to differentiate between oxide, transitional and primary Cu mineralisation.

Hole BK228 was drilled to test a linear zone of magnetite destruction east of the Broula King pit. BK228 intercepted from 28m, 1m @ 2.25g/t Au, 0.13% Cu and 2g/t Ag.

The Company is planning an induced polarisation survey at Cowfell to assist follow-up drilling.

It also plans to undertake further studies on the drill samples from Cowfell to better understand the style copper mineralisation and refine the magnetic model. The broad zones of copper mineralisation intersected at Cowfell were in highly potassic rocks but no magnetite or pyrrhotite was observed to account for strong magnetic anomaly mapped out by Western Mining Corporation. There remains the potential that better copper and gold mineralisation will be found with the source of the magnetic anomaly. Magnetite is a major accessory mineral in veins at the Ridgeway Gold-Copper Deposit where Newcrest's hole NC371, considered the discovery hole of Ridgeway having penetrated the halo to the high-grade Ridgeway deposit, intersected from 396m, 118m at 0.10% copper (Holliday, J. Discovery of the Cadia Ridgeway gold-copper porphyry deposit). Broad zones of copper mineralisation, at higher grade were intersected in RB's Cowfell holes; BK229 from 18m, 37m @ 0.53% copper and BK222 from 34m, 58m @ 0.27% copper.

A 1 for 15 share consolidation was completed on 2 May 2017.

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 with the Directors reviewing several synergistic acquisitions.

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.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Eric Whittaker, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Whittaker is an independent consultant Geologist and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Whittaker consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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")

JUNE 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	40	159
1.2 Payments for		
(a) exploration & evaluation	(99)	(99)
(b) development		
(c) production		
(d) staff costs	(19)	(83)
(e) administration and corporate costs	(216)	(823)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		8
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	(294)	(838)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		(53)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		(21)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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		(74)

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	200	300
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	200	801

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	112	129
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(294)	(838)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		(74)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	200	801
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	18	18

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000

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	18	112
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)	18	112

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter
\$A'000

8

6.1 Reimbursement and consulting fees

7. Payments to related entities of the entity and their associates

- 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

Current quarter
\$A'000

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	500	300
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.		

The company has entered into a debt facility agreement with Asipac Group Pty Ltd, a major shareholder.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	
9.2 Development	
9.3 Production	
9.4 Staff costs	40
9.5 Administration and corporate costs	95
9.6 Other (provide details if material)	142
9.7 Total estimated cash outflows	277

The Company will rely on its existing cash resources and future capital raising (either debt and/or equity), including its ability to place securities under LR7.1 and LR7.1A to fund its current activities. In addition, the Company entered into a debt facility with its major shareholder, Asipac Group Pty Ltd for a debt facility of up to \$500,000 (of which has been drawn down to \$300,000 – refer to section 8 above).

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 \$277,000 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: 

(Director)

Date: 19 July 2017

Print name:Martin Janes.....

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.