RESOURCE BASE LIMITED
ABN 57 113 385 425

Annual Financial Report
for the Financial Year ended 30 June 2009

RESOURCE BASE LIMITED
ABN 57 113 385 425

CORPORATE DIRECTORY

Board of Directors
Alan Fraser (Managing Director and Chairman)
Peter Kelliher (Executive Director)
Glen Connor (Non-Executive Director)

Company Secretary
Adrien Wing

Registered Office
Level 17, 500 Collins Street
MELBOURNE VIC 3000
Web: www.resourcebase.com.au

Place of Business
Level 17, 500 Collins Street
MELBOURNE VIC 3000

Auditor
Melanie Leydin
Leydin Freyer Audit Pty Ltd
Suite 304, 22 St Kilda Road
ST KILDA VIC 3182

Share Registry
Link Market Services
Level 4, 333 Collins Street
MELBOURNE VIC 3000
Telephone: (03) 9615 9800

Stock Exchange Listing
Home Exchange is Adelaide
ASX Code Shares: RBX

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REVIEW OF OPERATIONS

1. Company Overview

Although a challenging year, the Company has continued to develop its gold mining asset and look for opportunities in other projects to establish itself as a junior gold producer.

Subsequent to the end of the financial year, the Company placed 8,000,000 ordinary fully paid shares to clients of Martin Place Securities Limited at an issue price of 5 cents per share (with free 1:2 attaching option. The option is subject to shareholder approval at the forthcoming Annual General Meeting), raising $400,000 before associated costs.

In addition, the company is currently working towards preparing documentation for a non renounceable rights issue whereby shareholders will be offered the opportunity to apply for three new shares for every seven shares held, at an issue price of 5 cents ($0.05) per share applied for. Each two new shares will come with one free attaching option exercisable at 5 cents on or before 30 November 2011. It has been agreed by a Sydney based investment broking house to underwrite a minimum of 50% the offer. Discussions are underway with other third parties to fully underwrite the offer. Upon full subscription of the offer, the Company will raise $1,492,857 before associated costs. This funding will enable the Company to pursue its objectives including completing the Broula King project and provides additional working capital.

During the year the Company continued with the development of the Broula King project. Most equipment is now purchased and is onsite or ready to be transported to site. Foundations and concrete work for the equipment is well advanced. Clearing of vegetation from the tailing storage facility and open pit area is almost complete with the vegetation removed and stock piled for future use for rehabilitation.

Engineering design for pre-mining development and early scheduling of mining and processing is well advanced.

The water supply pipeline from the completed water bore field to the production site is progressing. Bore pump installation and electrical supply has been completed.

Environmental monitoring is continuing to provide background data for the project.

In terms of new opportunities, many exploration programs throughout Australia have been stopped or significantly wound down in recent times. There is though a number of projects somewhat closer to production becoming available. The Company has been approached by a number of third parties in this regard. The Company will continue to monitor this position.

SCHEDULE OF MINING TENEMENTS AS AT 30 JUNE 2009

Locality	**Tenement**	**Equity**
Bumbaldry, NSW. (Broula King)	Mining Lease 1617 (granted) (Expires 31 March 2029 – $52,500 expenditure pa.)	100%

DIRECTORS' REPORT

The Directors of Resource Base Limited submit herewith the annual financial report of the Company for the financial year ended 30 June 2009. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated

Name	Particulars
Alan R Fraser	**Managing Director and Chairman**
Experience	Mr Fraser has 30 years of experience in Australian and overseas on green fields mineral exploration, mine project management and mine construction. He has managed gold exploration projects through the stages of tenement acquisition, joint venture negotiation, obtaining regulatory approvals and the management of field exploration programs including assessing volumes and tonnage for tailings dumps and mullock heaps, at times in remote locations. He has been a Director of NuEnergy Capital Limited an ASX listed company since 1992. During his period as a director of NuEnergy Capital, the Heathcote Gold Mine operation in Victoria, in which NuEnergy Capital was a joint venture partner, was progressed through the regulatory approval, plant procurement, plant construction, commissioning stages and production. Since production ceased, the rehabilitation of the mine site has been managed by Mr Fraser. The Heathcote Mine produced in excess of 35,000 ounces of gold over its 3 year life.
Directorships in listed entities	NuEnergy Capital Limited (ASX prefix: NGY)
Relevant interests in shares and options	3,980,500 shares Nil Options
Peter E Kelliher	**B.Sc (Hons), Grad Dip GeoSc, MAusIMM, MSME** **Executive Director**
Experience	Mr Kelliher has 30 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.
Directorships in listed entities	Nil
Relevant interests in shares and options	100,000 shares Nil options

DIRECTORS' REPORT (Continued)

Glenn T Connor	**Ass. Dip Bus Stud - Accounting** **Non Executive Director**
Experience	Mr Glenn Connor has been involved in the accounting and finance industry for 18 years. Mr Connor owns and manages an accounting practice in the Western Region of Victoria. Mr Connor is a member of the National Tax and Accountants Association and is a Registered Tax Agent. He began his professional career over 18 years ago with the establishment of his Public Accounting and Taxation business. His experiences cover most aspects of taxation associated with individual and small to medium enterprises. While still practicing accounting, Mr Connor worked with Westpac Bank as a Financial Advisor to clients in 1997 and 1998.
Directorships in listed entities	Nil
Relevant interests in shares and options	1,816,447 shares Nil options
A Peter Armitage	**FCA, FAICD** **Non-Executive Chairman – Resigned 19 December 2008**
Experience	Peter Armitage is a Fellow of the Institute of Chartered Accountants. He began his professional career over 35 years ago with an international accounting firm, specialising in start-ups and work-outs. After qualification he was invited into partnership of a national firm that he maintained until he set up his own practice in 1978, of which he remains principal. Since the mid '70's, Mr Armitage has been involved with the mining, oil and gas sectors becoming a director of a number of listed public companies in both Australia and New Zealand concentrating on fiscal aspects of project modelling and procurement of capital. Mr Armitage has also been involved in various consulting assignments in Peoples Republic of China, Canada, USA, Hong Kong and UK for Fortune 500 companies.
Geoffrey R Turner	**B.Sc(Hons), M.Sc(Min & Expl Geol), MAIG, RPGeo, MSEG** **Non Executive Director – Resigned 6 January 2009**
Experience	Geoff Turner is a Registered Professional Geologist with the Australian Institute of Geoscientists. He has served as a Councillor to that Institute since 2002 and has served on the Recognised Overseas Professional Organisations (ROPO) Taskforce, being a sub-committee of the Joint Ore Reserves Committee (JORC), which assesses and makes recommendations on the suitability of overseas professional organisations to be recognised by the ASX. His academic qualifications included a B.Sc(Hons) from the University of Adelaide, a M.Sc (Mining & Exploration Geology) from James Cook University of Nth Qld, and a Grad. Certificate in Ecology & Groundwater Studies from University of Technology, Sydney. He has over 30 years experience in mineral exploration during which time he held senior exploration management positions in West Australia and Victoria, principally in gold exploration, and operated his own exploration management company, Exploration Management Services Pty Ltd. His experience includes regional assessment to identify potential mineralisation models, the development and management of exploration programs to confirm mineralisation hypothesis and the establishment and management of programs to define and test exploration targets. Recent exploration program successes under Geoff's direction include the discovery of gold-copper mineralisation in Jamieson district of eastern Victoria and the more recent discovery of gold mineralisation under more than 70 meters of cover in north-central Victoria for Gold Fields Australasia. Geoff is also experienced in mineral resource estimation in a wide variety of gold deposit styles.

DIRECTORS' REPORT (Continued)

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Information about the remuneration of directors and senior management is set out in the remuneration report of this directors' report on pages 7 to 10.

SHARE OPTIONS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT

No share options were granted to Directors and executives or their nominees by Resource Base Limited during and since the end of the financial year.

Share options on issue at year end or exercised during the year:

Details of unissued ordinary shares of the Company under option at the date of this report are as follows:

Item	Number of Shares under option	Exercise Price of options	Expiry Date of Options
Unlisted Options	2,000,000	20 cents	30 June 2013

The holder of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the company.

During the year and up to the date of this report no options were issued, and no options were exercised. At 30 June 2009 2,000,000 options were on issue. Refer to Note 29 to the financial statements for details of options granted.

COMPANY SECRETARY

Adrien M Wing **B. Bus, CPA**

Mr Wing is a Certified Practising Accountant and specialises in the public company environment. He practised in the audit and corporate divisions of a chartered accounting firm before providing corporate/accounting consultant and company secretary services to public companies.

PRINCIPAL ACTIVITIES

The principal activities of the economic entity during the year were gold production and mineral exploration.

There were no significant changes in the nature of these activities during the year except for:

- The Company raised $460,000 pursuant to a rights issue by issuing 7,666,666 shares at 0.06cents per share;
- The Company impaired $770,000 of Promissory Notes
- The Company reclassified BBX dollars of $661,500 from cash and cash equivalents to Other Current Assets; and
- The Company relinquished leases regarding the Swifts Creek and Bethanga projects

DIRECTORS' REPORT (Continued)

OPERATING RESULTS

The Group's consolidated net loss for the year after applicable income tax was $1,447,987. (2008: loss $1,095,612).

REVIEW OF OPERATIONS

The Company's Review of Operations is this Directors' Report on page 2.

REVIEW OF FINANCIAL CONDITION

The net assets of the consolidated entity have decreased by $1,012,395 to $5,398,525 as at 30 June 2009. The major movements were due to expenditure of general operational payment and impairment of Promissory Notes.

The consolidated entity's working capital, being current assets less current liabilities was $378,854 in 2009 compared with $2,005,623 in 2008.

As a result of the above together with the events occurring after balance date, the Directors believe the Company is in a stable position to expand and grow its current operations.

FUTURE DEVELOPMENTS

Disclosure of further information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to consolidated entity. Accordingly, this information has not been disclosed in this report.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not been any matter or circumstance, other than that referred to in Note 28, that has arisen since the end of the financial year, that has significantly affected or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

DIVIDENDS

No dividend has been declared or paid during the financial year and the Directors do not recommend the payment of any dividend in respect of the current or preceding financial years.

ENVIRONMENTAL REGULATIONS

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 have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2009.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court under Section 327 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any proceedings during the year.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director. During the financial year, seven (7) board meetings were held. There is no separate audit, remuneration or nomination committee. In addition there were five (5) circular resolutions.

DIRECTORS' REPORT (Continued)

DIRECTORS	BOARD OF DIRECTORS HELD	BOARD OF DIRECTORS ATTENDED
Mr AP Armitage^	4	4
Mr AF Fraser	7	7
Mr PK Kelliher	7	7
Mr G Turner*	4	4
Mr G Connor	7	7

^ Resigned 19 December 2008
*Resigned 6 January 2009

INDEMNIFICATION OF OFFICERS AND AUDITORS

The company has not, during or since the end of the financial year in respect to any person who is or has been an officer or auditor of the Company or related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the cost or expenses to defend legal proceedings.

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services, during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standards of independence for auditors imposed by the *Corporations Act 2001*.

There were no non-audit services provided by the Company's auditor during the year to 30 June 2009.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration under s.307C of the *Corporation Act 2001* in relation to the audit of the full year is included on page 11.

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 regulation2M.6.04. For the purposes of this report, the term "executive" encompasses all directors of the Company.

The names and positions of each person who held the position of director or "executive" at any time during the financial year is provided below or is regarded as:

EXECUTIVES	POSITION
Mr Alan Fraser	Executive Director
Mr Peter Kelliher	Executive Director
Mr Glenn Connor	Non executive Director
Mr A Peter Armitage	Non executive Director and Chairman (resigned 19 December 2008)
Mr Geoff Turner	Non executive Director (resigned 6 January 2009)
Mr Adrien Wing	Company secretary

Remuneration Policy

The board policy for determining the nature and amount of remuneration of directors and executives is agreed by the board of directors as a whole. The board obtains professional advice where necessary to ensure that the company attracts and retains talented and motivated directors and employees who can enhance company performance through their contributions and leadership.

DIRECTORS' REPORT (Continued)

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.

Executive Director 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 salary 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.

Non-Executive Director 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 consisting 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 that approved by shareholders is $200,000. Further details regarding components of director and executive remuneration are provided in the notes to the financial statements.

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.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Continued)

Details of Remuneration for Year Ended 30 June 2009

Name of Directors & Executives	Short term employee benefits			Post employment benefits	Share-based payment			
	Salary $	Consulting $	Non-monetary benefits $	Super-annuation $	Options $	Shares $	Total $	Equity as % of annual remuneration
Directors								
Mr Alan Fraser	100,000	-	-	9,000	-	-	109,000	-
Mr Peter Kelliher	-	-	-	-	-	-	-	-
Mr Glenn Connor	18,000	-	-	1,620	-	-	19,620	-
Mr A Peter Armitage	-	12,000	-	-	-	-	12,000	-
Mr Geoff Turner	9,000	-	-	810	-	-	9,810	-
Company Secretary								
Mr Adrien Wing	-	60,000	-	-	-	-	60,000	-
Total Remuneration:	127,000	72,000	-	11,430	-	-	210,430	-

Shares Issued as Part of Remuneration for the Year Ended 30 June 2009

There were no shares issued as remuneration during the year ended 30 June 2009.

Options Issued as Part of Remuneration for the Year Ended 30 June 2009

There were no options issued as remuneration during the year ended 30 June 2009.

Details of Remuneration for Year Ended 30 June 2008

Name of Directors & Executives	Short term employee benefits			Post employment benefits	Share-based payment			
	Salary $	Consulting $	Non-monetary benefits $	Super-annuation $	Options $	Shares $	Total $	Equity as % of annual remuneration
Directors								
Mr Alan Fraser	58,333	-	-	5,250	-	-	63,583	-
Mr Peter Kelliher	-	21,782	-	-	-	-	21,782	-
Mr Glenn Connor	10,500	-	-	945	-	-	11,445	-
Mr A Peter Armitage	-	15,260	-	-	-	-	15,260	-
Mr Geoff Turner	10,500	4,925	-	945	-	-	16,370	-
Company Secretary								
Mr Adrien Wing	-	25,000	-	-	-	-	25,000	-
Total Remuneration:	79,333	66,967	-	7,140	-	-	153,440	-

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Continued)

Shares Issued as Part of Remuneration for the Year Ended 30 June 2008

There were no shares issued as remuneration during the year ended 30 June 2008.

Options Issued as Part of Remuneration for the Year Ended 30 June 2008

There were no options issued as remuneration during the year ended 30 June 2008.

Employment contracts

Alan Robert Fraser
The Company has entered into an employment agreement with Mr Fraser, the Company's Managing Director.

The agreement provides for an initial 12 month term commencing upon the listing of the Company on ASX with automatic 12 month renewal unless otherwise terminated.

Upon listing of the Company on ASX, Mr Fraser receives remuneration at the rate of $100,000 per annum plus statutory superannuation.

- The Company may terminate the agreement by providing 30 days written notice. The Company must pay an amount equal to the lessor of the full amount of fees for the balance of the term; or 12 months fees at the rate set out in the agreement.
- The Company may terminate the agreement at any time without notice if serious misconduct has occurred. Where termination with cause occurs Mr Fraser is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.

Peter Edmund Kelliher
The Company previously entered into an employment agreement with Mr Kelliher, the Company's Executive Director.

The agreement provides for an initial 12 month term commencing upon the listing of the Company on ASX.

Upon listing of the Company on ASX, Mr Kelliher was to receive remuneration at the rate of $120,000 per annum plus statutory superannuation.

- The Company may terminate the agreement by providing 30 days written notice. The Company must pay an amount equal to the lessor of the full amount of fees for the balance of the term; or 12 months fees at the rate set out in the agreement.
- The Company may terminate the agreement at any time without notice if serious misconduct has occurred. Where termination with cause occurs Mr Kelliher is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.

Although Mr Kelliher's employment contract was to commence from the date that the Company listed on ASX, it has been agreed between the Company and Mr Kelliher that the employment agreement will not accrue any costs until a time to be agreed upon by both parties in the future.

Signed in accordance with a resolution of the Directors made pursuant to *s.298(2)* of the *Corporations Act 2001.*

On behalf of the Directors

Alan Fraser
Director

MELBOURNE, 30 September 2009

LeydinFreyer
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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the Directors of Resource Base Limited:

I declare that to the best of my knowledge and belief, in relation to the Independent Audit for the period ending 30 June 2009, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MELANIE J LEYDIN
Registered Company Auditor
Registration: 212298

30 September 2009

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") of Resource Base Limited ("the Company") supports the establishment and ongoing development of good corporate governance policies, that are compatible with the Company's size and which ensure an appropriate level of accountability to shareholders and other stakeholders.

A description of the Company's main corporate governance practices is set out below. It is also accessible at the Company's website – www.resourcebase.com.au under the "Corporate" tag which has a sub heading for corporate governance. In August 2007, the ASX issued a revised set of corporate governance principles and recommendations intended to take effect from 1 January 2008. Resource Base has elected to adopt these recommendations early for the purposes of reporting in the current period.

The recommendations are not prescriptions and are intended as guidelines only. The Board has sought to apply the revised recommendations to the extent relevant to the Company's size and scale of operations.

Recommendation 1.1: Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

The Company's activities are currently not of a sufficient size nor are its affairs of such complexity to justify the employment of full-time management personnel. Accordingly most of the functions of management are undertaken by consultants under the supervision of the Chairman/Managing Director who is responsible for management activities under delegated authority of the Board. The functions specifically reserved for the full Board are as follows:

a) Setting and monitoring of objectives, goals and strategic direction with a view to maximising shareholder value, consistent with ethical behaviour and acceptable risk parameters;
b) Approving budgets and monitoring financial performance;
c) Identifying significant business risks and ensuring that these are appropriately managed;
d) Approval of any significant asset acquisitions or disposals; and
e) Selection and appointment of new Directors.

Recommendation 1.2: Disclose the process for evaluating the performance of senior executives.

The performance of all Directors, and senior executives is reviewed at least annually. The Board evaluates the performance of the Directors and any other senior executives having regard to such things as:

a) The responsibilities of the executive;
b) Performance against budget;
c) Any communicated key performance indicators; and
d) Qualitative as well as quantitative measures.

No Director or senior executive is involved with his or her own evaluation, and the remainder of the Board evaluates such parties without such parties being present.

Recommendation 2.1: A majority of the Board should be independent Directors.

The Company does not currently have a majority of non-executive independent Directors.

Due to the Company's size and its specialised operations, the Board considers that a majority of independent Directors is not currently warranted. As the Company's activities expand, this policy will be reviewed, with a view to aligning the Company's policies to conformity with this recommendation. The Board recognises that Directors remain in office for the benefit of and are accountable to shareholders and that shareholders have the voting power to elect members to the Board regardless of their standing, independent or otherwise.

The effectiveness of the Board is achieved through the Directors' knowledge and experience specific to the business and the industry in which the Company operates. Any Director may seek their own independent advice at the Company's expense to assist them in the performance of their duties to the Company and the shareholders.

CORPORATE GOVERNANCE STATEMENT (Continued)

Recommendation 2.2: The Chairperson should be an independent director.

Mr Alan Fraser, the Chairman, is not an independent Director. Whilst the Board recognises that it is desirable for the Chairman to be an independent director, the Company's current early stage of development and size dictate that this is the most efficient mode of operation at the current time. The Board will review the appointment of an independent Chairperson should the Company's size and growth warrant this.

Recommendation 2.3: The roles of chair and Chief Executive Officer should not be exercised by the same individual.

As noted, Mr Alan Fraser is the Chairman and Managing Director of the Company. For similar reasons expressed in relation to recommendation 2.2, the existing arrangement is the most efficient mode of operation at the current time for the Company's early stage of development and size. The Board will review the appointment of a separate Chairperson should the Company's size and growth warrant this.

Recommendation 2.4: The Board should establish a nomination committee.

The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors and the identification of attributes required in new Directors. The Board as a whole also reviews Board succession plans, appointment and re-election of Directors and the process for evaluation of the performance of the Board, its Members and Senior Executives (as outlined under recommendation 1.2). Where appropriate, independent consultants will be engaged to identify possible new candidates for the Board.

Should the Company's activities increase in size, scope and nature, the appointment of a nomination committee will be reviewed by the Board and implemented if appropriate.

Recommendation 2.5: Disclose the process for evaluating the performance of the board, its committees and individual directors.

See the comments under recommendation 1.2 above.

Recommendation 3.1: Establish a code of conduct and disclose the code or a summary of the code as to:

- **the practises necessary to maintain confidence in the Company's integrity;**
- **the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders;**
- **the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.**

The Company has adopted a Corporate Code of Conduct and a Code of Conduct for executives. The Board is arranging for set up and usage of its website for communication with shareholders and will arrange for the Code(s) to be made available, as encouraged by the 2nd Edition Principles.

Recommendation 3.2: Establish a policy concerning trading in Company securities by Directors, senior executives and employees, and disclose the policy or a summary of that policy.

The Company has adopted a Trading Policy. The Board is arranging for set up and usage of its website for communication with shareholders and will arrange for the Trading Policy to be made available, as encouraged by the 2nd Edition Principles.

Recommendation 4.1: The Board should establish an audit committee.

During the 2008/2009 year the Company had an established audit committee. However, this was comprised of mainly executives and non independent Directors as insufficient numbers of independent directors existed to staff the committee otherwise. The members of the audit committee were Peter Kelliher, A Peter Armitage, Geoff Turner and Glenn Connor. Details of their experience and qualifications are contained earlier in the annual report.

CORPORATE GOVERNANCE STATEMENT (Continued)

Following the resignation of A Peter Armitage and Geoff Turner, in December 2008 and January 2009 respectively, it was decided to abandon the audit committee, and instead have these functions performed by the whole Board. This was considered appropriate as the previous audit committee excluded the Chairman, who along with the CFO is obliged to sign off on the accounts and procedures. All items that would normally be dealt with by an audit committee are dealt with at Board meetings. Such matters include:

a) Establishment and review of internal control frameworks within the Company;
b) Review of the financial statements, annual report and any other financial information distributed to shareholders or other external stakeholders;
c) Review of audit reports and any correspondence from auditors, including comments on the Company's internal controls;
d) Nomination of the external auditor and reviewing the adequacy of the scope and quality of the annual audit and half year review; and
e) Monitoring compliance with the Corporations Act, ASX listing Rules and any other regulatory requirements.

Recommendation 4.2: The audit committee should be structured so that it consists only of non-executive Directors;
- **consists of a majority of independent Directors;**
- **is chaired by an independent Chairperson, who is not Chairperson of the Board;**
- **has at least three members**

See comments under recommendation 4.1 above.

Recommendation 4.3: The audit committee should have a formal charter.

See comments under recommendation 4.1 above

Recommendation 5.1: Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Company has adopted a continuous disclosure policy that requires all Directors, Officers and executives to inform the Chairman, or in his absence the Company Secretary, of any potentially material information as soon as practicable after they become aware of that information. The Company does not currently have a formal written policy in place, but instead relies on the extensive experience of the Board and senior management to ensure ongoing compliance.

Recommendation 6.1: Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.

The Company has a policy for effective communication with shareholders. The Board is arranging for set up and usage of its website for communication with shareholders and will arrange for the communication policy to be made available, as encouraged by the 2nd Edition Principles.

Recommendation 7.1: Establish policies for the oversight and management of material business risk and disclose a summary of those policies.

The Company has established a policy for the oversight and management of material business risks. The Board is arranging for set up and usage of its website for communication with shareholders and will arrange for the risk policy to be made available, as encouraged by the 2nd Edition Principles.

Recommendation 7.2: The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

CORPORATE GOVERNANCE STATEMENT (Continued)

Management has not formally reported to the Board as to the effectiveness of the company's management of its material business risks .All business risks are the responsibility of the Board, and the Board believes the risk management and internal control systems designed and implemented by the Directors and the Chief Financial Officer are adequate given the size and nature of the Company's activities. The Board requests management to report informally on risk management and internal control, and to highlight any additional risks that may have been identified, as well as reporting on matters that may have arisen from the Company's internal control procedures. The Company intends to develop the risk reporting framework into a detailed policy as its operations continue to grow.

Recommendation 7.3: The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board receives such assurances prior to the release of the Company's full year and half year accounts.

Recommendation 8.1: The Board should establish a remuneration committee.

The Board considers that, based on the Company's stage of development, no benefits or efficiencies are to be gained by delegating this function to a separate committee. The process for evaluating both executives and directors remuneration is explained under recommendation 1.2 above. There are no schemes for retirement benefits, other than superannuation for non executive directors.

Recommendation 8.2: Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors.

The structure of Executive and Non-Executive Directors' remuneration is detailed in the remuneration report, which forms part of the Directors' report in the annual report.

RESOURCE BASE LIMITED
ABN 57 113 385 425

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

		CONSOLIDATED GROUP		PARENT ENTITY	
	Note	**2009** $	2008 $	**2009** $	2008 $
Revenue	2	**139,032**	136,994	**139,032**	136,994
Other Income	2	**26,209**	-	**-**	-
Finance Costs		**(33,159)**	-	**(118)**	-
Administration Expenses		**(167,608)**	(145,387)	**(151,509)**	(130,386)
Corporate Expenses		**(103,310)**	(42,749)	**(102,277)**	(46,197)
Depreciation Expense		**(114,332)**	(39,340)	**-**	-
Employee Benefits Expense		**(314,042)**	(256,306)	**(255,625)**	(224,665)
Write-off of Exploration Assets		**(66,078)**	-	**-**	-
Provision for Non-recovery of Subsidiary Loan	8	**-**	-	**(652,307)**	-
Provision for Restoration	3	**-**	(500,000)	**-**	-
Share Based Payments		**-**	(248,824)	**-**	(248,824)
Write-off Fixed Assets	3	**(38,900)**	-	**(38,900)**	-
Provision for Non-recovery of Promissory Notes	3	**(770,000)**	-	**(770,000)**	-
Other Expenses		**(5,799)**	-	**(1,648)**	-
Loss Before Income Tax Expense		**(1,447,987)**	(1,095,612)	**(1,833,352)**	(513,078)
Income Tax Expense	4	**-**	-	**-**	-
Loss for the Year		**(1,447,987)**	(1,095,612)	**(1,833,352)**	(513,078)
Net (Loss)/Profit Attributable to Members of Resource Base Limited		**(1,447,987)**	(1,095,612)	**(1,833,352)**	(513,078)
Loss Per Share From Continuing Operations					
Basic (Loss) Per Share (cents per share)	26	**(2.6)**	(2.80)		
Diluted (Loss) Per Share (cents per share)	26	**(2.6)**	(2.80)		
Dividends Per Share (cents per share)		-	-		

This statement is to be read in conjunction with the notes to the finanical statements

RESOURCE BASE LIMITED
ABN 57 113 385 425

BALANCE SHEETS
AS AT 30 JUNE 2009

	Note	CONSOLIDATED GROUP 2009 $	CONSOLIDATED GROUP 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Current Assets					
Cash and Cash Equivalents	7	**39,523**	2,201,956	**33,099**	2,147,323
Trade and Other Receivables	8	**65,122**	175,880	**44,300**	15,336
Other Current Assets	9	**787,653**	50,000	**657,653**	-
Total Current Assets		**892,298**	2,427,836	**735,052**	2,162,659
Non-Current Assets					
Plant and Equipment	10	**1,389,800**	1,413,656	**6,685**	38,900
Trade and Other Receivables	8	**-**	-	**4,541,064**	4,290,570
Exploration and Evaluation Assets	11	**3,830,275**	3,269,917	**-**	-
Financial Assets	12	**-**	-	**1**	1
Other Non-current Assets	13	**527,240**	491,000	**527,240**	491,000
Total Non-current Assets		**5,747,315**	5,174,573	**5,074,990**	4,820,471
Total Assets		**6,639,613**	7,602,409	**5,810,042**	6,983,130
Current Liabilities					
Trade and Other Payables	14	**418,662**	359,338	**353,909**	129,237
Borrowings	15	**94,782**	62,875	**-**	-
Total Current Liabilities		**513,444**	422,213	**353,909**	129,237
Non-current Liabilities					
Borrowings	15	**227,644**	269,276	**-**	-
Provisions	16	**500,000**	500,000	**-**	-
Total Non-current Liabilities		**727,644**	769,276	**-**	-
Total Liabilities		**1,241,088**	1,191,489	**353,909**	129,237
Net Assets		**5,398,525**	6,410,920	**5,456,133**	6,853,893
Equity					
Issued Capital	17	**8,154,774**	7,719,182	**8,154,774**	7,719,182
Reserves	18	**248,824**	248,824	**248,824**	248,824
Accumulated losses		**(3,005,073)**	(1,557,086)	**(2,947,465)**	(1,114,113)
Total Equity		**5,398,525**	6,410,920	**5,456,133**	6,853,893

This statement is to be read in conjunction with the notes to the finanical statements

RESOURCE BASE LIMITED
ABN 57 113 385 425

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

SHARE CAPITAL

	Note	Issued Capital $	Retained Earnings $	Option Reserves $	Total $
CONSOLIDATED GROUP					
Equity as at 1 July 2007		1,514,200	(461,474)	-	1,052,726)
Loss for the period		-	(1,095,612)	-	(1,095,612)
Total Recognised Income and Expenses		-	(1,095,612)	-	(1,095,612)
Issue of Options		-	-	248,824	248,824
Issue of Shares		6,823,100	-	-	6,823,100
Costs of Capital Raising		(618,118)	-	-	(618,118)
Equity as at 30 June 2008		7,719,182	(1,557,086)	248,824	6,410,920
Equity as at 1 July 2008		**7,719,182**	**(1,557,086)**	**248,824**	**6,410,920**
Loss for the period		**-**	**(1,447,987)**	**-**	**(1,447,987)**
Total Recognised Income and Expenses		**-**	**(1,447,987)**	**-**	**(1,447,987)**
Issue of Shares		**460,000**	**-**	**-**	**460,000**
Costs of Capital Raising		**(24,408)**	**-**	**-**	**(24,408)**
Equity as at 30 June 2009		**8,154,774**	**(3,005,073)**	**248,824**	**5,398,525**

SHARE CAPITAL

	Issued Capital (Note 17) $	Retained Earnings $	Option Reserves (Note 18) $	Total $
PARENT ENTITY				
Equity as at 1 July 2007	1,514,200	(601,035)	-	913,165
Loss for the period	-	(513,078)	-	(513,078)
Total Recognised Income and Expenses	-	(513,078)	-	(513,078)
Issue of Options	-	-	248,824	248,824
Issue of Shares	6,823,100	-	-	6,823,100
Costs of Capital Raising	(618,118)	-	-	(618,118)
Equity as at 30 June 2008	7,719,182	(1,114,113)	248,824	6,853,893
Equity as at 1 July 2008	**7,719,182**	**(1,114,113)**	**248,824**	**6,853,893**
Loss for the period	**-**	**(1,833,352)**	**-**	**(1,833,352)**
Total Recognised Income and Expenses	**-**	**(1,833,352)**	**-**	**(1,833,352)**
Issue of Shares	**460,000**	**-**	**-**	**460,000**
Costs of Capital Raising	**(24,408)**	**-**	**-**	**(24,408)**
Equity as at 30 June 2009	**8,154,774**	**(2,947,465)**	**248,824**	**5,456,133**

This statement is to be read in conjunction with the notes to the finanical statements

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	CONSOLIDATED GROUP 2009 $	CONSOLIDATED GROUP 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Cash Flows From Operating Activities					
Receipts from customers		**207,028**	48,526	**147,763**	48,526
Interest received		**29,004**	82,939	**29,004**	82,939
Payments to suppliers and employees		**(431,362)**	(417,170)	**(344,104)**	(362,625)
Net cash (used in) operating activities	**24(a)**	**(195,330)**	(285,705)	**(167,337)**	(231,160)
Cash Flows From Investing Activities					
Payments for exploration expenditure		**(811,891)**	(2,819,264)	**-**	-
Payments for property, plant and equipment		**(32,085)**	(1,114,407)	**(2,451)**	(38,900)
Payments for deposits		**(25,628)**	(491,001)	**(25,628)**	(491,000)
Net cash (used in) investing activities		**(869,604)**	(4,424,671)	**(28,079)**	(529,900)
Cash Flows From Financing Activities					
Proceeds from issue of equity securities		**440,240**	4,978,700	**440,240**	4,978,700
Payments for share issue costs		**(14,748)**	(618,118)	**(14,748)**	(618,118)
Proceeds from promissory notes		**518,400**	1,298,400	**518,400**	1,298,400
Payments for borrowing		**(81,491)**	(11,454)	**-**	-
Proceeds from borrowing		**-**	39,046	**-**	-
Payments (to)/from subsidiaries		**-**	(37,000)	**(902,800)**	(3,978,811)
Net cash flows provided by financing activities		**862,401**	5,649,574)	**41,092**	1,680,171
Net (Decrease)/Increase in cash and cash equivalents		**(202,533)**	939,198	**(154,324)**	919,111
Cash and cash equivalents at beginning of the financial year		**2,201,956**	1,262,758	**2,147,323**	1,228,212
Reclassification of Promissory Notes to Current Trade and Other Receivables	**7**	**(1,298,400)**	-	**(1,298,400)**	-
Reclassification of BBX dollars to Other Current Assets	**7**	**(661,500)**	-	**(661,500)**	-
Cash and cash equivalents at the end of the financial year	**7**	**39,523**	2,201,956	**33,099**	2,147,323

This statement is to be read in conjunction with the notes to the finanical statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report includes the consolidated financial statements and notes of Resources Base Limited and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Resource Base Limited as an individual entity ('Parent Entity'). Resource Base Limited is a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the Australia Accounting Standards Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors on 30 September 2009.

Reporting Basis and Conventions

The accounting policies set out below have been consistently applied to all years presented.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars unless otherwise stated.

In preparing this financial report, the significant judgements made by management in applying the accounting policies and the key sources of estimates or uncertainty were the same as those that applied historically.

(a) Principles of Consolidation

A controlled entity is any entity over which Resourse Base Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 27 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

(b) Going Concern Assumption

The Group has prepared this financial report on the going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business at the amount stated in the financial statements.

For the reasons described below there is significant uncertainty whether the company and consolidated entity will continue as a going concern:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

Going Concern Assumption (Continued)

- The consolidated entity and the company recorded a net loss of $1,447,987 and $1,833,352 respectively for the 2008/2009 financial year;
- The consolidated entity and the company had negative operating cashflows for the year; and
- The consolidated entity and the company have low cash reserves.

The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are subject to the Group being successful in accessing additional capital.

At the date of this report and having considered the above position, the directors are confident that the company will be able to continue as a going concern given the following:

- Subsequent to the end of the financial year, the Company placed 8,000,000 ordinary fully paid shares to clients of Martin Place Securities Limited at an issue price of 5 cents per share (with free 1:2 attaching option. The option is subject to shareholder approval at the forthcoming Annual General Meeting), raising $400,000 before associated costs;

- The company is currently working towards preparing documentation for a non renounceable rights issue whereby shareholders will be offered the opportunity to apply for three new shares for every seven shares held, at an issue price of 5 cents ($0.05) per share applied for. Each two new shares will come with one free attaching option exercisable at 5 cents on or before 30 November 2011. It has been agreed by a Sydney based investment broking house to underwrite a minimum of 50% of the offer. Discussions are underway with other third parties to fully underwrite the offer. Upon full subscription of the offer, the Company will raise $1,492,857 before associated costs; and

- The company will utilise BBX dollars to its maximum potential to conserve cash

As at the date of this report and having considered the factors above, the directors believe the Group will be able to continue as a going concern and meet its debts and commitments as they fall due for the next 12 months.

Notwithstanding this there is significant uncertainty whether the company and the consolidated entity will continue as going concerns and, therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business at the amount stated in the financial statements.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company and the consolidated entity not continue as going concerns.

(c) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or

disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

(d) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(e) Tax Consolidation

Resources Base Limited has elected not to consolidate for taxation purposes.

(f) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

Plant and Equipment (Continued)

The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use.

The annual depreciation rates used for each class of depreciable assets are:

Class of Plant and Equipment	Depreciation Rate
Plant and equipment	3 - 10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(g) Exploration and Evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

Exploration and Evaluation (Continued)

General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that they carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(h) Development

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs are amortised over the estimated economic life of the mine on a units-of-production basis.

Changes in factors such as estimates of proved and probably reserves that affect unit-of-production calculations are dealt with on a prospective basis.

(i) Provision for Restoration and Rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration and development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing facilities, abandoning sites and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration development is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period.

Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(j) Financial Instruments

Recognition

Financial instruments are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value the through profit and loss which are initially measured at fair value on trade date, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

Financial instruments (Continued)

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale Financial Assets

Certain shares held by the Group are classified as being available for sale and are stated as fair value. Fair value is determined in the manner described in note 12. Gains and losses arising from changes in the fair value are recognised directly in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in the profit or loss. Where the investment is disposed of profit is determined to be impaired where the cumulative gain or loss previously recognised in the investment revaluation reserve is included in the profit or loss for the period. Dividends on available-for-sale equity instruments are recognised in the profit and loss when the Group's right to receive payment is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated to the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in the profit or loss, and other changes are recognised in equity.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arms length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

(k) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs.

(l) Intangibles

Acquired both separately and from business combination

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

Intangibles (Continued)

The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to expense category in the income statement which is consistent with the nature of the intangible asset.

Intangible assets are tested for impairment where an indicator of impairment exists. Useful lives are also examined on a annual basis and adjustments, where applicable, are made on a prospective basis.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(m) Employee Benefits

A liability is recognised for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Defined Contributions Plan

Contributions to defined contribution superannuation plans are expensed when incurred.

(n) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(o) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(p) Revenue

Interest revenue is recognised on a proportional basis taking into account the effective interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

Goods and Services Tax (GST) (Continued)

Cash flows are presented in the cash flow statement on a net basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(t) Share-Based Payments

Equity-settled share-based payments with employees and other providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a black-scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in Note 29.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

(w) Earnings Per Share (EPS)

Basic earnings per share is determined by dividing the operating profit after tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined by dividing the operating profit after tax adjusted for the effect of earnings on potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) outstanding during the financial year.

(x) Promissory notes and BBX dollars

Promissory notes were issued with an "On Demand" maturity, with a balance of $1,298,400 uncalled at 30 June 2008. During the 2009 financial year calls totaling $518,400 were made and received in full. Prior to 30 June 2009 $780,000 promissory notes were called and remained outstanding. The Board resolved to make a provision of $770,000 against the outstanding promissory notes at 30 June 2009 leaving a balance of $10,000 on the balance sheet. Subsequent to the 30 June 2009, this $10,000 has been received. The Board reserves its rights and continues to pursue the recovery of the $770,000 in outstanding promissory notes.

BBX dollars are an alternative form of cash. At the capital raising in 2007 $700,000 in BBX dollars was acquired from the issue of 3,500,000 ordinary shares at 20 cents per share in Resources Base Limited. The BBX dollars can be used as a payment method with merchants that accept this form of payment. The Directors believe that the value of BBX dollars equates to AU$1.00 per BBX dollar. At 30 June 2009, no impairment had been made to the BBX dollars (2008: Nil).

Promissory notes and BBX dollars have been reclassifed from cash and cash equivalents to Other Receivables and Other Current Assets respectively in the balance sheet at 30 June 2009, with Directors performing an impairment test at reporting date.

(y) Standards and Interpretations issued not yet effective

At the date of authorization of the financial report, the Standards and Interpretation listed below were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognized in the financial report, but will change the disclosures presently made in relation to the Group and the Company's financial report:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

Standards and Interpretations issued not yet effective (Continued)

• AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101'	Effective for annual reporting periods beginning on or after 1 January 2009
• AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8'	Effective for annual reporting periods beginning on or after 1 January 2009

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the Group and the Company:

• AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	Effective for annual reporting periods beginning on or after 1 January 2009
• AASB 3 'Business Combinations' (2008), AASB 127 'Consolidated and Separate Financial Statements' and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'	AASB 3 (business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009) AASB 127 and AASB 2008-3 (1 July 2009)
• AASB 2008-1 'Amendments to Australian Accounting Standard – Share-based payments: Vesting Conditions and Cancellations'	Effective for annual reporting periods beginning on or after 1 January 2009
• AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	Effective for annual reporting periods beginning on or after 1 January 2009
• AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	Effective for annual reporting periods beginning on or after 1 January 2009
• AASB 2008-7 'Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'	Effective for annual reporting periods beginning on or after 1 January 2009

The directors anticipate that the adoption of these Standards and Interpretations will have no material financial impact on the financial statements of the company or the Group.

These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning after the effective date of each pronouncement.

Critical Accounting Estimates and Judgments

In the application of the Group's accounting policies, which are described in Note 1, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affect both current and future periods.

Key Estimates

The Company assesses impairment each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

Critical Accounting Estimates and Judgments (Continued)

Key Estimates — Impairment

No impairment has been recognised in respect of exploration expenditure for the current year ended 30 June 2009.

Promissory notes were issued with an "On Demand" maturity, with a balance of $1,298,400 uncalled at 30 June 2008. During the 2009 financial year calls totaling $518,400 were made and received in full. Prior to 30 June 2009 $780,000 promissory notes were called and remained outstanding.

The Board resolved to make a provision of $770,000 against the $780,000 outstanding promissory notes at 30 June 2009 due to either the note holders being unable to or unwilling to fulfill their note obligations within the prescribed "On Demand" terms. Subsequent to 30 June 2009, the $10,000 that was not impaired has been received. The Board reserves its rights and continues to pursue the recovery of the $770,000 in outstanding promissory notes.

Since the acquisition of Broula King Joint Venture Pty Ltd during the 2007 financial year, Resource Base Limited has been funding, via an at call loan facility, the exploration activities that Broula King Joint Venture Pty Ltd has been engaged in. Based on the carrying value of the Broula King Joint Venture Pty Ltd assets and liabiltities at 30 June 2009 the Board of Resource Base Limited resolved to make a provision against this loan for $652,306 (2008: Nil), which brings the fair value of the loan in line with the net assets of Broula King Joint Venture Pty Ltd. The Board will continue to monitor the progress of Broula King Joint Venture Pty Ltd and raise additional provisions against the loan if deemed necessary.

Key Estimates — Property, Plant and Equipment

At 30 June 2009 the Board notes that certain items on the Company' asset register relating to plant and equipment had not been installed and ready for use as the plant remained under construction and in development.

The Board agrees that the existing depreciation rates or impairment rates of 25 years were relevant and were in line with the depreciation rates used by the Company's taxation advisors.

Key Judgments – Tax losses

The Company has not recognised a deferred tax asset with regard to unused tax losses and other temporary differences, as it has not been determined whether the Company will generate sufficient taxable income against which the unused tax losses and other temporary differences can be utilised.

Key Judgments – Exploration costs

The Company has capitalised costs associated with its exploration activities as stated in note 1 and at 30 June 2009 no impairment has been recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		CONSOLIDATED GROUP		PARENT ENTITY	
	Note	**2009** **$**	2008 $	**2009** **$**	2008 $
NOTE 2. REVENUE					
Rent Received		**107,977**	53,379	**107,977**	53,379
Interest Received	**2(a)**	**31,055**	83,615	**31,055**	83,615
Total Revenue		**139,032**	136,994	**139,032**	**136,994**
Other Income					
Other Income		**26,209**	-	**-**	-
Total Other Income		**26,209**	-	**-**	-
(a) Interest Revenue from:					
- Other Persons		**31,055**	83,615	**31,055**	83,615
Total Interest Revenue		**31,055**	83,615	**31,055**	83,615
NOTE 3. EXPENSES					
Finance Costs:					
- Other Persons		**33,159**	16,794	**118**	5,165
Total Finance Costs		**33,159**	16,794	**118**	5,165
Rental Expense on Operating Leases					
- Minimum Lease Payments		**122,118**	47,351	**122,107**	47,351
Provision for Restoration		**-**	500,000	**-**	-
Travel and Accommodation		**31**	5,236	**31**	5,236
Write-off Fixed Assets		**38,900**	-	**38,900**	-
Provision for Non-recovery of Promissory Notes		**770,000**	-	**770,000**	-

^Refer to Note 7 for futher information on Promissory Notes.

NOTE 4. INCOME TAX EXPENSE				
(a) The Components of Tax Expense Comprise:				
Current Tax	**-**	**-**	**-**	-
Deferred Tax	**-**	**-**	**-**	-
	-	**-**	**-**	-
(b) The prima facie tax from ordinary activities before income tax is reconciled to the income tax expense as follows:				
Loss from Ordinary Activities	**(1,447,987)**	(1,095,612)	**(1,833,352)**	(513,078)
Income tax benefit calculated at 30%	**(434,396)**	(328,684)	**(550,006)**	(153,923)
Add: Tax Effect of:				
- Share Based Payments	**-**	74,647	**-**	74,647
- Other Permanent Differences	**427,080**	168	**426,833**	168
	(7,316)	(253,869)	**(123,173)**	(79,108)
Add/(Less) Temporary Differences:				
- Provision for Rehabilitation	**-**	150,000	**-**	-
- Provision for Superannuation	**5,517**	7,764	**4,831**	7,646
- Capitalised Deductible Exploration Expenditure	**(5,626)**	(845,779)	**-**	-
- Deductible Share Issue Costs	**(48,856)**	(45,829)	**(48,856)**	(45,829)
- Other Timing Differences	**22,422**	600	**5,981**	600
Income Tax Attributable to the Entity	**(33,859)**	(987,113)	**(161,217)**	(116,691)
Income Tax losses carried forward not taken up as benefit	**33,859**	987,113	**161,217**	116,691
Tax Expense	**-**	-	**-**	-
Weighted average effective tax rates are as follows:	**-**	-	**-**	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 4. INCOME TAX EXPENSE (Continued)

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009	2008	**2009**	2008
	$	$	**$**	$
Deferred tax assets not brought to account as assets:				
-Tax Losses	**1,951,105**	1,184,583	**824,813**	287,424
- Temporary Differences	**(1,009,985)**	(874,182)	**(170,141)**	(43,326)
	941,120	310,401	**654,672**	244,098

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 realized.

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 realizing the benefits from deducting the losses.

NOTE 5. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Names and positions of Consolidated Group and Parent Entity key management personnel in office during the year were:

Mr AR Fraser	Managing Director
Mr PE Kelliher	Executive Director
Mr G Connor	Director – Non-Executive
Mr AP Armitage	Chairman – Non Executive (Resigned 19th December 2008)
Mr G Turner	Director – Non Executive (Resigned 6th January 2009)

(b) Compensation practices

Refer to Remuneration Report contained within the Directors' Report.

(c) Key Management Personnel Compensation

The aggregate compensation of the directors and senior management of the Consolidated Group and the Parent Entity is set out below:

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009	2008	**2009**	2008
	$	$	**$**	$
Short-term employment benefits	**192,000**	146,300	**192,000**	146,300
Post-employment benefits	**11,430**	7,140	**11,430**	7,140
Other long-term benefits	**-**	-	**-**	-
Termination benefits	**-**	-	**-**	-
Share based payments	**-**	-	**-**	-
	203,430	153,440	**203,430**	153,440

Refer to Remuneration Report contained within the Directors' Report for details on remuneration per individual director.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 5. KEY MANAGEMENT PERSONNEL COMPENSATION (Continued)

(d) Share holdings in Resources Base Limited by Key Management Personnel or their nominees

	Balance 1.7.2008	Granted as Compensation	Net Change Other (3)	Balance 30.6.2009	Balance held nominally
Mr AR Fraser	**3,980,500**	**-**	**523,998**	**4,504,498**	**3,050,000**
Mr PE Kelliher	**100,000**	**-**	**33,333**	**133,333**	**-**
Mr G Connor	**1,816,447**	**-**	**93,333**	**854,500**	**-**
Mr AP Armitage	**-**	**-**	**-**	**-**	**-**
Mr G Turner	**-**	**-**	**-**	**-**	**-**
Mr A Wing	**854,500**	**-**	**-**	**854,500**	**-**
	6,751,447	**-**	**650,664**	**6,346,831**	**3,050,000**

	Balance 1.7.2007	Granted as Compensation	Net Change Other	Balance 30.6.2008	Balance held nominally
Mr AR Fraser	3,050,000	-	930,500(2)	3,980,500	3,050,000
Mr PE Kelliher	100,000	-	-	100,000	-
Mr G Connor	1,500,000	-	316,447	1,816,447	-
Mr AP Armitage	100,000	-	25,000(1)	125,000	-
Mr G Turner	100,000	-	-	100,000	-
Mr A Wing	500,000	-	354,500	854,500	-
	5,350,000	-	1,626,447	6,976,447	3,050,000

(1) Seed Capital at 10 cents.
(2) On market/off market transfer.
(3) Rights issue offered to shareholders.

(e) Option holding in Resources Base Limited by Key Management Personnel or their nominees

No options are held by key management personnel.

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009	2008	**2009**	2008
	$	$	**$**	$
NOTE 6. AUDITORS REMUNERATION				
Remuneration of the auditors of the parent for:				
- Auditing or reviewing the financial report	**32,000**	25,500	**32,000**	25,500
- Independent Accountant's Report	**-**	5,000	**-**	5,000
	32,000	30,500	**32,000**	30,500

The auditor of Resource Base Limited is Melanie Leydin of Leydin Freyer Audit Pty Ltd.

NOTE 7. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	**39,523**	242,056	**33,099**	187,423
BBX Dollars*	**-**	661,500	**-**	661,500
Promissory notes^	**-**	1,298,400	**-**	1,298,400
	39,523	2,201,956	**33,099**	2,147,323

* BBX dollars are an alternative form of cash. At the capital raising in 2007 $700,000 in BBX dollars was acquired from the issue of 3,500,000 ordinary shares at 20 cents per share in Resources Base Limited. The BBX dollars can be used as a payment method with merchants that accept this form of payment. The Directors believe that the value of BBX dollars equates to AU$1.00 per BBX dollar.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 7. CASH AND CASH EQUIVALENTS (Continued)

At 30 June 2009 $661,500 in BBX dollars was reclassified as Other Current Assets. At 30 June 2009, no impairment had been made to the BBX dollars (2008: Nil).

^ Promissory notes were issued with an "On Demand" maturity, with a balance of $1,298,400 uncalled at 30 June 2008. During the 2009 financial year calls totaling $518,400 were made and received in full. Prior to 30 June 2009 $780,000 promissory notes were called and remained outstanding. The Board resolved to make a provision of $770,000 against the outstanding promissory notes at 30 June 2009 leaving a balance of $10,000 on the balance sheet. Subsequent to the 30 June 2009, this $10,000 has been received. The Board reserves its rights and continues to pursue the recovery of the $770,000 in outstanding promissory notes.

At 30 June 2009 the balance of $10,000 in unimpaired promissory notes were reclassified as Other Receivables, as a Current Asset.

The weighted average interest rate on short-term bank deposits was 5.45% (2008: 6.72%); these deposits were at call. Refer to Note 1(x).

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009	2008	**2009**	2008
	$	$	**$**	$
Reconciliation of cash				
Cash at end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:				
Cash and Cash Equivalents	**39,523**	2,201,956	**33,099**	2,147,323
	39,523	2,201,956	**33,099**	2,147,323

NOTE 8. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED GROUP 2009 $	2008 $	PARENT ENTITY 2009 $	2008 $
Current				
Other Receivables	**2,136**	676	**2,136**	-
Promissory Notes^	**10,000**	-	**10,000**	-
GST Refundable	**52,986**	175,204	**32,164**	15,336
	65,122	175,880	**44,300**	15,336

^Refer to Note 7 for futher information on Promissory Notes.

The average credit period on trade and other receivables is 30 days. No interest is charged on the receivables. The consolidated Group has financial risk management policies in place to ensure that all receivables are received within the credit timeframe.

	CONSOLIDATED GROUP 2009 $	2008 $	PARENT ENTITY 2009 $	2008 $
Non-Current				
Amounts Receivable From:				
- Broula King Joint Venture Pty Ltd	**-**	**-**	**5,193,371**	4,290,570
Less: Provision for Non-recovery	**-**	**-**	**(652,307)**	-
	-	**-**	**4,541,064**	4,290,570

Since the acquisition of Broula King Joint Venture Pty Ltd during the 2007 financial year, Resource Base Limited has been funding, via an at call loan facility, the exploration activities that Broula King Joint Venture Pty Ltd has been engaged in. Based on the carrying value of the Broula King Joint Venture Pty Ltd assets and liabiltities at 30 June 2009 the Board of Resource Base Limited resolved to make a provision against this loan for $652,306 (2008: Nil), which brings the fair value of the loan in line with the net assets of Broula King Joint Venture Pty Ltd. The Board will continue to monitor the progress of Broula King Joint Venture Pty Ltd and raise additional provisions against the loan if deemed necessary. The intercompany loan receivable is repayable when the subsidiary is in a financial position to repay and the outstanding balance does not incur any interest.

	CONSOLIDATED GROUP 2009 $	2008 $	PARENT ENTITY 2009 $	2008 $
Provision for Non-recovery				
Opening balance	**-**	-	**-**	**-**
Provision take during year	**-**	-	**(652,307)**	**-**
Closing balance	**-**	-	**(652,307)**	**-**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 8. TRADE AND OTHER RECEIVABLES (Continued)

Credit Risk – Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 8. The class of assets described as Trade and Other Receivables is considered to be the main sources of credit risk related to the Group.

Resource Base Limited has significant exposure to its wholly-owned subsidiaries, Broula King JV Pty Ltd. At 30 June 2009 a provision for non-recovery of $652,307 has been made against the long term inter-company loan.

On a geographical basis, the Group has a credit risk exposure in Australia only.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided thereon. Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trading terms (as detailed in the table) are considered to be high credit quality.

			Past due but not impaired			
	Gross Amount $	**Past due and Impaired $**	**< 30 $**	**31-60 $**	**>90 $**	**Within initial Trade Terms $**
CONSOLIDATED						
2009						
Other Receivables	**2,136**	**-**	**-**	**-**	**-**	**2,136**
Promissory Notes	**780,000**	**770,000**	**-**	**-**	**-**	**10,000**
GST Refundable	**52,986**	**-**	**-**	**-**	**-**	**52,986**
Total	**835,122**	**770,000**	**-**	**-**	**-**	**65,122**
2008						
Other Receivables	676	-	-	-	-	676
GST Refundable	175,204	-	-	-	-	175,204
Total	175,880	-	-	-	-	175,880
PARENT						
2009						
Other Receivables	**2,136**	**-**	**-**	**-**	**-**	**2,136**
Promissory Notes	**780,000**	**770,000**	**-**	**-**	**-**	**10,000**
GST Refundable	**32,164**	**-**	**-**	**-**	**-**	**32,164**
Total	**814,300**	**770,000**	**-**	**-**	**-**	**44,300**
2008						
GST Refundable	15,336	-	-	-	-	15,336
Total	15,336	-	-	-	-	15,336

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		CONSOLIDATED GROUP		PARENT ENTITY	
		2009	2008	**2009**	2008
		$	$	**$**	$
NOTE 9. OTHER CURRENT ASSETS					
BBX dollars*		**657,653**	-	**657,653**	**-**
Prepayments		**130,000**	50,000	**-**	**-**
		787,653	50,000	**657,653**	**-**

*Refer to Note 7 for further information on BBX dollars.

		CONSOLIDATED GROUP		PARENT ENTITY	
		2009	2008	**2009**	2008
NOTE 10. PLANT AND EQUIPMENT					
Plant and Equipment:					
At cost		**1,582,372**	1,452,996	**45,585**	38,900
Accumulated Depreciation		**(153,672)**	(39,340)	**-**	-
Write-off		**(38,900)**	-	**(38,900)**	-
	10 (a)	**1,389,800**	1,413,656	**6,685**	38,900

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of plant and equipment between beginning and the end of the current financial year.

	Plant & Equipment $	Total $
CONSOLIDATED GROUP:		
Balance at 30 June 2007	33,150	33,150
Additions	1,418,996	1,418,996
Disposals	-	-
Depreciation Expense	(38,490)	(38,490)
Balance at 30 June 2008	1,413,656	1,413,656
Additions	129,376	129,376
Disposals	-	-
Depreciation Expense	(114,332)	(114,332)
Write-off	(38,900)	(38,900)
Balance at 30 June 2009	1,389,800	1,389,800
PARENT ENTITY:		
Balance at 30 June 2007	38,900	38,900
Additions	-	-
Disposals	-	-
Depreciation Expense	**-**	**-**
Balance at 30 June 2008	38,900	38,900
Additions	**6,685**	**6,685**
Disposals	**-**	**-**
Depreciation Expense	**-**	**-**
Write-off	**(38,900)**	**(38,900)**
Balance at 30 June 2009	**6,685**	**6,685**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 11. EXPLORATION AND EVALUATION ASSETS

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009	2008	**2009**	2008
	$	$	**$**	$
Exploration and Evaluation Expenditure Capitalised				
Opening balance at 1 July	**3,269,917**	450,653	-	-
Exploration and evaluation expenditure capitalised	**626,436**	2,819,264	-	-
Exploration expenditure written off	**(66,078)**	-		
Net carrying value	**3,830,275**	3,269,917	-	-
Closing balance at 30 June	**3,830,275**	3,269,917	-	-

Total exploration and evaluation expenditure capitalised is solely intangible. The directors have performed an impairment review and have not impaired the capitalised exploration expenditure, based on the potential for future economic benefits that may arise. The current amortisation charges in respect if intangible assets are included under depreciation and amortisation expense per the income statement.

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and mining of the existing mining agreements. Amounts totalling $626,436 (2008: $2,819,264) have been capitalised during the financial year.

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration activities carried out in Australia.

The Company has continued to commit resources towards the development of the Broula King gold mine. The Company believes that such expenditure to date should be capitalised and is fully recoverable.

NOTE 12. FINANCIAL ASSETS

Non-Current				
Shares in controlled entities	-	-	1	1
	-	**-**	**1**	**1**

On 21 August 2006, the Parent Entity purchased 100% of the share capital of Broula King Joint Venture Pty Ltd for $1.00.

NOTE 13. OTHER NON-CURRENT ASSETS

Non-Current				
Security deposits [1]	**527,240**	491,000	**527,240**	491,000
	527,240	491,000	**527,240**	491,000

[1] These security deposits are in place to support bank guarantees issued by the company's bankers.

NOTE 14. TRADE AND OTHER PAYABLES

Current				
Trade payables (1)	**403,662**	244,945	**338,909**	15,239
Sundry payables & accrued Expenses	**15,000**	12,000	**15,000**	12,000
	418,662	256,945	**353,909**	27,239
Amounts payable to:				
- Key management personnel related entities	**-**	102,393	**-**	101,998
	-	102,393	**-**	101,998
	418,662	359,338	**353,909**	129,237

(1) The average credit period on purchases is 30-60 days. No interest is charged on the trade payables. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 15. BORROWINGS

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009	2008	**2009**	2008
	$	$	**$**	$
Current				
Hire Purchase	**94,782**	62,875	**-**	-
	94,782	62,875	**-**	-
Non-Current				
Hire purchase liabilities	**227,644**	269,276	**-**	-
	227,644	269,276	**-**	-

NOTE 16. PROVISIONS

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009	2008	**2009**	2008
Provision for rehabilitation				
Opening balance at 1 July	**500,000**	-	**-**	-
Additional provision raised during the year	**-**	500,000	**-**	-
Balance at 30 June	**500,000**	500,000	**-**	-
Analysis of Total Provision				
Current	**-**	-	**-**	-
Non-Current	**500,000**	500,000	**-**	-
	500,000	500,000	**-**	-

Provision for rehabilitation
A provision has been recognised for rehabilitation relating to exploration activities. The measurement and recognition criteria relating to rehabilitation expense have been included in note 1.

NOTE 17. ISSUED CAPITAL

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009	2008	**2009**	2008
	$	$	**$**	$
61,666,666 fully paid ordinary shares (2008: 54,000,000)	**8,154,774**	7,719,182	**8,154,774**	7,719,182
	8,154,774	7,719,182	**8,154,774**	7,719,182

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	CONSOLIDATED GROUP AND PARENT ENTITY			
	2009		2008	
	No.	**$**	No.	$
(a) Fully paid ordinary shares				
Balance at 1 July	**54,000,000**	**7,719,182**	16,684,500	1,514,200
Rights Issue – 15 December 2008	**2,532,829**	**151,970**	-	-
Rights Issue – 10February 2009	**350,000**	**21,000**	-	-
Rights Issue – 13 March 2009	**4,783,837**	**287,030**	-	-
Issue of shares through convertible notes	**-**	**-**	5,930,000	546,000
Issue of shares through prospectus	**-**	**-**	26,385,500	5,277,100
Issue of shares	**-**	**-**	5,000,000	1,000,000
Less: Costs of capital raising	**-**	**(24,408)**	-	(618,118)
Balance at 30 June	**61,666,666**	**8,154,774**	54,000,000	7,719,182

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 17. ISSUED CAPITAL (Continued)

Capital risk management

Management controls the capital of the group in order to provide shareholders with returns through capital growth in the medium to long term and ensure that the group can fund its operations and continue as a going concern.

At 30 June 2009 and 30 June 2008 the group's capital represents ordinary shares. Refer to earlier section of Note 17 for further information. Resource Base Limited does not have any externally imposed capital requirements.

Management recognises that the group's capital will fluctuate in accordance with market conditions and must be effectively managed by assessing the entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders, share buy backs and share issues.

There has been no change in strategy adopted by management to control the capital of the Group since the prior year. Resource Base Limited does not have any debt at 30 June 2009, other than hire purchase arrangements disclosed in Note 21.

(b) Terms and Conditions of Issued Capital

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Share capital has no par value.

(c) Options

Each option entitles the holder to subscribe for 1 ordinary share in Resource Base Limited upon the payment of $0.20 (20 cents). The options will lapse at 5.00pm (AEST) on 30 June 2013. The options are not transferable and currently subject to escrow. The options carry neither rights to dividends nor voting rights.

	2009 No.	2008 No.
Balance at 1 July	2,000,000	-
Granted during the financial year	-	2,000,000
Exercised during the financial year	-	-
Lapsed during the financial year	-	-
Balance at 30 June	**2,000,000**	2,000,000

Directors Options

Options granted to Directors or their nominees are disclosed in the Remuneration Report.

NOTE 18. RESERVES

Option Reserve
The Option Reserve records items recognised as expenses on valuation of share options issued during the period.

No options were issued dring the 2009 financial year. In the 2008 financial year 2,000,000 options were granted to Martin Place Securities and were valued at 12.44 cents per option.

Details of the option valuation are in note 29 (b).

NOTE 19. DIVIDENDS

There have been no dividends paid or proposed in the 2009 or 2008 financial years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 20. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities for the period.

NOTE 21. COMMITMENTS FOR EXPENDITURE

(a) Exploration Tenements – Commitments for Expenditure

In order to maintain current rights of tenure to exploration tenements, the Company and economic entity is required to outlay rates and rentals and to meet the 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 provided for in the accounts and are payable:

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009	2008	**2009**	2008
	$	$	**$**	$
Not longer that 1 year	**52,500**	119,060	**-**	-
Longer than 1 year and not longer that 5 years	**210,000**	406,491	**-**	-
Longer than 5 years	**-**	-	**-**	-
	262,500	525,551	**-**	**-**

Commitments for mining expenduiture relating to mining lease 1617. The lease has been granted and will expire March 2029 where by there is an annual commitment of $52,500 whilst the lease is in force. The Company shall undertake such commitments and will end when the Company ceases working the lease. The Company expects to work the lease for up to five years.

(b) Hire Purchase Lease – Commitments for Expenditure

	CONSOLIDATED GROUP 2009 $	2008 $	PARENT ENTITY 2009 $	2008 $
Not longer that 1 year	**94,782**	62,875	**-**	-
Longer that 1 year and not longer that 5 years	**227,644**	269,276	**-**	-
Longer than 5 years	**-**	-	**-**	-
	322,426	332,151	**-**	**-**

Broula King Joing Venture Pty Ltd has several items of mining equipment that have been financed via hire purchase arrangements with National Australia Bank Limited. Terms are all 36 months, with interest rates ranging from 9.3% to 9.7%.

(c) Operating rental lease – Commitments for Expenditure

	CONSOLIDATED GROUP 2009 $	2008 $	PARENT ENTITY 2009 $	2008 $
Not longer that 1 year	**126,450**	152,500	**126,450**	152,500
Longer that 1 year and not longer that 5 years	**379,350**	610,000	**379,350**	610,000
Longer than 5 years	**-**	-		-
	505,800	762,500	**505,800**	762,500

The Company entered into a 5 year lease arrangement for the office of level 17, 500 Collins Street, Melbourne, VIC, 3000 on the 1 June 2008, with the option for a futher 5 years at expiry. The Company sub leases this office to other tenants and recovers a proportion of the lease commitment on a monthly basis.

NOTE 22. SEGMENT INFORMATION

The Group operates within one industry segment and one geographical segment.

The Group operates in the area of investment in gold production and mineral exploration within Australia.

NOTE 23. RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

Details of key management compensation are disclosed in the Remuneration Report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 23. RELATED PARTY DISCLOSURES (Continued)

During the 2008 year as part of the promissory note issue, Mr A Fraser was granted 92,000 ordinary shares with a promissory note value of $18,400. During the 2009 financial year this promissory note was called and payment was received in full by 30 June 2009.

As part of the Groups ongoing exploration operations, Broula King Joint Venture Pty Ltd receives funding from Resource Base Limited. At 30 June 2009 the loan balance between the entities was $4,541,064 (2008: $4,259,353). This balance is eliminated on consolidation.

(b) Transactions with Key Management Personnel

During the year, the Company paid $Nil (2008: $4,925) to Exploration Management Services Pty Ltd for geological services, being a director related entity of Mr Turner.

During the year, the Company paid $Nil (2008: $21,827) to Gippsland Resources Pty Ltd for mining engineering and metallurgical services, being a director related entity of Mr Kelliher.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 24. CASH FLOW INFORMATION

	CONSOLIDATED GROUP		PARENT ENTITY	
	2009	2008	**2009**	2008
	$	$	**$**	$
(a) Reconciliation of cash flow from Operations from Loss after Income Tax:				
Loss after Income Tax	**(1,447,987)**	(1,095,612)	**(1,833,352)**	(513,078)
Cash flows excluded from profit attributable to Operating Activities:				
Non Cash Flows in Loss				
-Exploration Expenditure Written-off	**66,078**	-	**-**	-
-Depreciation	**114,332**	39,340	**-**	-
-Share based payments expense	**-**	248,824	**-**	248,828
-Provision for rehabilitation	**-**	500,000	**-**	-
-Provision for Non-recovery of Subsidiary Loans	**-**	-	**652,307**	-
-Provision for Non-recovery of Promissory Notes	**770,000**	-	**770,000**	
-Write-off Fixed Assets	**38,900**	-	**38,900**	-
Changes in net assets and liabilities, net of effects of purchase and disposal of subsidiaries:				
(Increase)/decrease in assets:				
Current receivables	**194,318**	(56,409)	**21,123**	(5,529)
Increase/(decrease) in liabilities:				
Current payables	**69,029**	78,152	**183,685**	38,623
Net cash used in operating activities	**(195,330)**	(285,705)	**(167,337)**	(231,160)

(b) Financing Facilities

The Group has taken out a bank guarantee which is held by the Department of Mines for the purposes of the exploration on tenement leases. Refer to Note 21(a) for further details. Held as security against the guarantee, is a term deposit of $491,000.

The Group has a commercial hire purchase arrangement for plant and equipment purchased for use in its exploration activities. It commenced in May 2008 and has a term of 36 months. Refer to Note 21(b) for further information. Held as security against the guarantee, is a term deposit of $36,240.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 25. FINANCIAL RISK MANAGEMENT

The consolidated entity's principal financial instruments comprise cash and cash equivalents.

The main purpose of these financial instruments is to finance the consolidated entity's operations. The consolidated entity has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period, the consolidated entity's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the consolidated entity's financial instruments are cash flow interest rate risk. Other minor risks are summarised below. The Board reviews and agrees policies for managing each of these risks.

Cash flow interest rate risk

The consolidated entity's exposure to the risks of changes in market interest rates relates primarily to the consolidated entity's short-term deposits with a floating interest rate. These financial assets with variable rates expose the consolidated entity to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The consolidated entity does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount by maturity of the parent entity and consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

The consolidated entity has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the consolidated entity continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

NOTE 25. FINANCIAL RISK MANAGEMENT (Continued)

CONSOLIDATED GROUP

	Note	Float Interest Rate		Non-Interest Bearing		Total Carrying Amount		Interest Rate Risk Sensitivity			
								-40%	-10%	+40%	+10%
		2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Financial Assets											
Cash at bank	7	39,523	242,056	-	-	39,523	242,056	(861)	(1,627)	861	1,627
BBX dollars	7,9	-	-	657,653	661,500	657,653	661,500	-	-	-	-
Promissory notes	7,8	-	-	10,000	1,298,400	10,000	1,298,400	-	-	-	-
Trade and other receivables	8	-	-	55,122	175,880	65,122	175,880	-	-	-	-
Other Financial Assets	13	527,240	491,000	-	-	527,240	491,000	-	-	-	-
Total		566,763	733,056	722,775	2,135,780	1,299,538	2,868,836	(861)	(1,627)	861	1,627
Weighted average interest rate		5.45%	6.72%								
Financial Liabilities											
Trade and other payables	14	-	-	418,662	359,338	418,662	359,338	-	-	-	-
Borrowings	15	-	-	322,426	332,151	322,426	332,151	-		-	
Total		-	-	741,088	691,489	741,088	691,489	-	-	-	-
Weighted average interest rate		-	-								
Net Financial assets (liabilities)		566,763	733,056	(18,313)	1,444,291	558,450	2,176,847	(861)	(1,627)	861	1,627

NOTE 25. FINANCIAL RISK MANAGEMENT (Continued)

PARENT ENTITY

	Note	Float Interest Rate		Non-Interest Bearing		Total Carrying Amount		Interest Rate Risk Sensitivity 2008			
								-40%	-10%	+40%	+10%
		2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2009
		$	$	**$**	$	**$**	$	**$**	$	**$**	$
Financial Assets											
Cash at bank	**7**	**33,099**	187,423	**-**	-	**33,099**	187,423	**(717)**	(1,259)	**717**	1,259
BBX dollars	**7,9**	**-**	-	**657,653**	661,500	**657,653**	-	**-**	-	**-**	-
Promissory notes	**7,8**	**-**	-	**10,000**	1,298,400	**10,000**	-	**-**	-	**-**	-
Trade and other receivables	**8**	**-**	-	**34,300**	15,336	**34,300**	15,336	**-**	-	**-**	-
Other Financial Assets	**13**	**-**	491,000	**527,240**	-	**527,240**	491,000	**-**	-	**-**	-
Loans to subsidiaries	**8**	**-**	-	**4,541,065**	4,290,571	**4,541,065**	4,290,571	**-**	-	**-**	-
Total		**33,099**	678,423	**5,770,258**	4,305,907	**5,803,357**	4,984,330	**(717)**	(1,259)	**717**	1,259
Weighted average interest rate		**5.41%**	6.72%								
Financial Liabilities											
Trade and other payables	**14**	**-**	-	**353,909**	129,237	**353,909**	129,237	**-**	**-**	**-**	**-**
Borrowings	**15**	**-**	-	**-**	-	**-**	-	**-**	**-**	**-**	**-**
Total		**-**	**-**	**353,909**	129,237	**353,909**	129,237	**-**	-	**-**	-
Weighted average interest rate			-								
Net Financial assets (liabilities)		**33,099**	678,423	**5,416,349**	4,176,670	**5,449,448**	4,855,093	**(717)**	(1,259)	**717**	1,259

NOTE 25. FINANCIAL RISK MANAGEMENT (Continued)

A sensitivity of 40% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A 40% sensitivity would move short term interest rates at 30 June 2009 from 4.40% to 6.16% representing a 176 basis points shift. This would represent two to three increases which is reasonably possible in the current environment with the bias coming from the Reserve Bank of Australia and confirmed by market expectations that interest rates in Australia are more likely to move up than down in the coming period.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

	CONSOLIDATED GROUP		PARENT ENTITY	
Working Capital	**2009 $**	2008 $	**2009 $**	2008 $
Current assets	**892,298**	2,427,836	**735,052**	2,167,659
Current liabilities	**513,444**	422,213	**353,909**	129,237
Working capital	**378,854**	2,005,623	**381,143**	2,038,422
Ratio	**1.74**	5.75	**2.08**	16.77

(d) Liquidity risk

The consolidated entity manages liquidity risk by maintaining sufficient cash reserves and through the continuous monitoring of budgeted and actual cash flows.

Financial Liabilities

The following tables the Company's and the Groups remaining contractual maturity for its non-derivative financial liabilities.

	CONSOLIDATED GROUP		PARENT ENTITY	
Contracted maturities of payables year ended 30 June 2009:	**2009 $**	2008 $	**2009 $**	2008 $
- less than 6 months	**418,662**	359,338	**353,909**	129,237
- 6 to 12 months	**94,782**	62,875	**-**	-
- 1 to 5 years	**227,644**	269,276	**-**	-
- later than 5 years	**-**	-	**-**	-
Total	**741,088**	691,490	**353,909**	129,237

(e) Commodity Price Risk

The consolidated entity is exposed to commodity price risk. This risk arises from its activities directed at exploration and development mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The consolidated entity does not hedge its exposures.

(f) Net Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The consolidated entity has no financial assets where carrying amount exceeds net fair values at balance date.

The consolidated entity's receivables at balance date are detailed in Note 8 and comprise primarily GST input tax credits refundable by the ATO.

The credit risk on financial assets of the economic entity which have been recognised on the Balance Sheet is generally the carrying amount.

(g) Capital Risk Management

When managing capital, management's objectives is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also maintain a capital structure that ensures the lowest cost of capital available to the entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to shareholders, return capital to shareholder, issue new shares, enter into joint ventures or sell shares.

The entity does not have a defined share buy-back plan.

No dividends were paid in the 2009 financial year and no dividends have been paid or are declared as at the date of this report.

The consolidated entity is not subject to any externally imposed capital requirements.

Management reviews management accounts on a monthly basis and reviews actual expenditure against budget on a quarterly basis.

NOTE 26. EARNINGS PER SHARE (EPS)

	CONSOLIDATED GROUP	
	2009 **$**	2008 $
(a) Reconciliation of earnings to Profit or Loss		
Loss		
Loss used to calculate basic EPS	**(1,447,987)**	(1,095,612)
Loss used to calculate diluted EPS	**(1,447,987)**	(1,095,612)
	(1,447,987)	(1,095,612)

	2009 **No**	2008 No
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	**55,367,034**	39,114,582
(c) Weighted average number of options outstanding	**2,000,000**	1,212,186
	57,367,034	40,316,768

In addition, the following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of shares, used in the calculation of diluted earnings per share.

Earnings per share	**2009** **$**	2008 $
Basic (loss)/earnings per share	**(2.60)**	(2.80)
Diluted (loss)/earnings per share	**(2.60)**	(2.80)

Diluted Earnings Per Share

The rights of options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 “Earnings per Share”. The rights of options are non-dilutive as the exercise price was significantly higher than the Company’s share price as at 30 June 2009.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 27. SUBSIDIARIES

Controlled Entities Consolidated	Country of Incorporation	Percentage owned (%)* 2009 %	2008 %
Parent Entity			
Resource Base Limited	Australia		
Subsidiaries			
Broula King Joint Venture Pty Ltd	Australia	**100.00**	100.00

*Percentage voting power is in proportion to ownership.

On 21 August 2006 the Company purchased 100% of the share capital in Broula King Joint Venture Pty Ltd for $1.00.

NOTE 28. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the end of the financial year, the Company placed 8,000,000 ordinary fully paid shares to clients of Martin Place Securities Limited at an issue price of 5 cents per share (with free 1:2 attaching option. The option is subject to shareholder approval at the forhcoming Annual General Meeting), raising $400,000 before associated costs.

On 29 September 2009, the Company announced that it proposes undertaking a pro rata offer of new shares and free attaching options to shareholders. The offer will provide shareholders the opportunity to apply for three new shares for every seven shares held, at an issue price of 5 cents ($0.05) per share applied for. Each two new shares will come with one free attaching option exercisable at 5 cents on or before 30 November 2011. The Company will apply for the new shares and free attaching options to be listed, subject to satisfaction of the requirements of ASX. The Company has accepted an offer from Martin Place Securities Pty Ltd to underwrite a minimum of 50% of the offer. Discussions are underway with other third parties to fully underwrite the offer. Upon full subscription of the offer, the Company will raise $1,492,857 before associated costs. Funds raised by the issue will be applied to the further development of the Broula King Gold Mine and working capital requirements. As a pro rata offer, the Company does not anticipate seeking shareholder approval to make the offer

Other than the abovementioned there has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

The financial statements were authorised for issue by the Board of Directors on the 30 September 2009

NOTE 29. SHARE BASED PAYMENTS

(a) Shares

No shares were issued during the year as share based payments (2008: $Nil). Refer to pages 7 to10 of the Directors Report for further information.

(b) Options

No options were issued or exercised during the 2009 financial year.

The following options were issued on 22 November 2007 with a value of $248,800 and unexercised at 30 June 2009.

- 2,000,000 options issued with an exercise price of 20c and an expiry of 30 June 2013, were issued to Martin Place Securities, corporate advisors of the company.

Options granted to corporate advisors have been valued using a Black Scholes option pricing model, which takes into account various factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share , current market price of the underlying share and the expected life of the option. The value of the options at grant date was calculated at 12.44 cents per option based on the following assumptions:

	2009	2008
Exercise Price	-	20 cents
Volatility	-	60.00%
Time to maturity	-	30 June 2013
Risk free interest rate	-	5.75%

NOTE 30. COMPANY DETAILS

The registered office and principal place of business of the Company is:

Resources Base Limited
Level 17, 500 Collins Street
MELBOURNE VIC 3000

DIRECTORS' DECLARATION

The directors of Resource Base Limited declare that:

(a) in the directors' opinion the financial statements and notes on pages 16 to 47, and the remuneration disclosures that are contained in the Remuneration report in the Directors' report, set out on pages 7 to 10, are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2009 and of their performance, for the financial year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1; and

(c) the remuneration disclosures that are contained in the Remuneration report in the Directors' report comply with Australian Accounting Standard AASB 124 *Related Party Disclosures*, the Corporations Act 2001 and the Corporations Regulations 2001; and

(d) 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 by the chief executive officer for the financial year ended 30 June 2009, required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors.

A.L. Fraser

Alan Fraser
Managing Director

30 September 2009

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INDEPENDENT AUDITOR'S REPORT
To the members of Resource Base Limited (ABN 57 113 385 425)

Report on the Financial Report

I have audited the accompanying financial report of Resource Base Limited (the Company); which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with the International Financial Reporting Standards.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. This Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall preparation of the financial report.

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

Independence

In conducting my audit, I complied with applicable independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Resource Base Limited on 30 September 2009, would be in the same terms if provided to the Directors as at the date of this auditors report.

Electronic presentation of audited financial report

The auditor's report relates to the financial report of Resource Base Limited for the year ended 30 June 2009 included on the Resource Base Limited's web site. The Company's Directors are responsible for the integrity of the Resource Base Limited's web site. I have not been engaged to report on the integrity of the Resource Base Limited's website. The auditor's report only refers to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the web site.

Basis for Qualified Auditor's Opinion

(a) In 2008, the Directors classified Promissory Notes of $1,298,400 as cash and cash equivalents in the financial statements on the basis that the Promissory Notes are "at call" and can be readily converted into cash. At that time I had not been provided with sufficient or appropriate audit evidence to confirm that these amounts are readily convertible into cash. Based on this I believe that in the 2008 comparative financial statements the promissory notes should be classified as trade and other receivables. The comparative financial statements for 2008 (and notes thereto) does not disclose this fact.

(b) In 2008 the Directors were confident of the full collection of the Promissory Notes to the value of $1,298,400. Subsequent to the 2008 year end $300,000 had been collected. At the time of signing my 2008 audit report I had confirmation that a further $200,000 will be collected however $784,000 remained doubtful. I had not been provided with appropriate audit evidence to support the collection of these promissory notes and accordingly believed a provision for non-collectible Promissory Notes of $784,000 should be raised at 30 June 2008 which would reduce current assets by $784,000 and increase the loss for the year by $784,000. The comparative financial statements for 2008 (and notes thereto) does not disclose this fact.

Qualified Auditor's Opinion

In my opinion, except for the comparatives for 2008 as mentioned in the preceding paragraph, the financial report of Resource Base Limited is in accordance with the Corporations Act 2001, including

(a) giving a true and fair view of the Company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
(b) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Inherent Uncertainty on Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that during the year ended 30 June 2009, the consolidated entity and the company incurred a net loss of $1,447,987 and $1,833,352 respectively, had negative operating cash flows and low cash reserves both at year end and at the date of signing this report. These conditions, along with other matters set forth in Note 1, indicate the existence of an inherent uncertainty which may cast significant doubt about the consolidated entity's and company's ability to continue as going concerns and whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

LeydinFreyer ABN: 25 339 005 263

Report on the Remuneration Report

I have audited the Remuneration Report included in pages # to # of the Directorsô report for the year ended 30 June 2009. 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. My responsibility is to express an opinion on the Remuneration Report, based on my audit conducted in accordance with Australian Auditing Standards.

Auditor’s Opinion

In my opinion the Remuneration Report of Resource Base Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

MELANIE J LEYDIN
Registered Company Auditor
Registration: 212298

30 September 2009

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 22 September 2009.

1. Distribution of Shareholders

(a) Analysis of number of shareholders by size of holding.

Category of holding	Holders	Number of Shares	% of Capital
1 – 1,000	8	158	1.75
1,001 – 5,000	15	58,524	3.28
5,001 – 10,000	127	1,258,160	27.79
10,001 – 100,000	228	9,380,123	49.89
100,001 and over	79	58,969,701	17.29
Total	**457**	**69,666,666**	**100.00**

(b) There are 25 shareholders with less than a marketable parcel of ordinary shares.

2. Twenty Largest Shareholders

The names of the twenty largest holders by account holding of ordinary shares are listed below:

SHAREHOLDER		HOLDING	%
TIMORA PTY LTD		7,035,504	10.10%
ALCARDO INVESTMENTS LIMITED		4,730,000	6.79%
WHI SECURITIES		3,285,891	4.72%
MR WILLIAM EDWARD FLANNERY & MRS SHEILA TERESE FLANNERY		3,094,333	4.44%
MARTIN PLACE SECURITIES STAFF SUPERANNUATION FUND PTY LTD		2,610,667	3,75%
NUENERGY CAPITAL LIMITED		2,487,000	3.57%
O'MARA INVESTMENTS PTY LTD		2,300,000	3.30%
EGRET SUPERANNUATION PTY LTD		2,300,000	3.30%
MARTIN PLACE SECURITIES NOMINEEES PTY LTD		2,200,000	3.16%
CONSOLIDATED GLOBAL SECURITIES LTD		2,000,000	2.87%
NATIONAL NOMINEES LIMITED		1,925,000	2.76%
NORTHERN STAR NOMINEES PTY LTD		1,520,000	2.18%
SST TRADING PTY LTD		1,350,000	1.94%
NARROWSBURG HOLDINGS LTD		1,250,000	1.79%
MR MORRY BLUMENTHAL & MR GEORGE MUCHNICKI		1,050,000	1.51%
NAILBRIDGE PTY LTD		1,000,000	1.44%
MONK NOMINEES PTY LTD		825,000	1.18%
NORTHERN STAR NOMINEES PTY LTD		775,000	1.11%
GLENN CONNOR		750,000	1.08%
DEBT COACHING PTY LTD		716,500	1.03%
MARTIN PLACE SECURITIES STAFF SUPERANNUATION FUND PTY LTD		601,000	0.86%
TOTAL		**43,805,895**	**61.85%**
Balance of Register		**25,860,773**	**38.15%**
Grand TOTAL		**69,666,668**	**100.00%**

3. Twenty Largest Option holders

The names of the twenty largest holders by account holding of listed options are listed below:

OPTION HOLDER		HOLDING	%
Martin Place Securities		2,000,000	100
TOTAL			

4. Restricted Securities

As at 29 September 2009, the company had the following securities subject to escrow arrangement:

Security	No	Escrow Expiry
Ordinary shares	5,987,499	23/11/2010
Options [1]	2,000,000	23/11/2009

[1] Options exercisable at $0.20 each up to 30 June 2013.

5. Substantial Shareholders

As at 22 September 2009 the substantial shareholders were as follows:

Name of Shareholder	No of Shares	% of Issued Capital
TIMORA PTY LTD	5,000,000	9.26%
ALCARDO INVESTMENTS LIMITED	4,730,000	6.79%
MR WILLIAM EDWARD FLANNERY & MRS SHEILA TERESE FLANNERY	2,835,333	5.25%

6. Voting Rights

At a general meeting of shareholders:
(a) On a show of hands, each person who is a member or sole proxy has one vote.
(b) On a poll, each shareholder is entitled to one vote for each fully paid share.