

RESOURCE BASE LIMITED

ABN 57 113 385 425

**Financial Report
For the half-year ended 31 December 2009**

RESOURCE BASE LIMITED
ABN 57 113 385 425

CORPORATE DIRECTORY

Board of Directors

Alan R Fraser
Kevin Lynn
Peter E Kelliher

Company Secretary

Adrien M Wing

Registered Office

Level 17
500 Collins Street
Melbourne Victoria 3000
Telephone: (03) 9614 0600
Facsimile: (03) 9614 0550

Solicitor

Q Legal
Level 4
105 St George's Terrace
Perth WA 6000

Auditor

Melanie Leydin
Leydin Freyer Audit Pty Ltd
Suite 304, 22 St Kilda Road
St Kilda Vic 3182

Share Registry

Link Market Services Limited
Level 9, 333 Collins Street
Melbourne Victoria 3000
Telephone: 1300 558 249

Stock Exchange Listing

Resource Base Limited is listed on the Australian Stock
Exchange. Home Stock Exchange is Adelaide.
ASX Code: RBX

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DIRECTORS' REPORT

The Directors of economic entity submit herewith the financial report for the half-year ended 31 December 2009. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS

The names of the Company's Directors in office during or since the end of the half-year are:

Name

Alan R Fraser

Kevin Lynn (appointed 9 October 2009)

Glenn T Connor (resigned 9 October 2009)

Peter E Kelliher

REVIEW OF OPERATIONS

During the last six months the Company has successfully raised \$1,892.857 to allow for a recommencement of completing the construction and moving to production at the Broula King gold project in NSW.

Preliminary engineering design for the commencement of the drill and blast program of the open cut has now been completed including scheduling of ore and waste to accommodate both initial production schedules and provide sufficient waste for tailings storage facility (TSF) activities for the start up period of the project.

Removal of vegetation from the area of the TSF open cut has been completed and most soil and sub soil removed and stored in sound mounds and stock piles for later use.

Limited drilling was undertaken to confirm drill penetration rates preparatory to settling drill and blast contracts.

Limited construction work continued on site including maintenance of existing assets.

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.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration under s.307C of the *Corporation Act 2001* in relation to the review of the half-year is included on page 4.

Signed in accordance with a resolution of the Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Alan Fraser

Director

MELBOURNE,

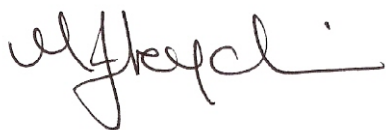
16 March 2010

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 Half-year Auditor's Review for the half-year ending 31 December 2009, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



MELANIE J LEYDIN

Registered Company Auditor

Registration: 212298

16 March 2010

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RESOURCE BASE LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Resource Base Limited, which comprises the consolidated statement of financial position as at 31 December 2009, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration of the company at the end of the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matters that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Resource Base Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express audit opinion.

Auditor's Independence Declaration

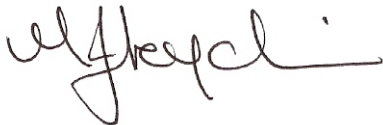
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Resource Base Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Yours faithfully



MELANIE J LEYDIN
Registered Company Auditor
Registration: 212298

16 March 2010

DIRECTORS DECLARATION

The Directors declare that:

- a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Alan Fraser
Director

MELBOURNE,

16 March 2010

RESOURCE BASE LIMITED
ABN 57 113 385 425

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Note	Half-year ended 31 December 2009 \$	Half-year ended 31 December 2008 \$
Revenue		58,544	85,824
Administrative expenses		(247,768)	(130,314)
Corporate expenses		(27,231)	(35,539)
Exploration expenses written off		-	(57,608)
Depreciation		(58,544)	(56,538)
Employment and consulting expenses		(88,032)	(154,325)
Profit/(loss) before tax for the period		<u>(363,031)</u>	<u>(348,500)</u>
Income tax expense		-	-
Profit/(loss) after tax for the period		<u>(363,031)</u>	<u>(348,500)</u>
Other comprehensive income		-	-
Total comprehensive income for the period		<u><u>(363,031)</u></u>	<u><u>(348,500)</u></u>
		Cents per Share	Cents per Share
Earnings/(loss) per share			
Basic earnings/(loss) per share		(0.54)	(0.62)
Diluted earnings/(loss) per share		(0.54)	(0.62)

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

RESOURCE BASE LIMITED
ABN 57 113 385 425

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	31 December 2009	30 June 2009
	\$	\$
Current Assets		
Cash and cash equivalents	177,090	39,523
Trade and other receivables	82,218	65,122
Other current assets	786,690	787,653
Total Current Assets	<u>1,045,998</u>	<u>892,298</u>
Non-Current Assets		
Plant and equipment	1,385,606	1,389,800
Exploration and evaluation assets	3,974,447	3,830,275
Other non-current assets	516,627	527,240
Total Non-Current Assets	<u>5,876,680</u>	<u>5,747,315</u>
Total Assets	<u><u>6,922,678</u></u>	<u><u>6,639,613</u></u>
Current Liabilities		
Trade and other payables	415,826	418,662
Borrowings	97,193	94,782
Total Current Liabilities	<u>513,019</u>	<u>513,444</u>
Non-Current Liabilities		
Borrowings	179,976	227,644
Provisions	500,000	500,000
Total Non-Current Liabilities	<u>679,976</u>	<u>727,644</u>
Total Liabilities	<u>1,192,995</u>	<u>1,241,088</u>
Net Assets	<u><u>5,729,683</u></u>	<u><u>5,398,525</u></u>
Equity		
Issued Capital	8,848,963	8,154,774
Reserves	248,824	248,824
Accumulated losses	(3,368,104)	(3,005,073)
Total Equity	<u><u>5,729,683</u></u>	<u><u>5,398,525</u></u>

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

RESOURCE BASE LIMITED
ABN 57 113 385 425

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

CONSOLIDATED

	Issued Capital	Option Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Equity as at 1 July 2008	7,719,182	248,824	(1,557,086)	6,410,920
Profit/(loss) for the period	-	-	(348,500)	(348,500)
Total comprehensive income for the period	7,719,182	248,824	(1,905,586)	6,062,420
Shares issued	152,270	-	-	152,270
Cost of capital raising	(18,174)	-	-	(18,174)
Balance as at 31 December 2008	7,853,278	248,824	(1,905,586)	6,196,516

CONSOLIDATED

	Issued Capital	Option Reserve	Retained Earnings	Total
Balance as at 1 July 2009	8,154,774	248,824	(3,005,073)	5,398,525
Profit/(loss) for the period	-	-	(363,031)	(363,031)
Total comprehensive income for the period	8,154,774	248,824	(3,368,104)	5,035,494
Shares issued	744,062	-	-	744,062
Cost of capital raising	(49,873)	-	-	(49,873)
Balance as at 31 December 2009	8,848,963	248,824	(3,368,104)	5,729,683

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Half-year ended 31 December 2009 \$	Half-year ended 31 December 2008 \$
Cash flows from operating activities		
Receipts from customers	48,697	196,684
Interest received	9,847	16,523
Payments to suppliers and employees	(405,948)	(553,140)
Net cash used in operating activities	(347,404)	(339,933)
Cash flows from investing activities		
Payment for property, plant and equipment	-	(98,874)
Payment for exploration costs	(198,522)	(413,069)
Refund of security deposit	10,613	-
Net cash (used in)/provided by investing activities	(187,909)	(511,943)
Cash flows from financing activities		
Proceeds from issue of equity securities	742,137	134,097
Payment for share issue costs	(24,000)	-
Repayment of borrowings	(45,257)	-
Net cash flows from investing activities	672,880	134,097
Net (Decrease)/Increase in cash and cash equivalents	137,567	(717,779)
Cash and cash equivalents at beginning of the financial year	39,523	2,201,956
Cash and cash equivalents at the end of the financial year	177,090	1,484,177

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2009 annual financial report for the financial year ended 30 June 2009, other than as stated below.

The Group has adopted all of the new and revised Standard and Interpretations issued by the AASB that are relevant to their operations and effective for the current period.

New and revised Standards and Interpretations effective for the current period that relevant to the Group include:

- AASB 8 : Operating Segments
- AASB 101 : Presentation and Financial Statements

2. SEGMENT INFORMATION

Resource Base Limited operates in the mining and exploration industry in Australia.

The group has adopted AASB 8 Operating Segments with effect from 1 January 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief decision maker in order to allocate resources to the segment and to assess its performance. The board reviews the company as a whole in the business segment of mineral exploration within Australia. This segment reporting was previously reported under AASB 114 as Primary Reporting – Business Segments and its segment analysis has been continued for the current half-year.

Upon the adoption of AASB 8, there has been no change to the reportable segments. The Group has therefore not changed any reporting for the previous corresponding period. Resource Base Limited operates in the mineral exploration industry within Australia.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3. ISSUE OF EQUITY SECURITIES

On September 4th 2009 the company issued 8,000,000 shares at an issue price of \$0.05, raising \$400,000. This has been recognised in the accounts net of \$24,000 of associated costs.

During the current period the company announced a 3:7 rights issue. As at 31 December 2009 the company had issued 6,842,797 share at an issue price \$0.05 raising \$342,140. This has been recognised net of \$23,948 of associated costs.

4. BUSINESS COMBINATIONS

There were no entities acquired or disposed of during the half year. The consolidated group is as follows:

Name of Entity	Country of Incorporation	Ownership Interest	
		31 Dec 2009	31 Dec 2008
Parent Entity			
Resource Base Limited	Australia		
Subsidiaries			
Broula King Joint Venture Pty Ltd	Australia	100%	100%

5. COMMITMENTS

There was no material change in the Group's commitments since the end of the last reporting period.

6. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 31 December 2009, the consolidated entity successfully placed the balance of shares available under the recent rights issue whereby a total of 23,014,346 shares (and 11,507,173 free attaching options) were issued raising \$1,150,717, including \$149,288 received by way of a promissory note from the underwriter, Martin Place Securities.