

28 August 2018

Ms Jessica Coupe
ASX Adviser
ASX Compliance Pty Limited
Level 40 Central Park
Perth WA 6000

Dear Jessica

RE: RESPONSE TO ASX APPENDIX 5B QUERY

Resource Base Limited (Company) refers to your letter dated 23 August 2018 in relation to the Company's Quarterly Cashflow Report in the form of Appendix 5B for the period ended 30 June 2018 (Appendix 5B).

In accordance with the request made in the letter, set out below are the Company's responses using the numbering from your letter:

1. Yes.
2. Yes, as per ASX announcement dated 27 August 2018, the Company has secured \$200,000 in debt funding and the Directors continue to assess a number of acquisition and capital raising opportunities and will provide the market with further information in due course. Furthermore, the Board is satisfied that additional short-term debt funding can be secured if required.

The Company has received a letter of comfort from major shareholder Asipac Group Pty Ltd, whereby it has confirmed that it will continue supporting the consolidated entity in respect of the financial support that may be necessary in the interim to enable the consolidated entity to meet its financial commitments. Until such time that the consolidated entity is able to raise alternative funding from a capital raising or alternate loan facility from elsewhere, Asipac undertakes that in the event of the consolidated entity not being able to repay all amounts due under the current Loan Facility at maturity that it will negotiate to restructure the terms of the Loan to accommodate the consolidated entity's financial requirements.

3. Yes, the Board is currently satisfied that funds can continue to be raised as required to meet its operational objectives based on information set out above.
4. The Company considers that its financial condition is adequate to warrant the continued quotation of its securities and its continued listing on ASX, and on this basis is in compliance with Listing Rule 12.2.
5. The Company confirms that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that rule.

6. The Company confirms that the responses to the questions above have been authorised and approved by its board.

Yours sincerely

Justyn Stedwell
Company Secretary



23 August 2018

Mr Justyn Stedwell
Resource Base Limited
Level 17, 500 Collins Street

By email: justyn@stedwell.com.au

Dear Mr Stedwell

Resource Base Limited (the “Entity”): Appendix 5B Query

I refer to the Entity’s Appendix 5B quarterly report for the period ended 30 June 2018 lodged with ASX Market Announcements Platform on 31 July 2018 (the “Appendix 5B”).

ASX notes that the Entity has reported:

- negative net operating cash flows for the quarter of \$156,000;
- cash at the end of the quarter of \$30,000 and
- estimated cash outflows for the next quarter of \$275,000.

It is possible to conclude, based on the information in the Appendix 5B, that if the Entity were to continue to expend cash at the rate indicated by the Appendix 5B, the Entity may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Entity to respond separately to each of the following questions and requests for information:

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that the Entity is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that the Entity’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 5 pm AWST on 28 August 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at Jessica.Coupe@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Entity's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

[Sent electronically without signature]

Jessica Coupe

Listings Adviser, Listings Compliance (Perth)

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