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ASX Announcement

27 November 2018

Memorandum of Understanding re Gold Processing

Resource Base Limited (RBX or Company) is pleased to announce that, via its 100% owned subsidiary, Broula King Joint Venture Pty Ltd, it has entered into a Memorandum of Understanding (M.O.U) with International Base Metals Limited (I.B.M.L).

I.B.M.L. (via its subsidiary, Challenger Mines Pty. Ltd.) owns the Adelong Challenger gold mine (Mine), located near Adelong, N.S.W.

Broula King Joint Venture Pty. Ltd. owns the Broula King gold processing plant (Plant), located near Cowra N.S.W.

The parties have identified potential opportunity to cooperate to enable prompt reactivation of both operations (Mine & Plant) to enable the production of gold into the current buoyant gold market.

Formal agreements and the initial phase of an arrangement in respect of Adelong is expected to commence in the first quarter of calendar year 2019. The initial phase contemplates the recovery of previously mined material on-site at Adelong and trucking that material to the Broula King plant to carry out toll treatment/recovery of entrained gold into the form of gold bullion, and then return of that bullion to I.M.B.L for despatch off site.

This initial phase would be undertaken on an essentially toll-treatment basis. It is designed to provide a good level on understanding on both sides as to the practical issues of such integration between the sites, with a view to evaluating the potential for further cooperation between the parties.

The parties are focussed on the immediate opportunity to establish a gold production stream. Both parties recognise the opportunity to work further together and look to establish a long term relationship.

This announcement summarizes all material terms of the M.O.U.

ENDS