Resource Base Limited

ABN 57 113 385 425

Annual Report - 30 June 2020

Directors	Shannon Green (Executive Chairman) Jamie Myers (Non-Executive Director) Michael Kennedy (Non-Executive Director)
Company secretary	Shannon Coates
Registered office	Suite 5, 62 Ord Street West Perth WA 6005
Principal place of business	Suite 5, 62 Ord Street West Perth WA 6005
Share register	Link Market Services Level 4 Central Park 152 St George Terrace Perth WA 6000
Auditor	RSM Australia Partners Level 21 55 Collins Street Melbourne VIC 3000
Stock exchange listing	Resource Base Limited shares are listed on the Australian Securities Exchange (ASX code: RBX)
Corporate Governance Statement	Refer to the company's Corporate Governance Statement at www.resourcebase.com.au

Resource Base Limited
Directors' report
30 June 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Resource Base Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors
The following persons were directors of Resource Base Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Shannon Green (appointed 1 June 2020)
Jamie Myers (appointed 1 June 2020)
Michael Kennedy
Peter Kelliher (resigned 1 June 2020)
Angelo Siciliano (resigned 1 June 2020)

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of assessing precious metal and other projects.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $897,898 (30 June 2019: $886,510).

The company initially continued to focus on identification and implementation of opportunities to re-activate the Broula King processing plant, and to utilise such a reactivation programme as the rationale for a re-listing with the ASX.

The prime project revolved around access to gold-bearing ore from the Adelong gold project, and the transport of ore to the Broula King processing plant. The owner of the Adelong property, Macquarie Gold Limited, was placed into receivership in March, 2019, and discussions continued with the appointed receiver. An expression of interest was lodged, and due diligence initiated. However, uncertainty re the process and particularly the timing of likely outcomes eventuated, and the company decided not to proceed to the lodgement of formal binding offer.

The other project of interest was the potential to acquire a magnetite orebody in close proximity to the Broula King site, and to modify the processing plant to produce a high grade magnetite product for supply into the coal washery industry in regional N.S.W. The magnetite project was owned by a company (Abterra Australia Pty Ltd) that was subject to a bankruptcy process.

Both of these projects entailed extensive discussions and negotiations with a range of regulatory authorities, both to permit the integration of the potential ore sources into the Broula King site, as well as the adjustment of the Broula King mine operating authorisations and permits to enable the revised operational scenarios. Extensive time and expense was incurred in seeking to bring these various aspects to a coordinated and agreed outcome, within an acceptable timeframe. These events were complicated by the fact of administration/bankruptcy, which introduced an additional level of complexity. However, it was essentially a reflection of the increasing complexity of the overall regulatory and permitting processes pertaining to the mining environment in general but in particular the extended timeframes and uncertainty of outcome introduced.

Ultimately, it proved difficult to finalise the necessary permit reviews and conditions in a timely manner, and it was judged necessary to recognise the uncertainty and interminably complex & protracted involved, and to withdraw from the process.

In that context, a revised corporate strategy was adopted, that re-directed focus from the reactivation of the Broula King site, extending to consideration of vending the Broula King JV site to external interested parties. Refer to note 29 of the financial statements.

A revised strategy was adopted to seek opportunities in new more greenfield exploration prospects, with particular focus on gold projects. This revised strategy extended to a renovation of the Board (ref. ASX announcement 1 June, 2000) under which directors experienced in this new strategic context were appointed.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
On 18 August 2020, the company announced that entered into a binding exclusive option agreement with Sunshine Reclamation Ltd granting an exclusive option to purchase 100% of the issued shares in the company's 100% owned subsidiary Broula King Joint Venture Pty Ltd.

Under the agreement a non-refundable $50,000 option fee was payable, granting a 2 month exclusivity period to undertake all required due diligence. If the option to purchase is exercised a further $750,000 is payable on the below timeline:-

- $150,000 payable within 5 business days of execution date;
- $200,000 paid ad deferred consideration by 30 March 2021; and
- $400,000 paid as deferred consideration by 30 April 2021.

Since 30 June 2020, the company has entered into agreements with lenders and creditors whereby current liabilities totalling $3.2 Million, have been deferred until 30 September 2021.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation
The economic entity holds participating interests in a number of mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There were no breaches of these regulations during the 2020 financial year.

Information on directors

Name:	Shannon Green
Title:	Executive Chairman (appointed 1 June 2020)
Qualifications:	Mr Green’s professional qualifications include Qld SSE Mine Managers Certificate, Graduate Diploma Mining Engineering, Diploma of Mining (Surface & underground) and a Diploma of (Finance) and is currently completing an MBA.
Experience and expertise:	Mr Green has considerable recent corporate experience including, project transactions, capital raisings, marketing, technical and commercial due diligence. He has extensive mining and project development experience and his intimate knowledge of the equity and commodity markets provides the skills and expertise needed to assist the Company as it seeks to re-list on the ASX. Mr Green has over 20 years Corporate, resource development and mining operations experience, with extensive experience working in Africa and Australia having managed several significant projects from Feasibility through construction and into operation and held senior leadership roles with several Australian iron ore and gold mining operations.
Other current directorships:	Winmar Resources Ltd (ASX: WFE).
Former directorships (last 3 years):	Lindian Resources Limited (ASX: LIN) (resigned 26 May 2020)
Special responsibilities:	Nil
Interests in shares:	Nil

Name:	Peter Kelliher
Title:	Non-Executive Director (resigned 1 June 2020)
Qualifications:	B.Sc (Hons), Grad Dip GeoSc, MAusIMM, MSME
Experience and expertise:	Mr Kelliher has 34 years of varied metallurgical experience, predominantly in the field of gravity treatment and gold processing. His expertise is in small to medium size mining operations where cost management is a priority. His work has taken him throughout Australia and on several overseas assignments. He holds a Mine Managers Certificate for Victoria and was Manager of the Heathcote open cut gold mine from 1993 to 1995 and of the Avoca alluvial gold project for Sedimentary Holdings Ltd from 1996 to 2000. As Manager his responsibilities included dealing with regulatory processes, community consultation, environmental management and site rehabilitation. Most recently he has operated his own consulting business. This has included assignments at the Ardlethan alluvial tin mine (2001 to 2004) and the Mt Boppy gold mine (1995) in NSW. In both cases he assumed the position of Registered Manager for extended periods.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Special responsibilities:	N/A
Interests in shares:	N/A
Interests in options:	N/A

Name:	Angelo Siciliano
Title:	Non-Executive Director (resigned 1 June 2020)
Experience and expertise:	Angelo Siciliano is a Fellow of the Institute of Public Accountants. He has had 21 years' experience in the field of Accounting and over this period has focused predominantly on property development and investment. For the last 17 years Mr Siciliano has owned and managed an accounting practice with his major emphasis being taxation and business consulting.
Other current directorships:	N/A
Former directorships (last 3 years):	NA
Special responsibilities:	N/A
Interests in shares:	N/A
Interests in options:	N/A

Name:	Michael Kennedy
Title:	Non-Executive Director
Experience and expertise:	Michael Kennedy has enjoyed a 44 year career in the non-ferrous mining and smelting industry, and has held a number of senior marketing and logistics roles with the CRA/RTZ Group, managing raw material sales from the Bougainville, Broken Hill, Cobar and Woodlawn mines, managed raw material purchases and supply into the Port Pirie lead smelter, Budel zinc smelter (Netherlands), and the Avonmouth (UK) and Cockle Creek (Newcastle) zinc-lead smelters. He was the resident Director of the Korea Zinc group of companies in Australia from 1991 until 2005, which encompassed the construction and commissioning of the Sun Metals zinc refinery in Townsville.
Other current directorships:	Terramin Australia Limited (ASX: TZN)
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	Nil
Interests in options:	Nil

Name:	Jamie Myers
Title:	Non-Executive Director (appointed 1 June 2020)
Experience and expertise:	Mr Myers has over 15 years' in equities dealing and corporate advisory experience. Previously the co-founder and Executive Director of iiZen Equites before a corporate exit to Paterson's Securities, Mr Myers has held equity advisory roles at iiZen Equities, Paterson's Securities and Ord Minnett Limited and is currently an Associate Director of Corporate at Adelaide based Baker Young Stockbrokers. Mr Myers has extensive small cap experience, most recently working side-by-side with Winmar's Executive Chairman, Mr Shannon Green, in the re-organisation, recapitalisation and marketing of Lindian Resources Limited (ASX: LIN) (ASX: LIN) and Winmar Resources Ltd (ASX: WFE). Mr Myers extensive capital market experience will be valuable to the company as it seeks to re-list on the ASX.
Other current directorships:	Winmar Resources Ltd (WFE)
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Justyn Stedwell is a professional company secretary consultant with over eleven years' experience as a Company Secretary of ASX listed companies in a wide range of industries. His qualifications include a Bachelor of Commerce (Management and Economics) from Monash University, a Graduate Diploma of Accounting from Deakin University and a Graduate Diploma in Applied Corporate Governance at the Governance Institute of Australia

Justyn was replaced by Shannon Coates on 1 July 2020. Shannon has 25 years of experience in corporate law and compliance and is currently company secretary to a number of ASX listed entities.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Peter Kelliher	2	2
Angelo Siciliano	2	2
Michael Kennedy	2	2

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The report details the nature and amount of remuneration for each director of Resource Base Limited and for the executives receiving the highest remuneration in accordance with the requirements of the Corporations Act 2001 and its Regulations. It also provides the remuneration disclosures required by Aus 25.4 to Aus 25.7.2 of AASB 124 Related Party Disclosures, which have been transferred to the Remuneration report in accordance with Corporations regulation 2M.6.04. For the purposes of this report, the term "executive" encompasses all directors of the Company.

Remuneration consists of a fixed remuneration and a long-term incentive portion as considered appropriate. The Board believes that options are an effective remuneration tool which preserves the cash reserves of the company whilst providing valuable remuneration.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The Board has structured a remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company.

The reward framework is designed to align rewards to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focus on sustained growth in shareholder wealth through growth in share price, and delivering constant or increasing return on assets as well as focusing the directors on key non-financial drivers of value; and
- attracting and retains high calibre executives.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Non-executive directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act at the time of the Directors retirement or termination. Non-Executive Directors remuneration may include an incentive portion of bonuses and/or options as considered appropriate by the Board, which may be subject to shareholder approval in accordance with the ASX listing rules.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers the amount of director fees being paid by comparable companies with similar responsibilities and the experience of the non-executive directors when undertaking the annual review process.

The Company determines the maximum amount for remuneration, including thresholds for share-based remuneration, for directors by resolution. Currently, the maximum amount of remuneration allocated to all non-executive directors approved by shareholders is $200,000. Further details regarding components of director and executive remuneration are provided in the notes to the financial statements

Executive remuneration

In determining the level and make up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Company performance, shareholder wealth and director and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The achievement of this aim has been through the issue of options to directors to encourage the alignment of personal and shareholder interests. The recipients of the options are responsible for growing the Company and increasing shareholder value. If they achieve this goal, the value of the options granted to them will also increase. Therefore, the options provide an incentive to the recipients to remain with the Company and to continue to work to enhance the Company's value.

Use of remuneration consultants

The company has not made use of remuneration consultants during the current or prior financial years.

Voting and comments made at the company's 22nd November 2019 Annual General Meeting ('AGM')
At the 22nd November 2019 AGM, 98.59% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits		Share-based payments	
2020	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Termination $	Equity-settled $	Total $
Non-Executive Directors:							
Angelo Siciliano *	18,068	-	-	-	-	-	18,068
Peter Kelliher *	82,902	-	-	-	-	-	82,902
Michael Kennedy	19,710	-	-	-	-	-	19,710
Jamie Myers **	4,563	-	-	-	-	-	4,563
Executive Directors:							
Shannon Green **	13,688	-	-	-	-	-	13,688
	138,931	-	-	-	-	-	138,931

* resigned on 1 June 2020
** appointed 1 June 2020

	Short-term benefits			Post-employment benefits		Share-based payments	
2019	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Termination $	Equity-settled $	Total $
Non-Executive Directors:							
Angelo Siciliano	19,710	-	-	-	-	-	19,710
Peter Kelliher	80,710	-	-	-	-	-	80,710
Michael Kennedy	19,710	-	-	-	-	-	19,710
Martin Janes *	13,388	-	-	-	-	-	13,388
	133,518	-	-	-	-	-	133,518

* resigned on 20 August 2018.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2020	2019	2020	2019	2020	2019
Non-Executive Directors:						
Angelo Siciliano	100%	100%	-	-	-	-
Peter Kelliher	100%	100%	-	-	-	-
Michael Kennedy	100%	100%	-	-	-	-
Martin Janes	-	100%	-	-	-	-
Jamie Myers	100%	-	-	-	-	-
Executive Directors:						
Shannon Green	100%	-	-	-	-	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Shannon Green
Title:	Executive Chairman
Agreement commenced:	1 June 2020
Details:	$150,000 per year plus statutory superannuation

Name:	Jamie Myers
Title:	Non-Executive Director
Agreement commenced:	1 June 2020
Details:	$50,000 per year plus statutory superannuation

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2020.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2020 are summarised below:

	2020 $	2019 $	2018 $	2017 $	2016 $
Profit / (loss) before income tax	(897,898)	(886,510)	(681,942)	(902,924)	(991,176)
Profit/(loss) after income tax	(897,898)	(886,510)	(681,942)	(902,924)	(991,176)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Share price at financial year end ($) *	-	-	0.028	0.070	0.005
Basic earnings per share (cents per share)	(3.266)	(3.225)	(2.481)	(3.361)	(6.498)

* The company was suspended from official quotation at 30 June 2019 and 30 June 2020.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposal / other	Balance at the end of the year
Ordinary shares					
Peter Kelliher *	73,381	-	-	(73,381)	-
	73,381	-	-	(73,381)	-

* held on resignation on 1 June 2020.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of Resource Base Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Resource Base Limited issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of RSM Australia Partners
There are no officers of the company who are former partners of RSM Australia Partners.

Resource Base Limited
Directors' report
30 June 2020

Resource Base Limited
Directors' report
30 June 2020

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Michael Kennedy
Director

30 September 2020

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Resource Base Limited for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Dated: 30 September 2020
Melbourne, Victoria

Resource Base Limited
Contents
30 June 2020

General information

The financial statements cover Resource Base Limited as a consolidated entity consisting of Resource Base Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Resource Base Limited's functional and presentation currency.

Resource Base Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 5, 62 Ord Street
West Perth WA 6005

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2020.

Resource Base Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	Consolidated 2020 $	2019 $
Revenue from continuing operations from continuing operations	5	28,319	139,783
Interest revenue calculated using the effective interest method		8,855	13,007
Expenses			
Administration expenses		(10,387)	(27,783)
Occupancy		(9,780)	(210,546)
Other expenses		(14,032)	(2,124)
Finance costs	6	(315,671)	(188,508)
Loss before income tax expense from continuing operations		(312,696)	(276,171)
Income tax expense	7	-	-
Loss after income tax expense from continuing operations		(312,696)	(276,171)
Loss after income tax expense from discontinued operations	8	(585,202)	(610,339)
Loss after income tax expense for the year attributable to the owners of Resource Base Limited		(897,898)	(886,510)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Resource Base Limited		(897,898)	(886,510)
Total comprehensive loss for the year is attributable to:			
Continuing operations		(312,696)	(276,171)
Discontinued operations		(585,202)	(610,339)
		(897,898)	(886,510)
		Cents	**Cents**
Earnings per share for loss from continuing operations attributable to the owners of Resource Base Limited			
Basic loss per share	31	(1.137)	(1.005)
Diluted loss per share	31	(1.137)	(1.005)
Earnings per share for loss from discontinued operations attributable to the owners of Resource Base Limited			
Basic loss per share	31	(2.129)	(2.220)
Diluted loss per share	31	(2.129)	(2.220)
Earnings per share for loss attributable to the owners of Resource Base Limited			
Basic loss per share	31	(3.266)	(3.225)
Diluted loss per share	31	(3.266)	(3.225)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Resource Base Limited
Statement of financial position
As at 30 June 2020

	Note	Consolidated 2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents		24,265	234,881
Trade and other receivables	9	71,780	34,268
Other assets		3,204	32,774
		99,249	301,923
Non-current assets classified as held for sale	10	1,022,254	-
Total current assets		1,121,503	301,923
Non-current assets			
Plant and equipment		203	2,271
Mining equipment	11	-	369,750
Other assets	12	-	717,514
Total non-current assets		203	1,089,535
Total assets		1,121,706	1,391,458
Liabilities			
Current liabilities			
Trade and other payables	13	598,241	936,638
Borrowings	14	2,630,115	1,962,329
		3,228,356	2,898,967
Liabilities directly associated with assets classified as held for sale	15	572,000	-
Total current liabilities		3,800,356	2,898,967
Non-current liabilities			
Payables	16	210,588	-
Provisions	17	-	500,000
Total non-current liabilities		210,588	500,000
Total liabilities		4,010,944	3,398,967
Net liabilities		(2,889,238)	(2,007,509)
Equity			
Issued capital	18	14,602,953	14,602,953
Reserves	19	46,583	30,414
Accumulated losses		(17,538,774)	(16,640,876)
Total deficiency in equity		(2,889,238)	(2,007,509)

The above statement of financial position should be read in conjunction with the accompanying notes

Resource Base Limited
Statement of changes in equity
For the year ended 30 June 2020

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2018	14,602,953	30,414	(15,754,366)	(1,120,999)
Loss after income tax expense for the year	-	-	(886,510)	(886,510)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(886,510)	(886,510)
Balance at 30 June 2019	14,602,953	30,414	(16,640,876)	(2,007,509)

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2019	14,602,953	30,414	(16,640,876)	(2,007,509)
Loss after income tax expense for the year	-	-	(897,898)	(897,898)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(897,898)	(897,898)
Transactions with owners in their capacity as owners:				
Equity portion of convertible notes	-	16,169	-	16,169
Balance at 30 June 2020	14,602,953	46,583	(17,538,774)	(2,889,238)

The above statement of changes in equity should be read in conjunction with the accompanying notes

Resource Base Limited
Statement of cash flows
For the year ended 30 June 2020

	Note	Consolidated 2020 $	2019 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		11,966	124,187
Payments to suppliers and employees (inclusive of GST)		(673,698)	(752,067)
		(661,732)	(627,880)
Interest received		11,600	13,007
Other revenue		24,526	-
Interest and other finance costs paid		(10,638)	(16,301)
Refund of security deposits		25,628	-
Net cash used in operating activities	30	(610,616)	(631,174)
Cash flows from investing activities			
Payment of deposits for acquisition of non-current assets		-	(65,010)
Net cash used in investing activities		-	(65,010)
Cash flows from financing activities			
Proceeds from borrowings		400,000	900,000
Net cash from financing activities		400,000	900,000
Net increase/(decrease) in cash and cash equivalents		(210,616)	203,816
Cash and cash equivalents at the beginning of the financial year		234,881	31,065
Cash and cash equivalents at the end of the financial year		24,265	234,881

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, and determined that there was no material impact on its financial statements in the current reporting year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases
The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company's only lease expired in July 2019 and for this reason the impact of the adopting this standard was not material.

Going concern
The consolidated financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2020 the consolidated entity incurred a loss of $897,898 and had negative cash flows from operations $610,616. In addition, as at 30 June 2020, the consolidated entity’s current liabilities exceeded its current assets by $2,678,853 and net liabilities of $2,889,238.

The Directors have assessed the consolidated entity’s current financing position and the cashflow forecast for the next 12 months and are of the believe that the adoption of the going concern basis of accounting is appropriate due to the following factors:

- On 18 August 2020, the company announced that entered into a binding exclusive option agreement with Sunshine Reclamation Ltd granting an exclusive option to purchase 100% of the issued shares in the company's 100% owned subsidiary Broula King Joint Venture Pty Ltd. Under the agreement a non-refundable $50,000 option fee was payable, granting a 2 month exclusivity period to undertake all required due diligence. If the option to purchase is exercised a further $750,000 is payable before 30 April 2021;
- Since 30 June 2020, the company has entered into agreements with lenders and creditors whereby current liabilities totalling $3.2m, have been deferred until 30 September 2021;
- In July 2020, the company has had a $65,010 deposit refunded in relation to a land acquisition, which has been used to assist with short term working capital requirement;
- The board is considering a range of options as part of the restructure of the Company including negotiations with parties regarding a suitable project for the company, which will allow the company to access equity capital markets for any additional working capital requirements; and
- The ability of the consolidated entity to scale back certain activities if required.

Note 1. Significant accounting policies (continued)

In the event that the consolidated entity is unsuccessful in the matters set out above, there is material uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise assets and discharge liabilities in the normal course of business and at the amounts shown in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Resource Base Limited ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Resource Base Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 1. Significant accounting policies (continued)

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rent
Rent revenues from sub-leases are recognised on a straight-line basis over the lease term.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 1. Significant accounting policies (continued)

Discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Non-current assets or disposal groups classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 1. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	5 years
Computer equipment	3-5 years

Depreciation of mining equipment is described in the 'Mining assets' accounting policy.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Mining assets
Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest. Mining equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Amortisation of mining development is computed by the units of production basis over the estimated mineral resource. The assets are amortised from the date on which steady state production commences. The amortisation is calculated over the estimated life of the mineral resource, with the estimation reviewed annually.

The mining assets were written down to their estimated residual value at 30 June 2014. A review of the estimated residual value is performed at each reporting period.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Issued capital
Ordinary shares are classified as equity.

Note 1. Significant accounting policies (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of Resource Base Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. Judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Classification of Broula King Joint Venture
During the year the company embarked on a process to dispose of its Broula King assets. On 18 August 2020, the company announced that entered into a binding exclusive option agreement with Sunshine Reclamation Ltd granting an exclusive option to purchase 100% of the issued shares in the company's 100% owned subsidiary Broula King Joint Venture Pty Ltd.

Under the agreement a non-refundable $50,000 option fee was payable, granting a 2 month exclusivity period to undertake all required due diligence. If the option to purchase is exercised a further $750,000 is payable on the below timeline:-

- $150,000 payable within 5 business days of execution date;
- $200,000 paid ad deferred consideration by 30 March 2021; and
- $400,000 paid as deferred consideration by 30 April 2021.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Based on the above, the board have deemed that this disposal was highly probable at 30 June 2020, and has disclosed Broula King's assets and liabilities as current and held for sale and its operations as discontinued. The consideration as described above exceeds the carrying value of the related assets and liabilities at 30 June 2020.

Provision for rehabilitation
A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

During the year the company engaged a consultant to estimate the valuation of the provision and it was increased to $572,000. This provision has been determined to be directly associated with the Broula King subsidiary classified as Non-current asset held for sale (refer to note 15).

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. As at 30 June 2020, deferred tax assets have not been recognised because their realisation, is not deemed probable.

Note 3. Impact of COVID 19 pandemic

During the year ended 30 June 2020, the COVID-19 was declared a pandemic by the World Health Organisation (WHO). The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Since its outbreak, governments have set up measures to contain the pandemic. All states have required entities to limit or suspend business operations, and have also implemented travel restrictions and quarantine measures. Monetary and fiscal stimulus packages have also been introduced by both federal and state governments. The impact which COVID 19 has had on the consolidated entity is set out below.

The consolidated entity's Broula King project was in care and maintenance phase during the entire financial year. This has meant the impact of the COVID 19 pandemic has not been significant. For this reason, the consolidated entity has not been entitled to any of the state or federal governments' COVID stimulus response.

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment, being the exploration and production of gold in Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 5. Revenue from continuing operations

	Consolidated 2020 $	Consolidated 2019 $
From continuing operations		
Revenue from contracts with customers		
Rent	3,793	139,783
Other revenue		
Other revenue	24,526	-
Revenue from continuing operations from continuing operations	28,319	139,783

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2020 $	Consolidated 2019 $
Major product lines		
Rent	3,793	139,783
Geographical regions		
Australia	3,793	139,783
Timing of revenue recognition		
Services transferred over time	3,793	139,783

Note 6. Expenses

	Consolidated 2020 $	Consolidated 2019 $
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Plant and equipment	2,068	5,781
Finance costs		
Interest on amount payable on land acquisition	10,400	13,217
Interest on amounts payable to former directors	21,078	31,690
Interest and facility fees payable on loan from major shareholder	284,193	143,601
Finance costs expensed	315,671	188,508
Leases		
Minimum lease payments	-	186,300
Superannuation expense		
Defined contribution superannuation expense	-	712
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	-	5,000

Note 7. Income tax expense

	Consolidated	
	2020	**2019**
	$	**$**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(312,696)	(276,171)
Loss before income tax expense from discontinued operations	(585,202)	(610,339)
	(897,898)	(886,510)
Tax at the statutory tax rate of 30%	(269,369)	(265,953)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Current year tax losses not recognised	310,668	225,204
Current year temporary and permanent differences not recognised	(41,299)	40,749
Income tax expense	-	-

	Consolidated	
	2020	**2019**
	$	**$**
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	11,853,181	10,817,621
Potential tax benefit @ 30%	3,555,954	3,245,286

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:
i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
ii) the consolidated entity continues to comply with the conditions for deductibility imposed by law; and
iii) no change in tax legislation adversely affects the consolidated entity in realising the benefits from deducting the losses.

Note 8. Discontinued operations

Description
As disclosed in note 2, the operation of the consolidated entity's Broula King project have been disclosed as discontinued.

Note 8. Discontinued operations (continued)

Financial performance information

	Consolidated 2020 $	Consolidated 2019 $
Impairment of mine equipment	-	(42,750)
Administration expenses	(182,164)	(188,157)
Corporate expenses	(274,646)	(279,176)
Care and maintenance expenses	(56,392)	(100,256)
Movement in rehabilitation provision	(72,000)	-
Total expenses	(585,202)	(610,339)
Loss before income tax expense	(585,202)	(610,339)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	(585,202)	(610,339)

Cash flow information

	Consolidated 2020 $	Consolidated 2019 $
Net cash used in operating activities	(240,323)	(291,849)
Net cash from investing activities	-	-
Net cash from financing activities	-	-
Net decrease in cash and cash equivalents from discontinued operations	(240,323)	(291,849)

Note 9. Current assets - trade and other receivables

	Consolidated 2020 $	Consolidated 2019 $
Trade receivables	-	7,794
Other receivables	65,110	-
Interest receivable	-	2,745
GST receivable	6,670	23,729
	71,780	34,268

Note 10. Current assets - non-current assets classified as held for sale

As disclosed in note 2, relating to the consolidated entity's Broula King project have been classified as held for sale.

	Consolidated 2020 $	2019 $
Mine equipment	369,750	-
Deposit on land	140,000	-
Security deposits	512,504	-
	1,022,254	-

Note 11. Non-current assets - mining equipment

	Consolidated 2020 $	2019 $
Developed mine - at cost	-	8,635,806
Less: Accumulated amortisation	-	(4,777,081)
Less: Impairment	-	(3,858,725)
	-	-
Mine equipment - at cost	-	2,030,602
Less: Accumulated depreciation	-	(1,265,602)
Less: Impairment	-	(395,250)
	-	369,750
	-	369,750

Consolidated	Mine equipment $
Balance at 1 July 2018	412,500
Impairment of assets	(42,750)
Balance at 30 June 2019	369,750
Transfer to assets for held for sale	(369,750)
Balance at 30 June 2020	-

During the year the mine equipment has been transferred to assets held for sale at is highly probable that it will be realised via a sales transaction. Refer to note 2 and note 10.

Note 12. Non-current assets - other assets

	Consolidated 2020 $	2019 $
Security deposits	-	512,504
Deposits on land	-	205,010
	-	717,514

Note 12. Non-current assets - other assets (continued)

The company has paid a deposit to secure the right to purchase land adjoining the current Broula King site. Under the contract the company can secure the land by paying a total of $300,000 in instalments over four years. Under the agreement and subsequent extensions the final payment of $160,000 was due for payment on 29 August 2019. However in July 2019, the company entered into an agreement extending this until 29 August 2020. Interest is payable at 6.5% per annum on this amount. This amount has been classified as an asset held for sale at 30 June 2020. Refer to note 2 and note 10.

Security deposits totalling $512,504 relating to Broula King have been classified as an asset held for sale at 30 June 2020. Refer to note 2 and note 10.

In addition the company paid a $65,010 refundable deposit on a separate land acquisition during the 2019 financial year. The board have opted to not pursue this and the amount was repaid in July 2020. This amount has been reclassified as a current receivable at 30 June 2020. Refer to note 9

Note 13. Current liabilities - trade and other payables

	Consolidated	
	2020	**2019**
	$	**$**
Trade payables	454,744	350,074
Payable to directors	116,800	147,825
Payable to former directors	-	289,301
Other payables and accruals	26,697	149,438
	598,241	936,638

Refer to note 21 for further information on financial instruments.

Payable to former directors
In November 2015, Alan Fraser resigned as a director of the company. Under an agreement between him and the company all amounts payable to him are payable in four annual instalments, commencing July 2016. The final payment was made in July 2019.

On 24 October 2018, the company entered into an agreement with former director Martin Janes in relation to unpaid fees totalling $175,170. Under the agreement payment was deferred until 24 October 2019, or within 5 days of the company raising $1,500,000 or more. Interest is payable at 12% per annum. The Company has subsequently negotiated an amendment to the terms of this agreement whereby the balance including interest has been capitalised and rolled into a Convertible Note which is repayable on 31 September 2021.

Note 14. Current liabilities - borrowings

	Consolidated	
	2020	**2019**
	$	**$**
Convertible notes payable	146,956	149,929
Unsecured loan from major shareholder	2,112,710	1,712,701
Accrued interest	370,449	99,699
	2,630,115	1,962,329

Refer to note 21 for further information on financial instruments.

Note 14. Current liabilities - borrowings (continued)

As at 30 June 2020 unsecured loan refers to $2,000,000 drawn down against a facility with a major shareholder (2019: $1,600,000), with additional $270,750 of interest capitalised (2019: 172,701). In addition, interest payable under this facility amounted to $370,449 by year end (2019: $99,699).

The convertible note has an interest rate of 8%, has a conversion price of 4 cents and matures on 24 April 2020. The convertible note has a face value of $164,948 with an amount of $30,414 having been recognised in equity.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2020	2019
	$	$
Total facilities		
Shareholder loan	2,483,159	1,812,400
Used at the reporting date		
Shareholder loan	2,483,159	1,812,400
Unused at the reporting date		
Shareholder loan	-	-

Note 15. Current liabilities - liabilities directly associated with assets classified as held for sale

As disclosed in note 2, liabilities relating to the consolidated entity's Broula King project have been classified as directly associated with assets classified as held for sale.

	Consolidated	
	2020	2019
	$	$
Provision - rehabilitation	572,000	-

Note 16. Non-current liabilities - payables

	Consolidated	
	2020	2019
	$	$
Payable to former director	210,588	-

Refer to note 21 for further information on financial instruments.

On 24 October 2018, the company entered into an agreement with former director Martin Janes in relation to unpaid fees totalling $175,170. Under the agreement payment was deferred until 24 October 2019, or within 5 days of the company raising $1,500,000 or more. Interest is payable at 12% per annum. The Company has subsequently negotiated an amendment to the terms of this agreement whereby the balance including interest has been capitalised and rolled into a Convertible Note which is repayable on 31 September 2021

Note 17. Non-current liabilities - provisions

	Consolidated 2020 $	Consolidated 2019 $
Rehabilitation	-	500,000

Rehabilitation
The provision represents the present value of estimated costs of the remediation work that will be required to comply with the environmental and legal obligations. The mine site is currently in care and maintenance, however in terms of the mining lease no events have occurred that would trigger the rehabilitation process to be implemented. The company does not expect the rehabilitation process to commence in the next 12 to 18 months.

During the year the company engaged a consultant to estimate the valuation of the provision and it was increased to $572,000. This liability relating to the consolidated entity's Broula King project has been classified as directly associated with assets classified as held for sale. Refer to note 2 and note 15.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Rehabilitation
Consolidated - 2020	$
Carrying amount at the start of the year	500,000
Increase in expected rehabilitation costs	72,000
Classified as associated with assets held for sale	(572,000)
Carrying amount at the end of the year	-

Note 18. Equity - issued capital

	Consolidated 2020 Shares	2019 Shares	2020 $	2019 $
Ordinary shares - fully paid	27,491,373	27,491,373	14,602,953	14,602,953

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 18. Equity - issued capital (continued)

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may issue new shares in order to meets its financing requirements.

The consolidated entity is subject to certain financing arrangements and meeting these are given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2019 Annual Report.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Note 19. Equity - reserves

	Consolidated	
	2020	**2019**
	$	**$**
Convertible note reserve	46,583	30,414

Convertible note reserve
The reserve is used to recognise the value of the equity portion of convertible notes.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Convertible note reserve $
Balance at 1 July 2018	30,414
Balance at 30 June 2019	30,414
Movement in convertible notes	16,169
Balance at 30 June 2020	46,583

Note 20. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 21. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Note 21. Financial instruments (continued)

Risk management is carried out by the Board of Directors ('the Board'), which identifies, evaluates and hedges financial risks within the consolidated entity's operating units where considered appropriate.

Market risk

Foreign currency risk
The consolidated entity is not subject to significant levels of foreign exchange risk in relation to its financial instruments.

Price risk
The consolidated entity is not subject to significant levels of price risk in relation to its financial instruments.

Interest rate risk
The consolidated entity is not subject to significant levels of interest rate in relation to its financial instruments.

Credit risk
The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is $608,549, (2019: $804,914). Of this, 536,769 ,(2019: $773,013) is held in bank deposits and are held at financial institutions with a minimum AA credit rating. The consolidated entity does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 21. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	454,744	-	-	-	454,744
Other payables	-	26,697	-	-	-	26,697
Payable to directors	-	143,497	-	-	-	143,497
Interest-bearing - fixed rate						
Unsecured loan from major shareholder	12.00%	2,483,159	-	-	-	2,483,159
Convertible notes payable	8.00%	167,417	-	-	-	167,417
Payable to former directors	12.00%	-	210,588	-	-	210,588
Total non-derivatives		3,275,514	210,588	-	-	3,486,102

Consolidated - 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	350,074	-	-	-	350,074
Other payables	-	149,438	-	-	-	149,438
Payable to directors	-	147,825	-	-	-	147,825
Interest-bearing - fixed rate						
Unsecured loan from major shareholder	12.00%	1,812,400	-	-	-	1,812,400
Convertible notes payable	8.00%	167,147	-	-	-	167,147
Payable to former directors	8.68%	289,301	-	-	-	289,301
Total non-derivatives		2,916,185	-	-	-	2,916,185

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 22. Key management personnel disclosures

Directors
The following persons were directors of Resource Base Limited during the financial year:

Shannon Green (appointed 1 June 2020)
Peter Kelliher (resigned 1 June 2020)
Angelo Siciliano (resigned 1 June 2020)
Michael Kennedy
Jamie Myers (appointed 1 June 2020)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2020 $	2019 $
Short-term employee benefits	138,931	133,518

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company:

	Consolidated 2020 $	2019 $
Audit services - RSM Australia Partners		
Audit or review of the financial statements	31,520	29,120

Note 24. Contingent liabilities

	Consolidated 2020 $	2019 $
Bank guarantees	512,504	538,312

The consolidated entity had no other contingent liabilities at 30 June 2020 and 30 June 2019.

Note 25. Commitments

	Consolidated 2020 $	2019 $
Mining leases		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	52,500	52,500
One to five years	210,000	210,000
	262,500	262,500

Note 25. Commitments (continued)

In order to maintain current rights of tenure to the mining lease the Company is required to outlay rentals and meet minimum expenditure requirements of the State Mines Departments. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not recorded in the financial statements.

The disclosed commitment relates to Mining Lease 1617. The lease has been granted and will expire in March 2029. There is an annual commitment of $52,500 whilst the lease is in force. Whilst the mining operation is now completed, the consolidated entity is exploring other sources of income that can be generated from the assets. This includes the processing of ore from surrounding mining operations in the area. For this reason the consolidated entity intends to meet the lease obligations over the next five years to retain rights to the lease.

Note 26. Related party transactions

Parent entity
Resource Base Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 28.

Key management personnel
Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2020 $	2019 $
Payment for other expenses:		
Finance expenses accrued on loan payable to Asipac Group Pty Ltd (a major shareholder)	284,193	143,601

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2020 $	2019 $
Current payables:		
Fees payable to Gippsland Resource Development Pty Ltd, an entity related to Peter Kelliher	-	101,625
Director fees payable to Aria Accounting Pty Ltd (an entity related to Angelo Siciliano)	-	70,463
Fees payable to Asipac Group Pty Ltd (a major shareholder)	50,739	50,739
Accrued directors fees	116,800	147,825

No interest is payable by the consolidated entity in respect of these balances.

Note 26. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2020 **$**	**2019** **$**
Current borrowings:		
Loan payable to Asipac Group Pty Ltd (a major shareholder)	2,483,159	1,812,400
Convertible note payable to Asipac Group Pty Ltd (a major shareholder)	167,147	167,147

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2020 **$**	**2019** **$**
Profit/(loss) after income tax	(140,517)	1,127,790
Total comprehensive income / (loss)	(140,517)	1,127,790

Statement of financial position

	Parent	
	2020 **$**	**2019** **$**
Total current assets	742,197	275,790
Total assets	742,197	994,805
Total current liabilities	557,080	895,929
Total liabilities	767,668	895,929
Equity		
Issued capital	14,602,952	14,602,952
Convertible note reserve	46,583	30,414
Accumulated losses	(14,675,006)	(14,534,490)
Total equity/(deficiency)	(25,471)	98,876

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019. Bank guarantees disclosed in note 24 are provided by the parent entity.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019, other than those disclosed in note 24 .

Note 27. Parent entity information (continued)

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2020 and 30 June 2019.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	2019 %
Broula King Joint Venture Pty Ltd	Australia	100.00%	100.00%

Note 29. Events after the reporting period

On 18 August 2020, the company announced that entered into a binding exclusive option agreement with Sunshine Reclamation Ltd granting an exclusive option to purchase 100% of the issued shares in the company's 100% owned subsidiary Broula King Joint Venture Pty Ltd.

Under the agreement a non-refundable $50,000 option fee was payable, granting a 2 month exclusivity period to undertake all required due diligence. If the option to purchase is exercised a further $750,000 is payable on the below timeline:-

- $150,000 payable within 5 business days of execution date;
- $200,000 paid ad deferred consideration by 30 March 2021; and
- $400,000 paid as deferred consideration by 30 April 2021.

Since 30 June 2020, the company has entered into agreements with lenders and creditors whereby current liabilities totalling $3.2 Million, have been deferred until 30 September 2021.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 30. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2020 $	Consolidated 2019 $
Loss after income tax expense for the year	(897,898)	(886,510)
Adjustments for:		
Depreciation and amortisation	2,068	5,781
Accrued interest expense	305,033	172,207
Impairment of mine equipment	-	42,750
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	27,498	(17,140)
Decrease/(increase) in other operating assets	29,570	(7,146)
Increase/(decrease) in trade and other payables	(148,887)	85,268
Decrease in employee benefits	-	(26,384)
Increase in other provisions	72,000	-
Net cash used in operating activities	(610,616)	(631,174)

Note 31. Earnings per share

	Consolidated 2020 $	Consolidated 2019 $
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Resource Base Limited	(312,696)	(276,171)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	27,491,373	27,491,373
Weighted average number of ordinary shares used in calculating diluted earnings per share	27,491,373	27,491,373
	Cents	**Cents**
Basic loss per share	(1.137)	(1.005)
Diluted loss per share	(1.137)	(1.005)

	Consolidated 2020 $	Consolidated 2019 $
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of Resource Base Limited	(585,202)	(610,339)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	27,491,373	27,491,373
Weighted average number of ordinary shares used in calculating diluted earnings per share	27,491,373	27,491,373

Note 31. Earnings per share (continued)

	Cents	Cents
Basic loss per share	(2.129)	(2.220)
Diluted loss per share	(2.129)	(2.220)

	Consolidated	
	2020 $	2019 $
Earnings per share for loss		
Loss after income tax attributable to the owners of Resource Base Limited	(897,898)	(886,510)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	27,491,373	27,491,373
Weighted average number of ordinary shares used in calculating diluted earnings per share	27,491,373	27,491,373

	Cents	Cents
Basic loss per share	(3.266)	(3.225)
Diluted loss per share	(3.266)	(3.225)

Resource Base Limited
Directors' declaration
30 June 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Michael Kennedy
Director

30 September 2020

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
To the Members of Resource Base Limited

Opinion

We have audited the financial report of Resource Base Limited (the Company) and its controlled entities (the consolidated entity), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the consolidated entity is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of* the *Financial Report* section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a loss of $897,898 and reported negative operating cash flows of $610,616 during the year ended 30 June 2020 and, as of that date, the consolidated entity's current liabilities exceeded its current assets by $2,678,853. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Classification of mining equipment and mining deposits as Non-current Asset Held for Sale Refer to Note 8 in the financial statements	
The consolidated entity classified mining equipment valued at $369,750, security deposits amounting to $512,504 and land deposits of $140,000 as Non-current assets held for sale in the financial statements. The classification of assets to non-current assets held for sale requires specific conditions in AASB5 *Non-current Assets Held for Sale and Discontinued Operations* to be met and involves a degree of judgement on the part of management. We considered the classification and disclosure of these assets as a key audit matter.	Our audit procedures in relation to the classification and disclosure of non-current assets held for sale included: • Gathering an understanding of management and directors’ plans to dispose these assets before 30 June 2020; • Reviewing the binding exclusive offer agreement which was executed in August 2020; • Critically assessing and evaluating management’s assessment of the classification, including reviewing the reasonableness of facts and circumstances at year end which resulted in the classification in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*; and • Reviewing the appropriateness and adequacy of disclosures made in the financial statements.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2020; but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the consolidated entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance; but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Resource Base Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Dated: 30 September 2020
Melbourne, Victoria

Resource Base Limited
ASX additional Information
30 June 2020

Addition Securities Exchange Information.

Additional information required by ASX Listing Rules and not shown elsewhere in the report is set out below. The information is current as of 7 September 2020.

1. CORPORATE GOVERNANCE

The Company's Corporate Governance Statement for the 2020 financial year can be accessed at:

https://www.resourcebase.com.au/about/corporate-governance/

2. SUBSTANTIAL SHAREHOLDERS

The number of shares held by substantial shareholders and their associates who have provided the Company with substantial shareholder notices are set out below:

Name of substantial shareholder	Number of shares	Percentage (%)
ASIPAC GROUP PTY LTD[1]	12,078,702[4]	43.94
MAYBURYS PTY LTD ATF CARMICH SUPER FUND[2]	2,093,615[4]	7.62
MR ER XU[3]	1,666,667[4]	6.06

1. See ASX Announcement on 6 May 2016.
2. See ASX Announcement on 2 August 2016.
3. See ASX Announcement on 6 May 2016.
4. See ASX Announcement 2 May 2017 reflecting consolidation.

3. VOTING RIGHTS

The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities on issue.

4. NON-MARKETABLE PARCELS

As at 7 September 2020, based on the Company's closing share price of $0.034 when suspended on 19 November 2018, an unmarketable parcel comprised 14,706 fully paid ordinary shares. There were 374 holders holding less than a marketable parcel of shares, for a total of 1,227,800 fully paid ordinary shares.

5. DISTRIBUTION OF ORDINARY SHARES

The number of shareholders, by size of holding, are:

Fully paid ordinary shares Range	Number of holders	Number of shares
1 - 1,000	146	83,302
1,001 - 5,000	149	390,104
5,001 - 10,000	46	345,522
10,001 - 100,000	95	2,971,399
100,001 and over	23	23,701,046
Total	**459**	**27,491,373**

6. TWENTY LARGEST SHAREHOLDERS

The twenty largest holders of ordinary fully paid shares at 7 September 2020 are set out below:

Name	Number of ordinary shares held	% of issued shares
1. ASIPAC GROUP PTY LTD <CARMICH SUPER FUND A/C>	12,078,702	43.94
2. MAYBURYS PTY LTD	2,093,615	7.62
3. ER XU	1,666,667	6.06
4. GOVINDA FREEDOM FUND PTY LTD <SUPER GOVINDA A/C>	1,500,000	5.46
5. MR ALAN ROBERT FRASER	1,126,286	4.10
6. EST CLARKE BARNETT DUDLEY	853,334	3.10
7. NORTHERN STAR NOMINEES PTY LTD	693,334	2.52
8. MR BINYOMIN LEVI SAPPER <BEN SAPPER A/C>	675,967	2.46
9. MR YONG YANG	468,908	1.71
10. EGRET SUPERANNUATION PTY LTD	461,700	1.68
11. VISION TECH NOMINEES PTY LTD	298,784	1.09
12. MRS KATHLEEN MARY PULS	266,667	0.97
13. MR KOSTA JARIC	201,012	0.73
14. UNITED STRUCTURES PTY LTD	179,034	0.65
15. NUENERGY GAS LIMITED	165,800	0.60
16. NAILBRIDGE PTY LTD ATF THE ALAN FRASER FAMILY TRUST	142,858	0.52
17. CONSOLIDATED GLOBAL SECURITIES LTD	133,334	0.49
18. MARTIN PLACE SECURITIES STAFF SUPERANNUATION FUND PTY LTD	129,630	0.47
19. MR JOHN HARVEY BISHOP	119,500	0.43
20. MR GLENN THOMAS CONNOR & MRS ANNETTE MARGARET CONNOR <CONNOR SUPER FUND A/C>	118,823	0.43
TOTAL	**23,373,955**	**85.02**

7. RESTRICTED SECURITIES

The Company has no restricted securities on issue.

8. ON-MARKET BUY-BACK

There is no current on-market buy-back.

9. SECURITIES EXCHANGE QUOTATION

The Company's ordinary shares are listed on the Australian Securities Exchange (Code: RBX). The Home Exchange is Perth. Th
Company's shares have been suspended from trading from 19 November 2018.

10. MINING TENEMENT INTERESTS

Current interests in tenements held by RBX and its subsidiaries at 7 September 2020 are listed below:

Location	Tenement	Interest
NSW	ML - 1617	100 %
NSW	EL - 8509	100%