RESOURCE BASE LIMITED
ABN 57 113 385 425

Annual Financial Report
for the Financial Year ended 30 June 2010

RESOURCE BASE LIMITED
ABN 57 113 385 425

CORPORATE DIRECTORY

Board of Directors
Alan Fraser (Managing Director and Chairman)
Peter Kelliher (Executive Director)
Kevin Lynn (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 Perth
ASX Code Shares: RBX

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REVIEW OF OPERATIONS

1. Company Overview

The year has been a challenging year marked by the continuing fallout from the GFC and in recent times the uncertainty created in local financial markets by the proposed tax on mining companies by the Australian Federal Government. Nonetheless the Company has continued with the development of its mining asset, the Broula King gold mine located in central NSW, midway between Cowra and Grenfell, approximately 230 km west of Sydney.

Earthworks on the project are significantly advanced with all major works completed save for the Tailings Storage Facility (TSF) which was commenced during the year. Earthworks substantially completed include:-

- vegetation and top soils removed and stored for later use
- sound mounds constructed to the northern and north west boundary are in place
- area of main open pit excavated to bedrock and prepared for first drill and blast event
- haul roads to ROM pad and TSF formed
- internal road network in place
- start made on clay liner to the TSF to form starter dam for processing plant discharge

Plant construction significantly advanced with most equipment now delivered to site and placed on foundations, most infrastructure located on site, bore field and water supply lines operational, pipework underway and some electrical installation commenced.

The region and the site have experienced above average rainfall for the May/June period.

Ongoing environmental monitoring is continuing to provide background data for the site.

The Company is currently exploring a number of opportunities to finance the completion of the project and the provision of sufficient working capital through to production. Works to be completed include:-

- complete construction of treatment plant and undertake commissioning
- Pre strip will require three drill and blast events prior to commissioning
- complete ROM pad and starter TSF
- stockpile ore in readiness for plant commissioning
- first fill re-agent and spares inventory purchase

Once completed the Company will commence production and shall be capable of developing the longer term strategy of bringing on stream further medium sized projects, some located nearby.

The Company has been approached and is in preliminary exploratory discussions with third parties in regard to possible joint operations. The Company does have in board extensive and relevant experience in regard to project acquisition, environmental impact statements, plant procurement and construction and looks to leverage its position from the Broula King gold project. The Company will continue to monitor this position.

SCHEDULE OF MINING TENEMENTS AS AT 30 JUNE 2010

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 2010. 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 over 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	6,212,923 Shares 854,212 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	190,475 Shares 28,571 Options

DIRECTORS' REPORT (Continued)

DIRECTORS (Continued)

Kevin Lynn	**CA, FIA, FICD** **Non-Executive Director – Appointed 9 October 2009**
Experience	Mr Kevin Lynn is a Chartered Accountant, with a masters degree in Finance. He has had over 20 years experience in the resources sector and is currently a Company Secretary or Director of a number of public companies including Burleson Energy Ltd, Silver Mines Ltd, Metallum Resources plc, Ignite Energy Ltd, Dolomatrix International Ltd and Granite Power Ltd.
Directorships in listed entities	Nil
Relevant interests in shares and options	Nil Shares Nil Options
Glenn T Connor	**Ass. Dip Bus Stud – Accounting** **Non Executive Director– Resigned 9 October 2009**
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	1,909,780 Shares Nil Options

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.

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

Directors and executives or their nominees were granted 882,783 options by Resource Base Limited during and since the end of the financial year via the Rights Issue expiring 30 November 2011.

DIRECTORS' REPORT (Continued)

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
Listed Options	18,928,555	5 cents	30 November 2011

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 18,928,555 options were issued, and no options were exercised. At 30 June 2010 20,928,555 options were on issue. Refer to Note 28 to the financial statements for details of options granted as share based payments.

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 $1,892,857 pursuant to a rights issue by issuing 37,857,144 shares at 0.05 cents per share with 1:2 freely attaching options; and
- The Company impaired BBX dollars of $555,239.

OPERATING RESULTS

The Group's consolidated net loss for the year after applicable income tax was $1,275,375. (2009: loss $1,447,987).

REVIEW OF OPERATIONS

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

REVIEW OF FINANCIAL CONDITION

The net assets of the consolidated entity have increased by $529,390 to $5,927,915 as at 30 June 2010. The major movements were due to expenditure of general operational payments, expenditure on exploration and evaluation assets and the impairment of BBX Dollars.

The consolidated entity's working capital, being current assets less current liabilities was ($279,663) in 2010 compared with $378,854 in 2009.

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

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.

DIRECTORS' REPORT (Continued)

EVENTS SUBSEQUENT TO BALANCE DATE

On the 8 October 2010, the Company issued 14,928,000 ordinary fully paid shares at an issue price of $3.349 cents per share raising $500,000 before associated costs.

Other than the above matter mentioned above 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 report was authorised for issue on 11 October 2010 by the Board of Directors.

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 2010.

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, eight (8) board meetings were held. There is no separate audit, remuneration or nomination committee. In addition there were five (5) circular resolutions.

	BOARD OF DIRECTORS	
DIRECTORS	HELD	ATTENDED
Mr AF Fraser	8	8
Mr PK Kelliher	8	8
Mr K Lynn^	5	5
Mr G Connor*	3	3

*Resigned in financial year ended 30 June 2010
^ Appointed during the financial year ended 30 June 2010

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.

DIRECTORS' REPORT (Continued)

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 2010.

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 Kevin Lynn	Non-executive Director (appointed 9 October 2009)
Mr Glenn Connor	Non-executive Director (resigned 9 October 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.

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.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Audited)

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.

Details of Remuneration for Year Ended 30 June 2010

Name of Directors & Executives	Short Term Employee Benefits			Post Employment Benefits	Share-based Payment			
	Salary $	Consulting $	Non-monetary benefits $	Superannuation $	Options $	Shares $	Total $	Equity as % of annual remuneration
Directors								
Mr Alan Fraser	**100,000**	-	-	**9,000**	-	-	**109,000**	-
Mr Peter Kelliher	-	-	-	-	-	-	-	-
Mr Kevin Lynn	**13,068**	-	-	**1,176**	-	-	**14,244**	-
Mr Glenn Connor*	-	**5,114**	-	-	-	-	**5,114**	-
Company Secretary								
Mr Adrien Wing	-	**60,000**	-	-	-	-	**60,000**	-
Total Remuneration	**113,068**	**65,114**	-	**10,176**	-	-	**188,358**	-

*Resigned in financial year ended 30 June 2010

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Audited)

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 $	Superannuation $	Options $	Shares $	Total $	Equity as % of annual remuneration
Directors								
Mr Alan Fraser	100,000	-	-	9,000	-	-	109,000	-
Mr Peter Kelliher	-	-	-	-	-	-	-	-
Mr Kevin Lynn	-	-	-	-	-	-	-	-
Mr Glenn Connor*	18,000	-	-	1,620	-	-	19,620	-
Mr Geoff Turner^	9,000	-	-	810	-	-	9,810	-
Mr A Peter Armitage^	-	12,000	-	-	-	-	12,000	-
Company Secretary								
Mr Adrien Wing	-	60,000	-	-	-	-	60,000	-
Total Remuneration	127,000	72,000	-	11,430	-	-	210,430	-

*Resigned in financial year ended 30 June 2010
^ Resigned in financial year ended 30 June 2009

Shares Issued as Part of Remuneration for the Year Ended 30 June 2010

There were no shares issued as remuneration during the year ended 30 June 2010 (2009: Nil).

Options Issued as Part of Remuneration for the Year Ended 30 June 2010

There were no options issued as remuneration during the year ended 30 June 2010 (2009: Nil).

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.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Audited)

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.

END REMUNERATION REPORT

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, 11 October 2010

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 year ended 30 June 2010, 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

11 October 2010

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.

CORPORATE GOVERNANCE STATEMENT (Continued)

Recommendation 4.1: The Board should establish an audit committee.

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 (if applicable) 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.

CORPORATE GOVERNANCE STATEMENT (Continued)

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.

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

CONSOLIDAED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2010

	Note	CONSOLIDATED GROUP 2010 $	2009 $
Revenue	2	**146,181**	139,032
Other Income	2	**-**	26,209
Finance Costs	3	**(26,559)**	(33,159)
Administration Expenses		**(72,447)**	(35,758)
Corporate Expenses		**(189,412)**	(103,310)
Depreciation Expense		**(119,285)**	(114,332)
Employee Benefits Expense		**(309,474)**	(314,042)
Occupancy Costs		**(147,469)**	(131,850)
Write-off Exploration Assets	11	**-**	(66,078)
Provision for Non-Recovery of BBX Dollars	8	**(555,239)**	-
Write-off Fixed Assets	10	**(1,671)**	(38,900)
Provision for Non-Recovery of Promissory Notes	8	**-**	(770,000)
Other Expenses		**-**	(5,799)
(Loss)/Profit Before Income Tax Expense		**(1,275,375)**	(1,447,987)
Income Tax Benefit/(Expense)		**-**	-
(Loss)/Profit for the Year		**(1,275,375)**	(1,447,987)
Other Comprehensive Income Net of Tax		**-**	-
Total Comprehensive Income for the Year		**(1,275,375)**	(1,447,987)
(Loss)/Profit Attributable to:			
Members		**(1,275,375)**	(1,447,987)
		(1,275,375)	(1,447,987)
Total Comprehensive Income Attributable to:			
Members		**(1,275,375)**	(1,447,987)
		(1,275,375)	(1,447,987)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

RESOURCE BASE LIMITED
ABN 57 113 385 425

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2010

	Note	CONSOLIDATED GROUP 2010 $	2009 $
Earnings Per Share			
Based on (Loss)/Profit for the Year			
Basic (Losses)/Earnings Per Share (cents per share)	**26**	**(0.02)**	(0.26)
Diluted (Losses)/Earnings Per Share (cents per share)	**26**	**(0.02)**	(0.26)
Based on Comprehensive Income for the Year			
Basic (Losses)/Earnings Per Share (cents per share)	**26**	**(0.02)**	(0.26)
Diluted (Losses)/Earnings Per Share (cents per share)	**26**	**(0.02)**	(0.26)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

RESOURCE BASE LIMITED
ABN 57 113 385 425

CONSOLIDATED STATEMENT OF FINACIAL POSITION
As at 30 June 2010

		CONSOLIDATED GROUP	
	Note	**2010 $**	2009 $
Current Assets			
Cash and Cash Equivalents	**7**	**54,707**	39,523
Trade and Other Receivables	**8**	**131,493**	65,122
Other Assets	**9**	**181,000**	787,653
Total Current Assets		**367,200**	892,298
Non-Current Assets			
Plant and Equipment	**10**	**1,445,058**	1,389,800
Exploration and Evaluation Assets	**11**	**4,803,662**	3,830,275
Other Assets	**9**	**591,629**	527,240
Total Non-Current Assets		**6,840,349**	5,747,315
Total Assets		**7,207,549**	6,639,613
Current Liabilities			
Trade and Other Payables	**13**	**527,600**	418,662
Borrowings	**14**	**119,263**	94,782
Total Current Liabilities		**646,863**	513,444
Non-Current Liabilities			
Borrowings	**14**	**110,458**	227,644
Provisions	**15,16**	**522,313**	500,000
Total Non-current Liabilities		**632,771**	727,644
Total Liabilities		**1,279,634**	1,241,088
Net Assets		**5,927,915**	5,398,525
Equity			
Issued Capital	**17**	**9,959,539**	8,154,774
Reserves	**18**	**248,824**	248,824
Accumulated losses	**18**	**(4,280,448)**	(3,005,073)
Total Equity		**5,927,915**	5,398,525

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

RESOURCE BASE LIMITED
ABN 57 113 385 425

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Year Ended 30 June 2010

		SHARE CAPITAL			
	Note	Issued Capital $	Retained Earnings $	Option Reserves $	Total $
CONSOLIDATED GROUP					
At 1 July 2008		7,719,182	(1,557,086)	248,824	6,410,920
Issue of Shares for Cash		460,000	-	-	460,000
Transaction Costs		(24,408)	-	-	(24,408)
Total Transactions with owners in their Capacity as Owners		435,592	-	-	435,592
Profit/(Loss) for the Year		-	(1,447,987)	-	(1,447,987)
Other Comprehensive Income for the Year		-	-	-	-
Total Comprehensive Income		-	(1,447,987)	-	(1,447,987)
Forfeited Options		-	-	-	-
At 30 June 2009	**17**	8,154,774	(3,005,073)	248,824	5,398,525
At 1 July 2009		**8,154,774**	**(3,005,073)**	**248,824**	**5,398,525**
Issue of Shares for Cash		**1,892,857**	**-**	**-**	**1,892,857**
Transaction Costs		**(88,092)**	**-**	**-**	**(88,092)**
Total Transactions with owners in their Capacity as Owners		**1,804,765**	**-**	**-**	**1,804,765**
Profit/(Loss) for the Year		**-**	**(1,275,375)**	**-**	**(1,275,375)**
Other Comprehensive Income for the Year		**-**	**-**	**-**	**-**
Total Comprehensive Income		**-**	**(1,275,375)**	**-**	**(1,275,375)**
Forfeited Options		**-**	**-**	**-**	**-**
At 30 June 2010	**17**	**9,959,539**	**(4,280,448)**	**248,824**	**5,927,915**

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASHFLOWS
For the Year Ended 30 June 2010

		CONSOLIDATED GROUP	
	Note	**2010** $	2009 $
Cash Flows From Operating Activities			
Receipts from Customers		**123,241**	207,028
Interest Received		**20,858**	29,004
Payments to Suppliers and Employees		**(637,696)**	(431,362)
Net Cash Flows Used in Operating Activities	**24**	**(493,597)**	(195,330)
Cash Flows From Investing Activities			
Payments for Exploration and Development		**(973,387)**	(811,891)
Payments for Plant and Equipment		**(176,214)**	(32,085)
Proceeds from/(Payments for) Deposits		**10,611**	(25,628)
Net Cash Flows Used in Investing Activities		**(1,138,990)**	(869,604)
Cash Flows From Financing Activities			
Proceeds from Issue of Equity Securities		**1,828,568**	440,240
Payments for Share Issue Costs		**(88,092)**	(14,748)
Proceeds from Promissory Notes		**-**	518,400
Payments for Borrowing		**(92,705)**	(81,491)
Net Cash Flows From Financing Activities		**1,647,771**	862,401
Net Increase/(Decrease) in Cash and Cash Equivalents		**15,184**	(202,533)
Cash and Cash Equivalents at Beginning of the Financial Year		**39,523**	2,201,956
Reclassification of Promissory Notes to Current Trade and Other Receivables		**-**	(1,298,400)
Reclassification of BBX dollars to Other Current Assets		**-**	(661,500)
Cash and Cash Equivalents at the End of the Financial Year	**7**	**54,707**	39,523

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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 entity ('Consolidated Group' or 'Group'). 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 11 October 2010.

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 judgments 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 Resource 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 12 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:

Note 1. Summary of Accounting Policies (Continued)

(b) Going Concern Assumption (Continued)

- The consolidated entity and the company recorded a net loss of $1,275,375 (2009: $1,447,987);
- The consolidated entity and the company had negative operating cash flows 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:

- The directors believe the Company will be able to obtain adequate sources of finance to fund operations for the next 12 months;
- To assist future capital requirements the Company will continue to rely on its shareholder base for continued support with placements, rights issues and other capital raising means including debt instruments;
- The Company may also wish to issue securities pursuant to Chapter 7 of the ASX Listing Rules under the "15% Rule";
- In additional the Company has on issue a significant number of options which holders may exercise in the future providing further funds for company requirements;
- The Company will continue to preserve cash and minimize costs as it may consider converting agreed debt into equity; and
- Also the Company aims at earning revenue from Broula King Gold Mine.

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.

On the 8 October 2010, the Company issued 14,928,000 ordinary fully paid shares at an issue price of $3.349 cents per share raising $500,000 before associated costs.

(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.

Note 1. Summary of Accounting Policies (Continued)

(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

Resource 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.

Note 1. Summary of Accounting Policies (Continued)

(f) 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.

Note 1. Summary of Accounting Policies

(g) 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.

Note 1. Summary of Accounting Policies (Continued)

(j) 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.

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.

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.

Note 1. Summary of Accounting Policies (Continued)

(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.

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.

Note 1. Summary of Accounting Policies (Continued)

(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.

(u) 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.

(v) 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 30 June 2009, this $10,000 was received. During the 2010 financial year $74,289 of promissory notes were issued and remain outstanding and recoverable at 30 June 2010, subsequent to year end these funds were received. The Board reserves its rights and continues to pursue the recovery of the $770,000 in outstanding promissory notes provided for in the 2009 financial year.

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 performed an impairment test at reporting date and have resolved to impair the BBX Dollars at 30 June 2010, $555,239 (2009: Nil) leaving a carrying value of $100,000, (2009: $657,653) classified as $25,000 Current Assets and $75,000 Non-Current Assets. The Directors believe that the value of BBX dollars equates to AU$1.00 per BBX dollar.

(w) Adoption of New and Revised Accounting Standards

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year.

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2009:

- AASB 8 Operating Segments effective 1 January 2009
- AASB 101 Presentation of Financial Statements (revised 2007) effective 1 January 2009
- AASB 127 Consolidated and Separate Financial Statements (revised 2008) effective 1 July 2009
- AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 effective 1 July 2009

When the adoption of the Standard or Interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

Note 1. Summary of Accounting Policies (Continued)

(w) Adoption of New and Revised Accounting Standards (Continued)
Changes in accounting policies and disclosures

AASB 8 *Operating Segments*
AASB 8 replaced AASB 114 Segment Reporting upon its effective date. The Group concluded that the operating segments determined in accordance with AASB 8 are the same as the business segments previously identified under AASB 114. AASB 8 disclosures are shown in note 22, including the related revised comparative information.

AASB 101 Presentation of Financial Statements
The Group elected to early adopt the revised Standards from 1 January 2009 (instead of 1 July 2009).
The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one statement.

Annual Improvements Project
In May 2008 and April 2009 the AASB issued omnibus of amendments to its Standards as part of the Annual Improvements Project, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions and application dates for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

- AASB 8 *Operating Segments:* clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. As the Group's chief operating decision maker does review segment assets and liabilities, the Group has continued to disclose this information in note 23.

- AASB 101 Presentation of Financial Statements: assets and liabilities classified as held for trading in accordance with AASB 139 Financial Instruments: Recognition and Measurement are not automatically classified as current in the statement of financial position. The Group amended its accounting policy accordingly and analysed whether management's expectation of the period of realisation of financial assets and liabilities is in accordance with AASB 101. This did not result in any re-classification of financial instruments between current and non-current in the statement of statement of financial position.

- AASB 136 Impairment of Assets: when discounted cash flows are used to estimate “fair value less cost to sell” additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate “value in use”. The Group has amended its disclosures accordingly in note 11. The amendment also clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in AASB 8 before aggregation for reporting purposes. The amendment has no impact on the Group as the annual impairment test is performed before aggregation.

Other amendments resulting from the Annual Improvements Project to the following Standards did not have any impact on the accounting policies, financial position or performance of the Group:

- AASB 108 *Accounting Policies, Change in Accounting Estimates and Error*
- AASB 110 Events after the Reporting Period
- AASB 118 Revenue
- AASB 119 Employee Benefits

(x) Compliance with IFRS
The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Note 1. Summary of Accounting Policies (Continued)

(y) 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 - Impairment

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.

Key Estimates - Promissory Notes

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 30 June 2009, this $10,000 was received. During the 2010 financial year $74,289 of promissory notes were issued and remain outstanding and recoverable at 30 June 2010, subsequent to year end these funds were received. The Board reserves its rights and continues to pursue the recovery of the $770,000 in outstanding promissory notes provided for in the 2009 financial year.

Key Estimates - BBX Dollars

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 performed an impairment test at reporting date and have resolved to impair the BBX Dollars at 30 June 2010, $555,239 (2009: Nil) leaving a carrying value of $100,000, (2009: $657,653) classified as $25,000 Current Assets and $75,000 Non-Current Assets. The Directors believe that the value of BBX dollars equates to AU$1.00 per BBX dollar.

Key Estimates - Inter-Company Loan Account

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 liabilities at 30 June 2010 the Board of Resource Base Limited resolved to make a provision against this loan for $450,000, (2009: $652,307), 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 2010 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.

Note 2. Revenue

	Note	CONSOLIDATED GROUP 2010 $	2009 $
Revenue			
Rent Received		**125,167**	107,977
Interest Received		**21,014**	31,055
Total Revenue		**146,181**	139,032
Other Income			
Other Income		**-**	26,209
Total Other Income		**-**	26,209
(a) Interest Revenue from:			
- Other Persons		**21,014**	31,055
Total Interest Revenue		**21,014**	31,055

Note 3. Expenses

		2010 $	2009 $
Finance Costs:			
- Other Persons		**26,559**	33,159
Total Finance Costs		**26,559**	33,159
Rental Expense on Operating Leases			
- Minimum Lease Payments		**135,771**	122,118
Travel and Accommodation		**12,468**	31
Write-off Fixed Assets		**1,671**	38,900
Provision for Non-recovery of Promissory Notes^		**-**	770,000
Provision for Non-recovery of BBX Dollars*		**555,239**	-

^Refer to Note 8 for further information on Promissory Notes.
*Refer to Note 9 for further information on BBX Dollars.

Note 4. Income Tax Expense

		CONSOLIDATED GROUP	
	Note	**2010** **$**	2009 $
(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		**(1,275,375)**	(1,447,987)
Income Tax Benefit calculated at 30%		**(382,612)**	(434,396)
Add - Tax Effect of:			
- Share Based Payments		-	-
- Other Permanent Differences		**503**	427,080
		(382,109)	(7,316)
Add/(Less) - Temporary Differences:			
- Impairment for BBX Dollars		**166,572**	-
-Depreciation		**(6,444)**	
- Provision for Superannuation		**(3,423)**	5,517
- Capitalised Deductible Exploration Expenditure		**(9,821)**	(5,626)
- Deductible Share Issue Costs		**(49,887)**	(48,856)
- Other Timing Differences		**(9,278)**	22,422
Income Tax Attributable to the Entity		**(294,391)**	(33,859)
Income Tax Losses carried forward not taken up as benefit		**294,391**	33,859
Tax Expense		-	-
Weighted Average Effective Tax Rates are as follows:		-	-
Deferred tax assets not brought to account as assets:			
-Tax Losses		**2,937,263**	1,951,105
- Temporary Differences		**(717,230)**	(1,009,985)
		2,220,033	941,120

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

(a) Names and positions of Consolidated Group Key Management Personnel in office during the year were:

Mr. Alan R Fraser	Managing Director
Mr. Peter E Kelliher	Executive Director
Mr. Kevin Lynn	Non-Executive Director – Appointed 9 October 2009
Mr. Adrien Wing	Company Secretary
Mr. Glenn Connor^	Non-Executive Director – Resigned 9 October 2009
Mr. Geoffrey Turner*	Non-Executive Director – Resigned 6 January 2009
Mr. A Peter Armitage*	Non-Executive Chairman –Resigned 19 December 2008

^Director has resigned during the 2010 year.
*Director has resigned during the 2009 year.

(b) Compensation practices

Refer to Remuneration Report contained within the Directors' Report.

(c) Aggregate Compensation made to Key Management Personnel

	CONSOLIDATED GROUP	
	2010	2009
	$	$
Short-term Employment Benefits	**178,182**	199,000
Post-Employment Benefits	**10,176**	11,430
Other Long-Term Benefits	**-**	-
Termination Benefits	**-**	-
Share-based Payments	**-**	-
	188,358	210,430

(d) Shareholdings

Number of Shares of Resources Base Limited held by Key Management Personnel

2010	**Balance 1 July 2009**	**Granted as Compensation**	**Net Change Other***	**Balance 30 June 2010**	**Balance Held Nominally**
Key Management Personnel					
Mr. Alan R Fraser	**4,504,498**	**-**	**1,708,425**	**6,212,923**	**523,998**
Mr. Peter E Kelliher	**133,333**	**-**	**57,142**	**190,475**	**-**
Mr. Kevin Lynn	**-**	**-**	**-**	**-**	**-**
Mr. Adrien Wing	**854,500**	**-**	**-**	**854,500**	**-**
Mr. Glenn Connor^	**1,909,780**	**-**	**(1,909,780)**	**-**	**-**
	7,402,111	**-**	**(144,213)**	**7,257,898**	**523,998**

*Net change other refers to options or shares purchased or sold during the financial year.
^Director has resigned during the 2010 financial year.

Note 5. Key Management Personnel (Continued)

(d) Shareholdings (Continued)

Number of Shares of Resources Base Limited held by Key Management Personnel

2009	Balance 1 July 2008	Granted as Compensation	Net Change Other**	Balance 30 June 2009	Balance Held Nominally
Key Management Personnel					
Mr. Alan R Fraser	3,980,500	-	523,998	4,504,498	523,998
Mr. Peter E Kelliher	100,000	-	33,333	133,333	-
Mr. Adrien Wing	854,500	-	-	854,500	-
Mr. Glenn Connor	1,816,447	-	93,333	1,909,780	-
Mr. Geoffrey Turner^	-	-	-	-	-
Mr. A Peter Armitage^	-	-	-	-	-
	6,751,447	-	650,664	7,402,111	523,998

**Net change other refers to shares offered to shareholder during the rights issue during the financial year.
^Director has resigned during the 2009 financial year.

(e) Options and Rights Holdings

Number of Options of Resources Base Limited Held by Key Management Personnel

Number of Options Held by Key Management Personnel 2010	Balance 1 July 2009	Granted as Compensation	Net Change Other*	Balance 30 June 2010	Total Vested & Exercisable 30 June 2010	Total Vested & Unexercis-able 30 June 2010
Key Management Personnel						
Mr. Alan R Fraser	-	-	854,212	854,212	854,212	-
Mr. Peter E Kelliher	-	-	28,571	28,571	28,571	-
Mr. Kevin Lynn	-	-	-	-	-	-
Mr. Adrien Wing	-	-	-	-	-	-
Mr. Glenn Connor^	-	-	-	-	-	-
	-	-	882,783	882,783	882,783	-

^Director has resigned during the 2010 financial year.
*Net change other refers to options or shares purchased or sold during the financial year.

Note 5. Key Management Personnel (Continued)

(e) Options and Rights Holdings (Continued)

Number of Options of Resources Base Limited Held by Key Management Personnel

Number of Options Held by Key Management Personnel 2009	Balance 1 July 2008	Granted as Compensation	Net Change Other	Balance 30 June 2009	Total Vested & Exercisable 30 June 2009	Total Vested & Unexercis-able 30 June 2009
Key Management Personnel						
Mr. Alan R Fraser	-	-	-	-	-	-
Mr. Peter E Kelliher	-	-	-	-	-	-
Mr. Adrien Wing	-	-	-	-	-	-
Mr. Glenn Connor	-	-	-	-	-	-
Mr. Geoffrey Turner^	-	-	-	-	-	-
Mr. A Peter Armitage^	-	-	-	-	-	-
	-	-	-	-	-	-

^Director has resigned during the year.

Note 6. Auditors Remuneration

	CONSOLIDATED GROUP	
	2010 **$**	2009 $
Remuneration of the auditors of the parent entity for:		
- Auditing or Reviewing the Financial Report	**24,500**	32,000
	24,500	32,000

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

Note 7. Cash and Cash Equivalents

Cash and Cash Equivalents		
Cash at Bank and On Hand	**54,707**	39,523
	54,707	39,523

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Financial Position as follows:

Cash and Cash Equivalents	**54,707**	39,523
	54,707	39,523

Note 8. Trade and Other Receivables

	CONSOLIDATED GROUP	
	2010	2009
	$	$
CURRENT		
Other Receivables	**131,493**	65,122
Amounts Receivables from:		
- Sundry Debtors	**2,292**	2,136
- Promissory Notes^	**74,289**	10,000
- GST Refundable	**54,912**	52,986
	131,493	65,122

^ 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 30 June 2009, this $10,000 was received. During the 2010 financial year $74,289 of promissory notes were issued and remain outstanding and recoverable at 30 June 2010, subsequent to year end these funds were received. The Board reserves its rights and continues to pursue the recovery of the $770,000 in outstanding promissory notes provided for in the 2009 financial year.

The weighted average interest rate on short-term bank deposits was 5.20% (2009: 5.45%); these deposits were at call. Refer to Note 1(x).

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.

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 2010 a provision for non-recovery of $450,000 (2009:$652,307) has been made against the long term inter-company loan. Refer to Note 29 for further information.

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.

Note 8. Trade and Other Receivables (Continued)

Credit Risk – Trade and Other Receivables

	Gross Amount	Past due and Impaired	< 30	31-60	61-90	>90	Within Initial Trade Terms
2010							
Other Receivables	**2,292**	-	-	-	-	-	**2,292**
Promissory Notes	**74,289**	-	-	-	-	-	**74,289**
GST Refundable	**54,912**	-	-	-	-	-	**54,912**
Total	**131,493**	-	-	-	-	-	**131,493**
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

Note 9. Other Assets

	CONSOLIDATED GROUP	
	2010 **$**	2009 $
CURRENT		
BBX Dollars*	**25,000**	657,653
Prepayments	**156,000**	130,000
	181,000	787,653
NON-CURRENT		
BBX Dollars*	**75,000**	-
Prepayments	**516,629**	527,240
	591,629	527,240

* 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 performed an impairment test at reporting date and have resolved to impair the BBX Dollars at 30 June 2010, $555,239 (2009: Nil) leaving a carrying value of $100,000, (2009: $657,653) classified as $25,000 Current Assets and $75,000 Non-Current Assets. The Directors believe that the value of BBX dollars equates to AU$1.00 per BBX dollar.

Note 10. Plant and Equipment

	Note	CONSOLIDATED GROUP 2010 $	2009 $
PLANT AND EQUIPMENT			
Plant and Equipment:			
At Cost		**1,719,688**	1,582,372
Accumulated Depreciation		**(272,959)**	(153,672)
Write-off of Assets		**(1,671)**	(38,900)
	10 (a)	**1,445,058**	1,389,800

(a) Movements in Carrying Amounts

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

	Plant & Equipment $	Computer Equipment $	Total $
Balance at 1 July 2008	1,413,656	-	1,413,656
Additions	129,376	-	129,376
Disposals	-	-	-
Depreciation Expense	(114,332)	-	(114,332)
Write-off of Assets	(38,900)	-	(38,900)
Balance at 30 June 2009	1,389,800	-	1,389,800
Additions	**174,864**	**1,350**	**176,214**
Disposals	**-**	**-**	**-**
Depreciation Expense	**(119,014)**	**(271)**	**(119,285)**
Write-off of Assets	**(1,671)**	**-**	**(1,671)**
Impairment	**-**	**-**	**-**
Balance at 30 June 2010	**1,443,979**	**1,079**	**1,445,058**

Note 11. Exploration and Evaluation Assets

	CONSOLIDATED GROUP 2010 $	2009 $
Exploration and Evaluation Expenditure Capitalised		
Opening Balance at 1 July	**3,830,275**	3,269,917
Exploration and Evaluation Expenditure Capitalised	**973,387**	626,436
Exploration Expenditure Written Off	**-**	(66,078)
Net Carrying Value	**4,803,662**	3,830,275
Closing Balance at 30 June	**4,803,662**	3,830,275

Note 11. Exploration and Evaluation Assets (Continued)

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.

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and mining of the existing mining agreements. Amounts totalling $973,387 (2009: $626,436) 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. Controlled Entities

	COUNTRY OF INCORPORATION	PERCENTAGE OWNED (%)	
		2010	2009
Resource Base Limited	Australia		
Subsidiaries of Resource Base Limited:			
- Broula King Joint Venture Pty Ltd	Australia	**100.00%**	100.00%

Note 13. Trade and Other Payables

	CONSOLIDATED GROUP	
	2010	2009
	$	$
CURRENT		
Trade Payables	**321,161**	184,356
Payroll Liabilities	**36,607**	219,306
Accrued Expenses	**169,832**	15,000
	527,600	418,662

[(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.

Note 14. Borrowings

CURRENT		
Hire Purchase Liabilities	**119,263**	94,782
	119,263	94,782
NON-CURRENT		
Hire Purchase Liabilities	**110,458**	227,644
	110,458	227,644

Hire Purchase Liabilities are secured against the equipment for which the liabilities relate to and no other assets that the Company holds.

Note 15. Provision for Rehabilitation

	CONSOLIDATED GROUP	
	2010	2009
	$	$
Provision for Rehabilitation		
Opening Balance at 1 July	**500,000**	500,000
Additional Provision raised during the year	**-**	-
Balance at 30 June	**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 16. Provision for Employee Entitlements

Opening Balance at 1 July	**-**	-
Additional Provision raised during the year	**22,313**	-
Balance at 30 June	**22,313**	-

The provision for Employee Entitlements represents provisions relating to directors and staff Annual Leave and Long Service Leave Entitlements.

Note 17. Issued Capital

99,523,810 fully paid ordinary shares (2009: 61,666,666)	**9,959,539**	8,154,774
	9,959,539	8,154,774

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

	CONSOLIDATED GROUP			
	2010		2009	
	No.	**$**	No.	$
(a) Fully paid ordinary shares				
Balance at 1 July	**61,666,666**	**8,154,774**	54,000,000	7,719,182
- 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
- Placement – 7 September 2009	**8,000,000**	**400,000**	-	-
- Rights Issue – 24 December 2009	**6,842,797**	**342,140**	-	-
- Rights Issue – 20 February 2010	**23,014,347**	**1,150,717**	-	-
Less: Costs of Capital Raising	**-**	**(88,092)**	-	(24,408)
Balance at 30 June	**99,523,810**	**9,959,539**	61,666,666	8,154,774

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 2010 and 30 June 2009 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 2010 and 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

Options issued during the current financial year, entitles the holder to subscribe for 1 ordinary share in Resource Base Limited upon the payment of $0.05 (5 cents). The options will lapse at 5.00pm (AEST) on 30 November 2011. The options are not transferable and currently subject to escrow. The options carry neither rights to dividends nor voting rights.

Options issued during the 2009 financial year, 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.

	2010 No.	2009 No.
Balance at 1 July	2,000,000	2,000,000
Granted during the Financial Year	18,928,555	-
Exercised during the Financial Year	-	-
Lapsed during the Financial Year	-	-
Balance at 30 June	**20,928,555**	2,000,000

Directors Options

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

Note 18. Reserves and Accumulated Losses

	CONSOLIDATED GROUP	
	2010 $	2009 $
(a) Accumulated Losses		
Balance at Beginning of Year	**(3,005,073)**	(1,557,086)
Net Loss Attributable to Members of RBX	**(1,275,375)**	(1,447,987)
Balance at End of Year	**(4,280,448)**	(3,005,073)
(b) Options Reserve		
Balance at Beginning of Year	**248,824**	248,824
Options Forfeited	**-**	-
Balance at End of Year	**248,824**	248,824

Nature and Purpose of Reserve

(c) Option Reserve

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

Options were issued during the 2010 financial year totalling 18,928,555, (2009: Nil). In the 2008 financial year 2,000,000 options were granted to Martin Place Securities and were valued at 12.44 cents per option.

Note 19. Dividends

There have been no dividends paid or proposed in the 2010 financial year, (2009: Nil).

Note 20. Contingent Assets and Liabilities

There are no contingent assets or liabilities for financial year ended 30 June 2010, (2009: Nil).

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:

Not longer that 1 year	**52,500**	52,500
Longer than 1 year and not longer that 5 years	**157,500**	210,000
Longer than 5 years	**52,500**	-
	262,500	262,500

Commitments for mining expenditure relating to mining lease 1617. The lease has been granted and will expire March 2029 whereby 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.

Note 21. Commitments for Expenditure (Continued)

	CONSOLIDATED GROUP	
	2010	2009
	$	$
(b) Hire Purchase Lease – Commitments for Expenditure		
Not longer that 1 year	**119,263**	94,782
Longer that 1 year and not longer that 5 years	**110,458**	227,644
Longer than 5 years	**-**	-
	229,721	322,426

Broula King Joint 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

Not longer that 1 year	**126,450**	126,450
Longer that 1 year and not longer that 5 years	**252,900**	379,350
Longer than 5 years	**-**	-
	379,350	505,800

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 further 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.

During the 2010 financial year no promissory notes were issued to Key Management Personnel, (2009: Nil). During 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 2010 the loan balance between the entities was $5,391,066 (2009: $4,541,064). This balance is eliminated on consolidation.

(b) Transactions with Key Management Personnel
During the year, the Company paid $62,905 (2009: $Nil) 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. Cashflow Information

	CONSOLIDATED GROUP	
	2010 **$**	2009 $
(a) Reconciliation of cash flow from Operations from Loss after Income Tax:		
Loss after Income Tax	**(1,275,375)**	(1,447,987)
Cash flows excluded from profit attributable to Operating Activities:		
Non Cash Flows in Loss		
- Exploration Expenditure Written-off	**-**	66,078
- Depreciation	**119,285**	114,332
- BBX Dollars used during the financial year	**2,414**	-
- Provision for Non-Recovery of BBX Dollars	**555,239**	-
- Provision for Non-recovery of Promissory Notes	**-**	770,000
- Write-off Fixed Assets	**1,671**	38,900
Changes in net assets and liabilities, net of effects of purchase and disposal of subsidiaries:		
- (Increase)/Decrease of Prepayments	**(26,000)**	-
- (Increase)/Decrease of Trade and Other Receivables	**(2,082)**	194,318
- Increase/(Decrease) of Provisions	**22,313**	-
- Increase/(Decrease) of Trade and Other Payables & Accruals	**108,938**	69,029
Net Cash Used In Operating Activities	**(493,597)**	(195,330)

(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, (2009: $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 $25,629, (2009:$36,240).

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.

Cashflow 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.

Note 25. Financial Risk Management (Continued)

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			
		2010 $	2009 $	**2010 $**	2009 $	**2010 $**	2009 $	**2010 $**	2009 $	**2010 $**	2009 $
Financial Assets											
Cash at Bank	**7**	**54,707**	39,523	**-**	-	**54,707**	39,523	**(1,138)**	(861)	**(1,138)**	861
BBX Dollars	**9**	**-**	-	**100,000**	657,653	**100,000**	657,653	**-**	-	**-**	-
Promissory Notes	**8**	**-**	-	**74,289**	10,000	**74,289**	10,000	**-**	-	**-**	-
Trade and Other Receivables	**8**	**-**	-	**57,204**	55,122	**57,204**	65,122	**-**	-	**-**	-
Other Financial Assets	**9**	**516,629**	527,240	**-**	-	**516,629**	527,240	**-**	-	**-**	-
Total		**571,336**	566,763	**231,493**	722,775	**802,829**	1,299,538	**(1,138)**	(861)	**(1,138)**	861
Weighted Average Interest Rate		**5.20%**	5.45%								
Financial Liabilities											
Trade and Other Payables	**13**	**-**	-	**527,600**	418,662	**527,600**	418,662	**-**	-	**-**	-
Borrowings	**14**	**-**	-	**229,721**	322,426	**229,721**	322,426	**-**	-	**-**	-
Total		**-**	-	**757,321**	741,088	**757,321**	741,088	**-**	-	**-**	-
Weighted Average Interest Rate		**-**	-								
Net Financial Assets/(Liabilities)		**571,336**	566,763	**(525,828)**	(18,313)	**45,508**	558,450	**(1,138)**	(861)	**(1,138)**	861

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 2010 from 4.50% to 6.30% representing a 180 basis points shift (2009: 4.40% to 6.16%). 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	
Working Capital	**2010 $**	2009 $
Current Assets	**367,200**	892,298
Current Liabilities	**646,863**	513,444
Working Capital	**(279,663)**	378,854
Ratio	**0.57**	1.74

(a) 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.

Contracted maturities of payables year ended 30 June 2010:		
- Less than 6 months	**321,161**	418,662
- 6 to 12 months	**325,702**	94,782
- 1 to 5 years	**110,458**	227,644
- Later than 5 years	**-**	-
Total	**757,321**	741,088

(b) 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.

(c) 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 Promissory Notes and 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.

Note 25. Financial Risk Management (Continued)

(d) 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.

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 2010 and 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	
	2010	2009
	$	$
(a) Reconciliation of earnings to Profit/(Loss):		
Loss		
Loss used to Calculate Basic EPS	**(1,275,375)**	(1,447,987)
Loss used to Calculate Diluted EPS	**(1,275,375)**	(1,447,987)
	(1,275,375)	(1,447,987)

	2010	2009
	No	No
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	**80,064,896**	55,367,034
(c) Weighted average number of options outstanding	**20,928,555**	2,000,000
	100,993,451	57,367,034

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.

	CONSOLIDATED GROUP	
	2010	2009
	$	$
Earnings Per Share		
Basic (Loss)/Earnings Per Share	**(0.02)**	(2.60)
Diluted (Loss)/Earnings Per Share	**(0.02)**	(2.60)

Note 26. Earnings Per Share (EPS) (Continued)

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 2010.

Note 27. Events after Balance Date

On the 8 October 2010, the Company issued 14,928,000 ordinary fully paid shares at an issue price of $3.349 cents per share raising $500,000 before associated costs.

Other than the above matter mentioned above 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 11 October 2010.

Note 28. Share Based Payments

(a) Shares

No shares were issued during the year as share based payments (2009: $Nil). Refer to pages 9 of the Directors Report for further information.

(b) Options

No options were issued or exercised during the 2010 financial year, (2009: $Nil). Refer to pages 9 of the Directors Report for further information.

Note 28. Share Based Payments (Continued)

The following options were issued on 22 November 2007 with a value of $248,800 and unexercised at 30 June 2010.

- 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:

	2010	2009	2008
Exercise Price	-	-	20 cents
Volatility	-	-	60.00%
Time to maturity	-	-	30 June 2013
Risk free interest rate	-	-	5.75%

Note 29. Parent Information

	2010 $	2009 $
Current Assets	**134,681**	735,052
Non-Current Assets	**6,001,676**	5,074,990
Total Assets	**6,136,357**	5,810,042
Current Liabilities	**240,781**	353,909
Non-Current Liabilities	**22,313**	-
Total Liabilities	**263,094**	353,909
Issued Capital	**9,959,539**	8,154,774
Reserves	**248,824**	248,824
Accumulated losses	**(4,335,100)**	(2,947,465)
Shareholders' Equity	**5,873,263**	5,456,133
Profit/(Loss)	**(1,387,635)**	(1,833,352)
Total Comprehensive Income	**(1,387,635)**	(1,833,352)

Non-current Assets		
Amounts Receivable From:		
- Broula King Joint Venture Pty Ltd	**6,493,373**	5,193,371
Less: Provision for Non-recovery	**(1,102,307)**	(652,307)
	5,391,066	4,541,064

Note 29. Parent Information (Continued)

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 liabilities at 30 June 2010 the Board of Resource Base Limited resolved to make a provision against this loan for $450,000 (2009: $652,307), which brings the fair value of the loan in line with the net assets of Broula King Joint Venture Pty Ltd.

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 51, 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 and the consolidated entity's financial position as at 30 June 2010 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 2010, required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors.

Alan Fraser
Managing Director

11 October 2010

LeydinFreyer

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

We have audited the accompanying financial report of Resource Base Limited (the Company) and its controlled entities (the consolidated entity), which comprises the consolidated statement of financial position as at 30 June 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and the directors declaration of the entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial 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 AASB101: Presentation of Financial Statements, that compliance with Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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 presentation 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 on the effectiveness of the consolidated 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 presentation of the financial report.

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

Independence

In conducting our audit, we followed applicable independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the Corporations Act 2001 has been provided to the directors of Resource Base Limited.

Auditor's opinion

In our opinion:

(a) the financial report of Resource Base Limited and its controlled entities is in accordance with the Corporations Act 2001, including:

(i) gives a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of their performance for the year ended on that date; and

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

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Inherent Uncertainty on Going Concern

Without qualifying our opinion, we draw attention to Note 1(b) in the financial report which indicates that during the year ended 30 June 2010, the consolidated entity incurred a net loss of $1,275,375, had negative operating cash flows and has insufficient cash reserves to meet its commitments for the next 18 months. These conditions, along with other matters set forth in Note 1(b), indicate the existence of an inherent uncertainty which may cast doubt about the consolidated entity's ability to continue as a going concern 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 10 of the report of the directors for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Resource Base Limited for the year ended 30 June 2010, complies with s 300A of the Corporations Act 2001.

Yours faithfully

MELANIE J LEYDIN
Registered Company Auditor
Registration: 212298

11 October 2010

RESOURCE BASE LIMITED
ABN 57 113 385 425

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 21 September 2010.

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	11	1,648	0.01
1,001 – 5,000	11	42,666	0.04
5,001 – 10,000	110	1,079,588	1.08
10,001 – 100,000	212	9,009,362	9.05
100,001 and over	115	89,390,547	89,82
Total	**459**	**99,523,811**	**100.00**

(b) There are 133 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	%
JE & MG O'GRADY NOMINEES PTY LTD	10,000,000	10.05%
TIMORA PTY LTD	7,204,254	7.24%
MARTIN PLACE SECURITIES NOMINEES PTY LTD	5,645,891	5.67%
ALCARDO INVESTMENTS LIMITED	4,840,500	4.86%
MARTIN PLACE SECURITIES STAFF SUPERANNUATION FUND PTY LTD	4,708,095	4.73%
EGRET SUPERANNUATION PTY LTD	3,078,000	3.09%
MARTIN PLACE SECURITIES NOMINEES PTY LTD	2,985,775	3.00%
MR WILLIAM EDWARD FLANNERY & MRS SHEILA TERESE FLANNERY	2,884,333	2.90%
NU ENERGY CAPITAL LIMITED	2,487,000	2.50%
MARTIN PLACE SECURITIES STAFF SUPERANNUATION FUND PTY LTD	2,358,571	2.37%
CONSOLIDATED GLOBAL SECURITIES LTD	2,000,000	2.01%
NATIONAL NOMINEES LIMITED	1,925,000	1.93%
MR GLENN THOMAS CONNOR & MRS ANNETTE MARGARET CONNOR	1,699,333	1.71%
LT KING PTY LTD	1,455,562	1.46%
NAILBRIDGE PTY LTD	1,428,571	1.44%
MR MORRY BLUMENTHAL & MR GEORGE MUCHNICKI	1,400,000	1.41%
SST TRADING PTY LTD	1,350,000	1.36%
NARROWSBURG HOLDINGS LTD	1,250,000	1.26%
SIMON-LISA PTY LTD	1,195,000	1.20%
NORTHERN STAR NOMINEES PTY	1,163,750	1.17%
TOTAL	**61,059,635**	**61.35%**
Balance of Register	**38,464,176**	**38.65%**
Grand TOTAL	**99,523,811**	**100.00%**

SHAREHOLDER INFORMATION

3. Distribution of Option Holders

(a) Analysis of number of option holders by size of holding.

Category of holding	Holders	Number of Shares	% of Capital
1 – 1,000	9	1,758	7.89
1,001 – 5,000	16	50,923	14.04
5,001 – 10,000	10	67,997	8.77
10,001 – 100,000	58	2,383,774	50.88
100,001 and over	21	16,424,103	18,42
Total	**114**	**18,928,555**	**100.00**

(b) There are 56 option holders with less than a marketable parcel of ordinary shares.

4. Twenty Largest Option Holders

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

OPTIONHOLDER	HOLDING	%
JE & MG O'GRADY NOMINEES PTY LTD	5,000,000	26.42%
ALCARDO INVESTMENT PTY LTD	2,000,000	10.57%
MARTIN PLACE SECURITIES NOMINEES PTY LTD	2,000,000	10.57%
MARTIN PLACE SECURITIES NOMINEES PTY LTD	1,492,888	7.89%
MARTIN PLACE SECURITIES STAFF SUPERANNUATION FUND PTY LTD	1,198,714	6.33%
MARTIN PLACE SECURITIES STAFF SUPERANNUATION FUND PTY LTD	878,785	4.64%
PROF ALAN JONATHAN BERRICK	500,000	2.64%
SIMON-LISA PTY LTD	500,000	2.64%
EGRET SUPERANNUATION PTY LTD	389,000	2.06%
MR AIVARS STRAZDINS	300,000	1.58%
MRS MICHELLE WING	300,000	1.58%
MR GLENN THOMAS CONNOR & MRS ANNETTE MARGARET CONNOR	270,500	1.43%
MONK NOMINEES PTY LTD	250,000	1.32%
MONK NOMINEES PTY LTD	250,000	1.32%
MR STEVEN JOHN MCCARTHY	216,941	1.15%
NAILBRIDGE PTY LTD	214,285	1.13%
BUTLER & COMPANY ARCHITECTS PTY LTD	200,000	1.06%
MR GLENN THOMAS CONNOR	150,000	0.79%
MR DAVID LAWRENCE BARDAS	107,143	0.57%
MR ALAN ROBERT FRASER	105,714	0.56%
MR VICTOR LAWRENCE JOYCE	100,133	0.53%
MR GEOFFREY LYLE BRAMICH	100,000	0.53%
MR RANDAL JOHN LEE	100,000	0.53%
MR CHRISTOPHER IAN MACGREGOR	100,000	0.53%
LION ADVANTAGE LTD	100,000	0.53%
MR ALAN ROBERT FRASER	99,999	0.53%
MR CHRISTOPHER LINDSAY BOLLAM	75,140	0.40%
TOTAL	**16,999,242**	**89.81%**
Balance of Register	**1,929,313**	**10.19%**
Grand TOTAL	**18,928,555**	**100.00%**