

## ASX Announcement

31 July 2019

### Quarterly Activities Report – June 2019

The suspension of the Company's securities from trading on the ASX, initiated on 19th November 2018, continues in effect. Legal advice obtained during the Quarter indicates that, in accordance with ASX Guidelines dated 15 April 2019, the key timeline for re-activation of trading activity extends for 2 years from the date of suspension. In effect, the period before the ultimate de-listing extends until 19 November 2020. The ASX also has discretion to extend beyond that date, for a further 3 months if it understands that actions underpinning re-listing are close to fruition.

Notwithstanding this timeline, the Company is actively progressing the opportunities previously reported to re-activate the Broula King site to treat minerals delivered from off-site. Either, or both, such opportunities would provide a rationale to seek a prompt re-listing of the Company's securities.

In respect of the Memorandum of Understanding re Gold Processing of gold-bearing material from the Adelong mine site, practical investigations of processing options are effectively complete, and the development scope & cost of work required at both the Adelong mine site and the Broula King processing plant are identified.

However, on the corporate side, the Company holding the titles and assets of the Adelong site (Macquarie Gold Limited) has been placed into receivership by its creditors, including International Base Metals Limited (I.B.M.L), who are party to the Memorandum of Understanding with the Company. Discussions with the appointed Receiver/Manager have been initiated. It is hoped that a prompt outcome to this situation will emerge shortly, that will facilitate implementation of the proposed activity, or an appropriate alternative arrangement.

The continued buoyancy of the price of gold contributes to the attraction of this proposed relationship. In particular, the A\$ gold price is now at record levels, having exceeded A\$,2000 per oz. over recent weeks.

Similarly, progress continues with obtaining access to magnetite ore from a neighbouring deposit, for treatment at the Broula King site to produce an upgraded magnetite concentrate for sale into the N.S.W coal washery industry. Significant discussions have been held with the appointed trustee in bankruptcy of the titleholder (Abterra Australia Pty Ltd) and the several government authorities and local authorities charged with regulatory and environmental oversight of the proposed transfer of the mineral lease into the ownership of the Company, and the implementation of the proposed processing methodology. These discussions are proceeding in a cooperative manner, and it is hoped that an outcome is arrived at in the

near term. In particular, a revised mine operating plan (M.O.P) has been defined and will be submitted to Department of Planning & Environment shortly.

Focus will continue on both of these now well-defined avenues. However, the Company remains open to other opportunities. As noted above, the A\$ gold price is at historically high levels, and the value of a suitable gold processing plant such as Broula King is increasingly recognised by parties with otherwise “stranded” gold resources that might be profitably mined at current gold prices.

## 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 2019

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>( 12 months)<br>\$A'000 |
|-----------------------------------------------------------|----------------------------|-----------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                         |
| 1.1 Receipts from customers                               | 40                         | 114                                     |
| 1.2 Payments for                                          |                            |                                         |
| (a) exploration & evaluation                              |                            |                                         |
| (b) development                                           |                            |                                         |
| (c) production                                            |                            |                                         |
| (d) staff costs                                           | (2)                        | (5)                                     |
| (e) administration and corporate costs                    | (146)                      | (664)                                   |
| 1.3 Dividends received (see note 3)                       |                            |                                         |
| 1.4 Interest received                                     | 6                          | 13                                      |
| 1.5 Interest and other costs of finance paid              | (3)                        | (13)                                    |
| 1.6 Income taxes paid                                     |                            |                                         |
| 1.7 Research and development refunds                      |                            |                                         |
| 1.8 Other (provide details if material)                   |                            |                                         |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(105)</b>               | <b>(555)</b>                            |

|                                                |  |      |
|------------------------------------------------|--|------|
| <b>2. Cash flows from investing activities</b> |  |      |
| 2.1 Payments to acquire:                       |  |      |
| (a) property, plant and equipment              |  | (65) |
| (b) tenements (see item 10)                    |  |      |
| (c) investments                                |  |      |

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>( 12 months)<br>\$A'000 |
|-----------------------------------------------------------|----------------------------|-----------------------------------------|
| (d) other non-current assets                              |                            |                                         |
| 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)                   |                            |                                         |
| <b>2.6 Net cash from / (used in) investing activities</b> |                            | <b>(65)</b>                             |

|                                                                                 |            |            |
|---------------------------------------------------------------------------------|------------|------------|
| <b>3. Cash flows from financing activities</b>                                  |            |            |
| 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                                                    | 250        | 900        |
| 3.6 Repayment of borrowings                                                     | (38)       | (76)       |
| 3.7 Transaction costs related to loans and borrowings                           |            |            |
| 3.8 Dividends paid                                                              |            |            |
| 3.9 Other (provide details if material)                                         |            |            |
| <b>3.10 Net cash from / (used in) financing activities</b>                      | <b>212</b> | <b>824</b> |

|                                                                                 |       |       |
|---------------------------------------------------------------------------------|-------|-------|
| <b>4. Net increase / (decrease) in cash and cash equivalents for the period</b> |       |       |
| 4.1 Cash and cash equivalents at beginning of period                            | 128   | 31    |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above)             | (105) | (555) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above)             |       | (65)  |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above)            | 212   | 824   |

| Consolidated statement of cash flows |                                                   | Current quarter<br>\$A'000 | Year to date<br>( 12 months)<br>\$A'000 |
|--------------------------------------|---------------------------------------------------|----------------------------|-----------------------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held |                            |                                         |
| 4.6                                  | <b>Cash and cash equivalents at end of period</b> | 235                        | 235                                     |
|                                      |                                                   |                            |                                         |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 | Bank balances                                                                                                                                                        | 235                        | 128                         |
| 5.2 | Call deposits                                                                                                                                                        |                            |                             |
| 5.3 | Bank overdrafts                                                                                                                                                      |                            |                             |
| 5.4 | Other (provide details)                                                                                                                                              |                            |                             |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                     | 235                        | 128                         |

| 6.  | Payments to directors of the entity and their associates                                             | Current quarter<br>\$A'000 |
|-----|------------------------------------------------------------------------------------------------------|----------------------------|
| 6.1 | Aggregate amount of payments to these parties included in item 1.2                                   | 0                          |
| 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 |                            |
|     |                                                                                                      |                            |

| 7.  | Payments to related entities of the entity and their associates                                      | Current quarter<br>\$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. <b>Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>                                                                                                                                                                                 | Total facility amount<br>at quarter end<br>\$A'000 | Amount drawn at<br>quarter end<br>\$A'000 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------|
| 8.1     Loan facilities                                                                                                                                                                                                                                                                        | 1,600                                              | 1,600                                     |
| 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.                                                                                                       |                                                    |                                           |

| 9. <b>Estimated cash outflows for next quarter</b> | \$A'000    |
|----------------------------------------------------|------------|
| 9.1     Exploration and evaluation                 |            |
| 9.2     Development                                |            |
| 9.3     Production                                 |            |
| 9.4     Staff costs                                |            |
| 9.5     Administration and corporate costs         | 300        |
| 9.6     Other (provide details if material)        |            |
| <b>9.7     Total estimated cash outflows</b>       | <b>300</b> |

*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 \$300,000 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.*

## Mining exploration entity and oil and gas exploration entity quarterly report

| 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 July 2019 .....

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.