

ASX Announcement

31 October 2018

Quarterly Activities Report – September 2018

As commented upon in the Quarterly Activities Report for June 2018, the sustained high price of gold, and particularly in Australian dollars, continues to generate a high level of interest in gold opportunities. In this context, the Broula King site and facilities continues to attract interest.

The existing plant, and particularly the attached permits, provide an avenue for suitable ore sources to be treated in the short term. An increasing barrier to bringing new orebodies into production is the protracted, expensive and arduous permitting process. In addition, the general public attitude towards mining developments is becoming much more critical, so the time frame and complexity of permitting is a major factor in mine feasibility. In this context, the existing permits at Broula King, and the opportunity for rapid re-activation & production, are viewed as a major strategic asset.

A number of opportunities to utilise the existing plant and permitted status of the Broula King have been identified and assessed, and discussions are well advanced, with preliminary documentation exchanged. It is expected that one, or both, of these opportunities will proceed to signed agreements in the near term.

In addition, a geological review has been undertaken subsequent to the lodgement of the 2017/2018 Annual Exploration reports in respect of Mining Lease 1617 and Exploration Lease 8509 respectively.

M.L 1617 relates to the immediate environs of the Broula King mine & processing plant, and was the subject of an exploration drilling programme in March/April 2017 (previously reported in some detail in the Directors Report - Review of Operations in the Annual Report for the period ending 30 June 2017). Exploration Lease 8509 relates to approx 140 km² of ground, surrounding M.L 1617.

It is considered that the 2017 drilling programme on M.L 1617, and an overview of regional prospects on E.L. 8509 (which in addition to M.L 1617, also includes 2 other granted Mining Leases encompassed within the E.L) provide a strong basis for further geological investigation, including a targeted programme of additional drilling. This exploration potential as outlined in the Exploration Reports has drawn favourable comment from a major shareholder, and an indication that they would consider support of any necessary funding, whether by way of equity and/or loan funds.

This potential for further exploration work has been held in abeyance pending resolution of the near term utilisation of the Broula King site and processing plant. However, the various activities being pursued are not exclusionary, and the recommended exploration work will be further pursued.

In respect of the company addressing the ASX determination that the Company may not comply with Listing Rule 12.1, and the necessity to demonstrate that it is compliant on or before 19 November 2018, the Company believes that it will be able to demonstrate that it is compliant. In particular, the initiatives to utilise the Broula King site to process off-site materials alluded to above are well advanced. In addition, the exploration potential outlined in the 2017/2018 Exploration Reports, and the favourable comment drawn from a supportive major shareholder, should provide a further factor towards compliance.

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")

SEPTEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	39	39
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(1)	(1)
(e) administration and corporate costs	(207)	(207)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
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	(169)	(169)

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
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		
3.5 Proceeds from borrowings	200	200
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	200

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	31	31
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(169)	(169)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		
4.4 Net cash from / (used in) financing activities (item 3.10 above)	200	200
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	62	62

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	62	31
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)	62	31

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

0

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

Mining exploration entity and oil and gas exploration entity quarterly report

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	900	900
	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 consolidated entity has entered into a debt facility agreement with Asipac Group Pty Ltd, a major shareholder. On 24 October 2018, this facility was extended until 24 October 2019 and a further \$100,000 was provided to support the consolidated entity's activities.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	150

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 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.

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 \$150,000 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:
(Company Secretary)

Date: ...31 October 2018.....

Print name:Justyn Stedwell

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.