

**RESOURCEBASE**  
LIMITED

ABN 57 113 385 425

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6 November 2009

Dion Silvy  
Australian Securities Exchange  
91 King William Street  
Adelaide SA 5000

Dear Dion

Resource Base Limited ("Resource Base" or "the Company") is in receipt of your letter dated 5 November 2009 regarding the Company's Quarterly Report in the form of an Appendix 5B for the period ended 30 September 2009.

The Company responds to your questions as follows:

1. As described in the Company's ASX announcements on 29 September 2009 and 30 October 2009 regarding the update on the progress of the proposed rights issue, shareholders at the Record Date will be provided the opportunity to apply for three (3) new shares for every seven (7) shares held at an issue price of 5 cents (\$0.05) per new share. Each two (2) new shares applied (and paid) for will come with one (1) free attaching option exercisable at five cents (\$0.05) exercisable by 30 November 2011. The Company will apply for the new shares and options to be listed on ASX, subject to satisfaction of the regulatory requirements. Upon full subscription of the offer, the Company will raise \$1,492,857 before associated costs. The funds will be applied for the further development of the Broula King Gold Mine and for working capital purposes. The Company has accepted an offer from Martin Place Securities to underwrite 50% of the proposed rights issue, representing \$746,428. The Company expects to finalise the details of the proposed rights issue within the next 10 business days.

In addition, on 20 November 2009, the Company will be holding its Annual General Meeting ("AGM"), whereby it is proposed pursuant to Resolution 3 of the Notice of Meeting of the AGM that shareholder approve the prior issue of 8 million shares. If

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approval is sought for Resolution 3, the Company will reserve its rights to place shares pursuant to the 15% Rule of Chapter 7 of the Listing Rules.

In light of the above factors, the Company believes that it will have sufficient cash to fund its activities;

2. Refer to "1" above and "3" below;
3. Resource Base does not expect the level of "administration" outflows to be as significant as the quarter in question, however the Company will continue to allocate resources towards the "development" outflows (representing the development of the Broula King Gold Mine) as funds are received from the proposed rights issue and other possible forms of finance;
4. Refer to "1" above;
5. The Company can confirm that it is in compliance with ASX Listing Rules, in particular, Listing Rule 3.1;
6. The Company continues to adhere with Listing Rule 12.2. The Company's Annual Report to shareholders (financial year ending 30 June 2009) lodged with ASX on 30 September 2009 identifies that the consolidated net asset position is \$5,398,525. As described at "1" above, the Company is working on finalising the proposed rights issue to raise up to a further \$1,492,857 to fund the Company's business objectives.

Regards



Alan Fraser  
Managing Director



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 Adelaide SA 5000

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5 November 2009

Mr Adrien Wing  
 Company Secretary  
 Resource Base Limited  
 Level 17, 500 Collins Street  
 Melbourne VIC 3000

By email: amwing@northernstargroup.com.au

Dear Mr Wing,

**Resource Base Limited (the "Company")**

I refer to the Company's Quarterly Report in the form of an Appendix 5B for the period ended 30 September 2009, released to ASX Limited ("ASX") on 30 October 2009 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Nil Receipts from product sales and related debtors
2. Net negative operating cash flows for the quarter of (\$260,000).
3. Commentary noting that the Company did not conclude the \$1.5 million convertible note / convertible loan funding arrangement announced by the Company on 30 June 2009 and that the Company continues to work with the proposed convertible note / convertible loan holder regarding the revised timing of the funds pursuant to the arrangement.
4. Commentary noting that the Company announced its intention to undertake a pro rata offer on 29 September 2009.
5. Cash at end of quarter of \$150,000.

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

**Australian Securities Exchange**

Australian Stock Exchange  
 Sydney Futures Exchange

Australian Clearing House  
 SFE Clearing Corporation

ASX Settlement and Transfer Corporation  
 Austraclear

2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. When does the Company expect to announce that the details of the proposed pro rata offer have been finalised?
5. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
6. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule

#### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by email at [dion.silvy@asx.com.au](mailto:dion.silvy@asx.com.au) or by facsimile on facsimile number (08) 8216 5099. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **4.30 p.m. C.S.T. on Friday, 6 November 2009**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

Yours sincerely,



Dion Silvy  
**Senior Adviser, Issuers (Adelaide)**