

**RESOURCEBASE**  
LIMITED

ABN 57 113 385 425

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2 February 2010

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 1 February 2010 regarding the Company's Quarterly Report in the form of an Appendix 5B for the period ended 31 December 2009.

The Company responds to your questions as follows:

1. As described in the Company's ASX Activities Report for the quarter ending 31 December 2009, lodged with ASX on 29 January 2010, along with previous ASX announcement dated 21 December 2009, the Company raised \$342,139 from its recent non renounceable rights issue. The Company also advised that it had accepted an offer from Martin Place Securities to underwrite 50% of the rights issue. To date, the underwriter has paid \$250,000 of the \$404,288 outstanding regarding the underwriting. The Company expects the balance of \$154,288 will be paid shortly.

Over and above the funds raised from the rights issue to date, being from shareholders (\$342,139) and the underwriter (\$404,288), totalling \$746,427, the Company is actively sourcing parties with which to place the shortfall shares and options ( totalling \$746,427).

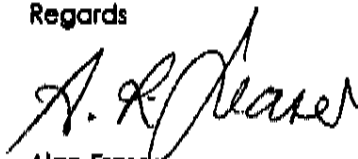
In addition, the Company will reserve its rights to place shares pursuant to the 15% Rule of Chapter 7 of the Listing Rules.

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

2. No;
3. Refer to "1" above;

4. No new information has come to light regarding the status of the proposed \$1.5 million convertible note/loan. The Company conclude that it is unlikely that such will come to commercial fruition;
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 towards raising funds from the shortfall of the rights issue and possibly utilise its "15% Rule" to fund the Company's business objectives.

Regards



Alan Fraser  
Managing Director



ASX Markets Supervision Pty Ltd  
 ABN 26 087 780 489  
 91 King William Street  
 Adelaide SA 5000

GPO Box 547  
 Adelaide SA 5001

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1 February 2010

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

By email: [amwing@northernstargroup.com.au](mailto: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 31 December 2009, released to ASX Limited ("ASX") on 29 January 2010 (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 (\$310,000).
3. No update on the status of the proposed \$1.5 million convertible note / convertible loan funding arrangement announced by the Company on 30 June 2009.
4. Cash at end of quarter of \$192,000.
5. \$404,288 receivable from Martin Place Securities Pty Ltd in the third quarter pursuant to an underwriting agreement
6. Forecast development expenditure of \$300,000 in the third quarter
7. Average quarterly administration expenditure of \$186,500 based on the last two quarters

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 for another two quarters. 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 5B 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. What is the status of the proposed \$1.5 million convertible note / convertible loan funding arrangement announced by the Company on 30 June 2009?
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 9.30 a.m. C.D.S.T. on Wednesday, 3 February 2010.

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

Please note that ASX reserves the right, under listing rule 18.7A, to release this letter and the Company's response to the market if it considers it necessary for an informed market. Accordingly, it would be appreciated if you would prepare your response in a format suitable for release to the market and separately address each of the questions asked.

If you have any queries please let me know.

Yours sincerely,



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