Resource Base Limited
ABN 57 113 385 425

Annual Report - 30 June 2013

Contents

Resource Base Limited
Corporate directory
30 June 2013

Directors	Mr Alan Fraser (Managing Director and Chairman) Peter Kelliher (Executive Director) Kevin Lynn (Non - Executive Director) Angelo Siciliano (Non - Executive Director)
Company secretary	Adrien Wing
Registered office	Level 17 500 Collins Street Melbourne VIC 3000 Ph :(03) 9614 0600 Fax : (03) 9614 0550 Email : admin@resourcebase.com.au
Principal place of business	Level 17 500 Collins Street Melbourne VIC 3000
Share register	Link Market Services Ground Floor 170 St George Terrace Perth WA 6000
Auditor	Loren Datt Audit Pty Ltd Suite 304, 22 St Kilda Road St Kilda VIC 3182
Stock exchange listing	Resource Base Limited shares are listed on the Australian Securities Exchange (ASX code: RBX)

Resource Base Limited
Directors' report
30 June 2013

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Resource Base Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2013.

Directors
The following persons were directors of Resource Base Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Alan Fraser (Managing Director and Chairman)
Peter Kelliher (Executive Director)
Kevin Lynn (Non-Executive Director)
Angelo Siciliano (Non-Executive Director)

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of:
- gold production and mineral exploration

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $7,481,071 (30 June 2012: $881,790).

During the year, the Company was focused on developing the Broula King gold project (the Project) and commenced production in September 2012, pouring the first dore bullion at the beginning of October 2012.

To ensure there was sufficient working capital to go into production the consolidated entity secured finance to acquire equipment with a facility of $425,455, convertible notes of $425,000 and a loan facility from its major shareholder, Asipac Group Pty Ltd of $800,000 of which it had drawn down $400,000 at 30 June 2013.

Revenues from the sale of gold reported in profit or loss amounted to $4,767,964 (2012: $nil), excluding $927,450 which was received pre-steady state production and capitalised into the balance sheet, and production to date at 30 June 2013 represented 39% of the mineable gold. Costs of production in the period amounted to $11,352,257 and included non-cash items of depreciation and amortisation of $3,633,857, impairment of mine assets of $3,858,725 and impairment of gold related to price of $81,648. As the volatility of gold prices remains high the directors expect fluctuations up and down to impact the consolidated entity's sales revenues over the remaining life of the resource at Broula King.

At 30 June 2013 the directors reviewed the recoverable value of the mine assets based on its value in use and determined an impairment of $3,858,725. Details are contained in note 13. As a result, the mining assets are carried at $2,660,027. Net assets of the consolidated entity are $737,940.

Broula King Gold Mine Project

The project is situated about 230 km due west of Sydney near Bumbaldry, lying mid-way between the towns of Grenfell and Cowra in the Central West Slopes region of NSW, located approximately 1km from the main road.

The consolidated entity completed the treatment plant and became operation in September 2012. To 30 June the project treated a total of 73,626 dry tonnes for the production of 125,100 grams complete with sales of A$5,695,414. The mine design will see the project completed in September/October 2014 under present revenue and costings.

The project is now proceeding well with both the open cut and tailings dam well advanced. The full internal road network is in place.

Most of the upper levels of the deposit consisting of lower grade decomposed material has been mined and treated and or disposed of as waste to form the tailings dam. Waste to ore ratios will improve with depth.

Organic material in the upper levels including residual timber remnants from historical mining was an issue with handling and recovery however this issue has now in the main passed as the open cut has moved into lower more competent rock.

The tailings dam is substantially complete requiring only 4m of lift to attain final height complete with free board and maximum storage.

To overcome the increasing ore hardness the ball mill charge was lifted however further consideration as to ball mill throughput is still under review.

Metallurgical testing was undertaken in regard to the integration within the circuit of a set of spirals to better classify the ore upstream from the CIP circuit to increase the residence period and improve recovery. It is anticipated this modification will be completed in October 2013.

Future Prospects

The consolidated entity has in-house, 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 consolidated entity has been actively working through a number of future possible opportunities that have been either forwarded or researched by the consolidated entity.

The company will continue to monitor this position.

Significant changes in the state of affairs

In October 2012 the company announced that it had poured its first dore bullion on the Broula King gold project, signalling commencement of production after 3 weeks of start-up commissioning. Subsequently the company has produced gold steadily throughout the remainder of the financial year.

The consolidated entity issued 10,000,000 fully paid ordinary shares in November 2012 to settle outstanding directors' fees in the amount of $250,000.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 21 August 2013 the consolidated entity redeemed the convertible notes held by Asipac Group Pty Ltd ('Asipac') by issuing 12,000,000 fully paid ordinary shares. Asipac held a note with a face value of $300,000 and elected to convert the note to ordinary shares under stated terms. At the same time, the remaining convertible notes, valuing $125,000, were extended under the same terms for 6 months.

No other matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The economic entity will continue to focus on production at its Broula King gold project. Production has been under way for almost one year, and the consolidated entity will continue to produce gold for sale to maximise the return from its investment in the mining assets.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

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 2013.

Information on directors

Name:	Mr Alan Fraser
Title:	Managing Director and Chairman
Experience and expertise:	Mr Fraser has over 30 years of experience in Australia 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 Gas Limited an ASX listed company since 1992. During his period as a director of NuEnergy Gas Limited, the Heathcote Gold Mine operation in Victoria, in which NuEnergy Gas Limited 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.
Other current directorships:	NuEnergy Gas Limited (ASX: NGY)
Former directorships (in the last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	18,588,351 fully paid ordinary shares
Interests in options:	7,000,000 6c options expiring on 29 November 2014.

Name:	Mr Peter Kelliher
Title:	Executive Director
Qualifications:	B.Sc (Hons), Grad Dip GeoSc, MAusIMM, MSME
Experience and expertise:	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.
Other current directorships:	Nil
Former directorships (in the last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	190,475 shares
Interests in options:	4,000,000 6c options expiring on 29 November 2014.

Name:	Mr Kevin Lynn
Title:	Non-Executive Director
Experience and expertise:	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, Ignite Energy Ltd, and Granite Power Ltd.
Other current directorships:	Nil
Former directorships (in the last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	None
Interests in options:	4,000,000 6c options expiring on 29 November 2014.

Name:	Angelo Siciliano
Title:	Non-Executive Director
Experience and expertise:	Angelo Siciliano is a Fellow of the Institute of Public Accountants. He has had 20 years' experience in the field of Accounting and over this period has focused predominantly on property development and investment. For the last 15 years Mr Siciliano has owned and managed an accounting practice with his major emphasis being taxation and business consulting.
Other current directorships:	Terramin Australia Limited (ASX: TZN)
Former directorships (in the last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	None
Interests in options:	4,000,000 6c options expiring on 29 November 2014.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary
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.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each board committee held during the year ended 30 June 2013, and the number of meetings attended by each director were:

	Full Board		Audit Committee	
	Attended	Held	Attended	Held
Mr Alan Fraser	9	9	-	-
Mr Peter Kelliher	9	9	-	-
Mr Kevin Lynn	9	9	2	2
Mr Angelo Siciliano	9	9	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

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 regulation 2M.6.04. For the purposes of this report, the term “executive” encompasses all directors of the Company.

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.

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Additional information

A Principles used to determine the nature and amount of remuneration

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 motivated directors and employees who can enhance the company through their contributions and leadership.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company.

Alignment to shareholders' interests:

- focuses on sustained growth in shareholder wealth through growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors 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 of bonuses and/or options as considered appropriate by the Board, which may be subject to shareholder approval in accordance with the ASX listing rules.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers the amount of director fees being paid by comparable companies with similar responsibilities and the experience of the non-executive directors when undertaking the annual review process.

The Company determines the maximum amount for remuneration, including thresholds for share-based remuneration, for directors by resolution. Currently, the maximum amount of remuneration allocated to all non-executive directors approved by shareholders is $200,000. Further details regarding components of director and executive remuneration are provided in the notes to the financial statements.

Executive 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 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.

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.

Voting and comments made at the company's 27 November 2012 Annual General Meeting ('AGM')
The company received 95.9% of 'for' votes in relation to its remuneration report for the year ended 27 November 2012. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

B Details of remuneration

Amounts of remuneration
Details of the remuneration of the directors, other key management personnel (defined as those who have the authority and the responsibility for planning, directing and controlling the major activities of the consolidated entity) and the specified executives of Resource Base Limited are set out on the following tables.

2013	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
Name	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Mr Kevin Lynn	18,000	-	-	1,620	-	-	19,620
Mr Angelo Siciliano	18,000	-	-	1,620	-	-	19,620
Executive Directors:							
Mr Alan Fraser***	162,500	-	-	9,000	3,462	-	174,962
Mr Peter Kelliher **	163,048	-	-	-	-	-	163,048
Other Key Management Personnel:							
Mr Adrien Wing *	66,000	-	-	-	-	-	66,000
	427,548	-	-	12,240	3,462	-	443,250

* Fees have been paid or payable to Northern Star Nominees Pty Ltd, an entity associated with Adrien Wing.

** Fees are payable to Gippsland Resource Development Pty Ltd, an entity associated with Peter Kelliher. All fees are for consulting services in addition to services provided as a director are billed based on agreed rates that are on normal commercial terms.

*** Fee include amounts paid to Nailbridge Pty Ltd, an entity associated with Alan Fraser. The amount includes consulting fees of $62,500 paid by Broula King Joint Venture Pty Ltd in relation to the Broula King Gold Project.

2012	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
Name	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Mr Kevin Lynn	18,000	-	-	1,620	-	48,000	67,620
Mr Angelo Siciliano	18,000	-	-	1,620	-	48,000	67,620
Executive Directors:							
Mr Alan Fraser	100,000	-	-	9,000	10,615	84,000	203,615
Mr Peter Kelliher **	139,829	-	-	-	-	48,000	187,829
Other Key Management Personnel:							
Mr Adrien Wing *	66,000	-	-	-	-	48,000	114,000
	341,829	-	-	12,240	10,615	276,000	640,684

* Fees have been paid or payable to Northern Star Nominees Pty Ltd, an entity associated with Adrien Wing.
** Fees are payable to Gippsland Resource Development Pty Ltd, an entity associated with Peter Kelliher. All fees are for consulting services in addition to services provided as a director are billed based on agreed rates that are on normal commercial terms.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2013	Fixed remuneration 2012	At risk - STI 2013	At risk - STI 2012	At risk - LTI 2013	At risk - LTI 2012
Non-Executive Directors:						
Mr Kevin Lynn	100%	29%	- %	- %	- %	71%
Mr Angelo Siciliano	100%	29%	- %	- %	- %	71%
Executive Directors:						
Mr Alan Fraser	100%	59%	- %	- %	- %	41%
Mr Peter Kelliher	100%	74%	- %	- %	- %	26%
Other Key Management Personnel:						
Mr Adrien Wing	100%	58%	- %	- %	- %	42%

C Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr Alan Fraser
Title:	Managing Director and Chairman
Details:	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.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

D Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2013.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
30 November 2011	30 November 2011	29 November 2014	$0.060	$0.0120

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2013 are set out below:

	Number of options granted during the year		Number of options vested during the year	
Name	2013	2012	2013	2012
Mr Alan Fraser	-	7,000,000	-	7,000,000
Mr Peter Kelliher	-	4,000,000	-	4,000,000
Mr Kevin Lynn	-	4,000,000	-	4,000,000
Mr Angelo Siciliano	-	4,000,000	-	4,000,000
Mr Adrien Wing	-	4,000,000	-	4,000,000

E Additional information

The earnings of the consolidated entity for the five years to 30 June 2013 are summarised below:

	2009 $	2010 $	2011 $	2012 $	2013 $
Loss before income tax expense	(1,447,987)	(1,275,375)	(695,329)	(881,790)	(7,481,071)
Loss after income tax expense	(1,447,987)	(1,275,375)	(695,329)	(881,790)	(7,481,071)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2009	2010	2011	2012	2013
Share price at financial year end ($A)	0.070	0.020	0.020	0.020	0.012
Basic loss per share (cents per share)	(0.260)	(0.020)	(0.630)	(0.484)	(3.674)

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Resource Base Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
November 2011	29 November 2014	$0.060	23,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no shares of Resource Base Limited issued on the exercise of options during the year ended 30 June 2013 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former audit partners of Loren Datt Audit Pty Ltd
There are no officers of the company who are former audit partners of Loren Datt Audit Pty Ltd.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor
Loren Datt Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Alan Fraser
Director

30 September 2013
Melbourne

LorenDattAudit
AUDIT & ASSURANCE

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 FOR THE YEAR ENDED 30 JUNE 2013

As lead auditor for the audit of Resource Base Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

This declaration is in respect of Resource Base Limited.

LOREN MICHELLE DATT
Registered Company Auditor
Registration: 339204

30 September 2013

Loren Datt Audit Pty Ltd | ABN. 73 363 160 898 | Chartered Accountants & Registered Company Auditor
Suite 304, 22 St Kilda Road, St Kilda, Vic 3182 | Ph. +61 (3) 9529 3993 | Fax. +61 (3) 9529 8057
Email. admin@ldaudit.com.au | Web. www.ldaudit.com.au

CORPORATE GOVERNANCE

COMPLIANCE WITH ASX CORPORATE GOVERNANCE RECOMMENDATIONS

Introduction

Resource Base Ltd ("Company") has adopted systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised below.

Corporate governance is the system by which companies are directed and managed. It influences how the objectives of the Company are achieved, how risk is monitored and assessed and how performance is optimised.

The Board and management are committed to corporate governance and, to the extent that they are applicable to the Company, have adopted the Eight Essential Corporate Governance Principles as set out in the Corporate Governance Principles and Recommendation (2nd Edition) as published by the ASX Corporate Governance Council.

Whilst the Board has demonstrated, and continues to demonstrate, its commitment to best practice in corporate governance, it emphasises that good corporate governance is only one factor contributing to the success of the Company's operations.

Additional information about the Company's corporate governance practices is set out on the Company's website at www.resoucebase.com.au

The table below summarises the Company's compliance with the Corporate Governance Council's Recommendations:

Principle	ASX Corporate Governance Council Recommendations	Comply
1	Lay solid foundations for management and oversight	
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	Yes
1.3	Provide the information indicated in the Guide to reporting on principle 1.	Yes
2	Structure the Board to add value	
2.1	A majority of the board should be independent Directors.	Yes
2.2	The chair should be an independent director.	No
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	No
2.4	The board should establish a nomination committee.	Yes
2.5	Disclose the process for evaluating the performance of the board, its committees and individual Directors.	Yes
2.6	Provide the information indicated in the Guide to reporting on principle 2.	Yes
3	Promote ethical and responsible decision-making	
3.1	Establish a code of conduct and disclose the code or a summary as to:	Yes
	• the practices necessary to maintain confidence in the Company's integrity;	
	• the practices necessary to take into account the Company's legal obligations and the reasonable expectations of its stakeholders; and	
	• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy which includes requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually the objectives and progress in achieving them.	Yes
3.3	Disclose annually the measurable objectives set for achieving gender diversity and progress towards achieving them.	Yes
3.4	Disclose annually the proportion of woman employees in the whole organization, women in senior executive positions and women on the board.	Yes
3.5	Provide the information indicated in the Guide to reporting on principle 3.	Yes

4	Safeguard integrity in financial reporting	
4.1	The board should establish an audit committee.	No
4.2	The audit committee should be structured so that it:	
	• consists only of non-executive Directors;	No
	• consists of a majority of independent Directors;	No
	• is chaired by an independent chair, who is not chair of the board; and	No
	• has at least three members.	No
4.3	The audit committee should have a formal charter	No
4.4	Provide the information indicated in the Guide to reporting on principle 4.	Yes
5	Make timely and balanced disclosure	
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes
5.2	Provide the information indicated in the Guide to reporting on principle 5.	Yes
6	Respect the rights of shareholders	
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	Yes
6.2	Provide the information indicated in the Guide to reporting on principle 6.	Yes
7	Recognise and manage risk	
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes
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.	Yes
7.3	The board should disclose whether it had received assurance from the chief executive officer and the chief financial officer 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.	Yes
7.4	Provide the information indicated in the Guide to reporting on principle 7.	Yes
8	Remunerate fairly and responsibly	
8.1	The board should establish a remuneration committee.	No
8.2	The remuneration committee should be structured so that : · it consists of a majority of independent directors; · it is chaired by an independent director; · has at least three members.	 No No No
8.3	Clearly distinguish the structure on non-executive Directors' remuneration from that of executive Directors and senior executives.	Yes
8.4	Provide the information indicated in the Guide to reporting on principle 8.	Yes

Council Principle 1: Lay solid foundations for management and oversight

1.1 Role of the Board

The Board's primary role is the protection and enhancement of medium to long term shareholder value. To fulfil this role, the Board is responsible for the overall Corporate Governance of the consolidated entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

1.2 Responsibility of the Board

The Board is collectively responsible for promoting the success of the Company by:

- Supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed;
- Ensuring the Company is properly managed;
- Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- Approval of the annual budget;
- Monitoring the financial performance of the Company;
- Approving and monitoring financial and other reporting;
- Overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;
- Liaising with the Company's external auditors as appropriate; and
- Monitoring, and ensuring compliance with, all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities. Between regular meetings it will also ensure that important matters are addressed by way of circular resolutions. The Board may, from time to time, delegate some of the responsibilities listed above to its senior management team.

1.3 Materiality threshold

The Board has agreed on both quantitative and qualitative guidelines for assessing the materiality of matters. Qualitative indications of materiality would include if:

- They impact on the reputation of the Company;
- They involve a breach of legislation;
- They are outside the ordinary course of business;
- They could affect the Company's rights to its assets; or
- If accumulated they would trigger the quantitative tests.

1.4 The Chairman

The chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The chairman is also responsible for chairing shareholder meetings, and arranging Board performance evaluation.

1.5 The Managing Director

The managing director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out his/her responsibilities the managing director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

1.6 Role and responsibility of management

The role of management is to support the managing director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board. Management is responsible for reporting all matters which fall within the Materiality Threshold at first instance to the managing director or if the matter concerns the managing director then directly to the chairman or the lead independent director, as appropriate.

1.7 Relationship of Board with management

Management of the day-to-day business of the Company is to be conducted by or under the supervision of the Board, and by those other officers and employees to whom the management function is properly delegated by the Board.

The Board will adopt appropriate structures and procedures to ensure that the Board functions independently of management. Appropriate procedures may involve the Board meeting on a regular basis without management present, or may involve expressly assigning the responsibility for administering the Board's relationship to management to a Committee of the Board.

Information is formally presented to the Board at Board meetings by way of Board reports and review of performance to date. When directors are providing information about opportunities for the Company, this should always be through the Board.

Council Principle 2: Structure the board to add value

The Company presently has three non-executive directors and one executive director. Three directors are independent in accordance with the terms of the ASX Corporate Governance Council's definition of an independent director. The Chairman (Mr Alan Fraser) is neither a non-executive nor an independent director in terms of the ASX Corporate Governance Council's definition of an independent director. The Board considers that its structure has been and continues to be appropriate in the context of the Company's current projects and operations. The Company considers that each director possesses skills and experience suitable for building the Company. Furthermore, the Board considers that in the current phase of the Company's growth, the Company's shareholders are better served by directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operations evolve, and appoint independent directors as appropriate.

The full board of directors performs the role of the nomination committee.

Council Principle 3: Promote ethical and responsible decision-making

The Company complies with this recommendation other than with regard to the adoption of a diversity policy. The Company has adopted a code of conduct incorporating all corporate executives. It requires all business affairs to be conducted legally, ethically and with integrity. The code provides for reporting of breach of the code by others. The code of conduct has been made available on the Company's website.

The Board has adopted a diversity policy that considers the benefits of diversity, ways to promote a culture of diversity, factors to be taken into account in the selection process of candidates for Board and senior management positions in the Company, education programs to develop skills and experience in preparation for Board and senior management positions, processes to include review measurable diversity performance objectives for the Board, Managing Director and senior management.

The diversity policy states that the Company will report, where appropriate, in each annual report, the measurable objectives for achieving gender diversity set by the Board.

The following table provides a break-up of the gender diversity in the organization.

	Number	**%**
Number of women employees in the whole organisation	1	6.25%
Number of women in senior executive positions	-	-
Number of women on the Board	-	-

Council Principle 4: Safeguard integrity in financial reporting

The Company's Managing Director and Chief Financial Officer (or equivalent) report in writing to the Board that the consolidated financial statements of the Company and its controlled entities for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards.

The audit committee function is performed by the whole Board. This was considered appropriate as the matters to be dealt with by an audit committee are dealt with at Board meetings. Such matters include:

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

Council Principle 5: Make timely and balanced disclosure

Compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the Company. It has appointed an officer of the Company to be responsible for compliance.

Council Principle 6: Respect the rights of shareholders

Information will be communicated to shareholders as follows:

- The annual report is distributed to all shareholders. The Board ensures that the annual report includes relevant information about the operations of the consolidated entity during the year, changes in the state of affairs of the consolidated entity and details of future developments, in addition to the other disclosures required by the Corporations Act. The annual report is made available on the Company's website, and is provided in hard copy format to any shareholder who requests it.

- The half-yearly report contains summarised financial information and a review of the operations of the consolidated entity during the year. The half-year audited financial report is prepared in accordance with the requirements of applicable Accounting Standards and the Corporations Act and is lodged with the Australian Securities Exchange. The half-yearly report is made available on the Company's website, and is sent to any shareholder who requests it.

- The quarterly report contains summarised cash flow financial information and details about the Company's activities during the quarter. The quarterly report is made available on the Company's website, and is sent to any shareholder who requests it.

- Proposed major changes in the consolidated entity which may impact on share ownership rights are submitted to a general meeting of shareholders.

- The Company's website is well promoted to shareholders and shareholders may register to receive updates, either by email or in hard copy.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors and changes to the constitution. Copies of the constitution are available to any shareholder who requests it.

Company's website

The Company maintains a website at www.resourcebase.com.au

On its website, the Company makes the following information available on a regular and up to date basis:

- Company announcements;
- latest information briefings;
- notices of meetings and explanatory materials; and
- quarterly, half yearly and annual reports.

The website is being continuously updated with any information the directors and management may feel is material. The Company also ensures that the audit partner attends the Annual General Meeting.

Council Principle 7: Recognise and manage risk

The Company has developed an initial framework for risk management and internal compliance and control systems which covers organisational, financial and operational aspects of the Company's affairs. The framework is the subject of ongoing review and yet to be finalised. It appoints the Managing Director as being responsible for ensuring that the systems are maintained and complied with.

Council Principle 8: Remunerate fairly and responsibly

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 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
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2013

	Note	Consolidated 2013 $	Consolidated 2012 $
Revenue	5	4,918,775	245,309
Expenses			
Mine and production expenses		(11,352,257)	(123,045)
Administration expenses		(251,118)	(104,801)
Corporate expenses		(481,910)	(704,930)
Occupancy		(165,294)	(165,915)
Other expenses		(38,020)	(17,288)
Finance costs	6	(111,247)	(11,120)
Loss before income tax expense		(7,481,071)	(881,790)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of Resource Base Limited		(7,481,071)	(881,790)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Resource Base Limited		(7,481,071)	(881,790)
		Cents	**Cents**
Basic earnings per share	35	(3.674)	(0.484)
Diluted earnings per share	35	(3.674)	(0.484)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Resource Base Limited
Statement of financial position
As at 30 June 2013

	Note	Consolidated 2013 $	2012 $
Assets			
Current assets			
Cash and cash equivalents	8	300,572	353,080
Trade and other receivables	9	237,459	170,568
Inventories	10	377,106	-
Total current assets		915,137	523,648
Non-current assets			
Property, plant and equipment	11	11,016	15,810
Mining	13	2,660,027	8,351,471
Other	14	526,820	672,628
Total non-current assets		3,197,863	9,039,909
Total assets		4,113,000	9,563,557
Liabilities			
Current liabilities			
Trade and other payables	15	1,557,792	869,929
Borrowings	16	1,017,273	48,527
Employee benefits	17	76,571	55,097
Total current liabilities		2,651,636	973,553
Non-current liabilities			
Borrowings	18	164,015	142,656
Employee benefits	19	59,409	11,815
Provisions	20	500,000	500,000
Total non-current liabilities		723,424	654,471
Total liabilities		3,375,060	1,628,024
Net assets		737,940	7,935,533
Equity			
Issued capital	21	13,533,276	13,268,276
Reserves	22	294,502	524,824
Accumulated losses		(13,089,838)	(5,857,567)
Total equity		737,940	7,935,533

The above statement of financial position should be read in conjunction with the accompanying notes

Resource Base Limited
Statement of changes in equity
For the year ended 30 June 2013

	Issued capital $	Reserves $	Retained profits $	Total equity $
Consolidated				
Balance at 1 July 2011	10,459,539	248,824	(4,975,777)	5,732,586
Loss after income tax expense for the year	-	-	(881,790)	(881,790)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(881,790)	(881,790)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 21)	2,808,737	-	-	2,808,737
Share-based payments	-	276,000	-	276,000
Balance at 30 June 2012	13,268,276	524,824	(5,857,567)	7,935,533

	Issued capital $	Reserves $	Retained profits $	Total equity $
Consolidated				
Balance at 1 July 2012	13,268,276	524,824	(5,857,567)	7,935,533
Loss after income tax expense for the year	-	-	(7,481,071)	(7,481,071)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(7,481,071)	(7,481,071)
Transactions with owners in their capacity as owners:				
Settlement of directors fees	250,000	-	-	250,000
Share-based payments	15,000	-	-	15,000
Equity portion of convertible note	-	18,478	-	18,478
Options lapsed	-	(248,800)	248,800	-
Balance at 30 June 2013	13,533,276	294,502	(13,089,838)	737,940

The above statement of changes in equity should be read in conjunction with the accompanying notes

Resource Base Limited
Statement of cash flows
For the year ended 30 June 2013

	Note	Consolidated 2013 $	Consolidated 2012 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		6,321,969	135,330
Payments to suppliers and employees (inclusive of GST)		(4,678,923)	(285,771)
Interest received		26,493	80,287
Net cash from/(used in) operating activities	33	1,669,539	(70,154)
Cash flows from investing activities			
Payments for mine development		(2,632,244)	(2,336,889)
Payments for property, plant and equipment		(1,940)	(5,500)
Net cash used in investing activities		(2,634,184)	(2,342,389)
Cash flows from financing activities			
Proceeds from issue of shares	21	-	2,808,737
Proceeds from borrowings		632,245	-
Proceeds from convertible notes		425,000	-
Repayment of borrowings		(145,108)	(46,030)
Net cash from financing activities		912,137	2,762,707
Net increase/(decrease) in cash and cash equivalents		(52,508)	350,164
Cash and cash equivalents at the beginning of the financial year		353,080	2,916
Cash and cash equivalents at the end of the financial year	8	300,572	353,080

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial report covers Resource Base Limited as a consolidated entity consisting of Resource Base Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Resource Base Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Resource Base Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 17
500 Collins Street
Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 30 September 2013. The directors have the power to amend and reissue the financial report.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 101 Presentation of Financial Statements
The consolidated entity has applied the amendments to AASB 101 outlined in AASB 2011-9 "Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income" from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

Note 2. Significant accounting policies (continued)

Going concern
The Consolidated Group has incurred a net loss after tax of $7,481,071 for the year ended 30 June 2013 (30 June 2012: $881,790). As at the balance date the Group had net current liabilities, being current assets less current liabilities, of $1,736,499 (2012: $449,905). These conditions indicate a significant or material uncertainty about the consolidated entity's ability to continue as a going concern.

The financial report has been prepared on a going concern basis which assumes the realisation of assets and extinguishment of liabilities in the normal course of business at the amounts stated in the financial report, for the following reasons:

• During the year the consolidated entity had net cash inflows from operating activities of $1,669,539 (2012: $70,154 outflows). The Board expects the consolidated entity will continue to generate operating cash flows, and will not be required to invest significant levels of capital to maintain operations, over the next 12 months based on gold reserves at the Broula King Gold Project.
• Asipac Group Pty Ltd (the major shareholder) has provided a loan facility of $800,000 at an interest rate of 15% payable within one year. At 30 June 2013 the consolidated entity had access to $400,000 from this facility.
• Included in current payables are borrowings arising from a convertible note of $459,147. Subsequent to the year end, and consistent with expectations, Asipac Group Pty Limited converted the convertible note it held into shares. The face value of the convertible note held by Asipac Group Pty Ltd was $300,000 (total convertible notes at face value: $425,000). The remaining convertible notes were extended for a further six months at the agreement of the note holders.
• Payables in relation to directors' fees of $337,043 will not be called by the directors until the consolidated entity is in a position to repay the amounts without limiting the cash available for operating activities.
• The Board is of the opinion that, the company will be able to access equity capital markets for any additional working capital requirements.

For the above reasons the Board considers that the Consolidated Group remains a going concern and the financial report has been prepared on this basis.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be incurred should the Consolidated Group not continue as a going concern.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Comparative
During the current year the Statement of profit or loss and other comprehensive income has been re-ordered to provide information on expenses according to the function to which the expense relates. Comparative information has been reclassified and repositioned to be consistent with current year disclosures.

Note 2. Significant accounting policies (continued)

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Resource Base Limited ('company' or 'parent entity') as at 30 June 2013 and the results of all subsidiaries for the year then ended. Resource Base Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods
Revenues arising from sales of gold and silver are recognised when all the risks and rewards of ownership are transferred to the customer and there is a valid sales agreement.

Note 2. Significant accounting policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent
Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 2. Significant accounting policies (continued)

Inventories
Inventories of consumables are stated at the lower of cost and net realisable value on a 'first in first out' basis. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Gold bars and inventories of ore still in process are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost includes all expenses directly attributable to the production process as well as appropriate portions of related production overheads, based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	5 years
Computer equipment	3 - 5 years

Depreciation of mining equipment is described in the 'Mining assets' accounting policy.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Note 2. Significant accounting policies (continued)

Mining assets
Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest. Mining equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Amortisation of mining development is computed by the units of production basis over the estimated mineral resource. The assets are amortised from the date on which steady state production commences. The amortisation is calculated over the estimated life of the mineral resource, with the estimation reviewed annually.

Depreciation on mining equipment is calculated on a straight line basis over the life of the mine less any residual value estimated for each asset. The estimated life of the mine is currently at 2 – 3 years.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders' equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:
- interest on short-term and long-term borrowings
- interest on hire purchases

Note 2. Significant accounting policies (continued)

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Wages and salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave
The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Resource Base Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2013. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 10 Consolidated Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 will have no impact on the consolidated entity as all investments held by the company are 100% wholly owned subsidiaries that are consolidated.

AASB 11 Joint Arrangements
This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The adoption of this standard from 1 July 2013 will not have a material impact on the consolidated entity as it currently does not hold any investments of this type.

AASB 12 Disclosure of Interests in Other Entities
This standard is applicable to annual reporting periods beginning on or after 1 January 2013. It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'. The adoption of this standard from 1 July 2013 will not significantly impact the consolidated entity as the only investments held are 100% owned subsidiaries.

Note 2. Significant accounting policies (continued)

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the consolidated entity from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine and AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20
This interpretation and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013 The Interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured. The Interpretation only deals with waste removal costs that are incurred in surface mining activities during the production phase of the mine. The adoption of the interpretation and the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of mining assets
The estimated useful lives and the related depreciation and amortisation charges for mining assets is based upon the indicated mineral resource levels. Indicated mineral resources reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. The estimation of the value of the mineral resource could change as a result of technical innovations, commodity price changes and other future events. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Residual values of assets
The company's mining assets include equipment that will hold a residual value upon completion of the planned mining activities in relation to the resource. The estimated residual value of the mining assets is $765,000 and is based on directors estimates of recoverable value or replacement cost value of the assets if those assets were to be utilised on another project. Directors' estimates are based upon their knowledge of the resources industry and the replacement cost of equipment used in the industry. Any variation in the estimate of residual value would impact the carrying value of the assets at 30 June 2013 and the depreciation charge for the year.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Long service leave provision
As discussed in note 2, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Intercompany 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 2013 the Board of Resource Base Limited resolved to make a provision against this for $6,556,312 (2012: $201,631), 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.

Provision for restoration
A provision has been made for the present value of anticipated costs of the remediation work that will be required to comply with environmental and legal obligations. The provision is estimated based on currently available facts, technology expected to be available at the time of the clean-up, laws and regulations presently or virtually certain to be enacted and prior experience in remediation of contaminated sites.

Commencement of steady state production
During the year the consolidated entity began 'steady state production' of gold. Management judged that from 1 December 2012 the consolidated entity could maintain a consistent throughput on the circuit process sufficient for the circuit to run all day every day with consistent production output. Recognition of revenue in profit or loss occurred at this point in time. Prior to this revenue had been offset against development expenditure. The amount offset was $927,450. Any changes in estimate would have impacted the sales recognised in profit or loss, the carrying value of mine assets and the amortisation charge for the year.

Mining assets
The recoverable value of mining assets is based on discounted cash flows expected to be derived from use of the assets in the production of the gold. At the reporting date the recoverable value was reviewed by the directors to ensure that the expected value in use was in excess of the carrying value, given the volatility of the gold price over the last 12 months. Based on the review it was determined an impairment at 30 June 2013 of mining assets of $3,858,725. Details of the review, and the assumptions and estimates used, are contained in note 13.

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment, being the exploration for and production of gold in Australia. The operating segment is based on the internal reports reviewed by the Directors (who are identified as Chief Decision Makers) in assessing performance and allocation of resources.

Note 5. Revenue

	Consolidated 2013 $	Consolidated 2012 $
Sales revenue		
Sale of gold	4,767,964	-
Sale of silver	18,837	-
	4,786,801	-
Other revenue		
Interest received	23,521	74,980
Rent received	108,453	168,525
Other revenue	-	1,804
	131,974	245,309
Revenue	4,918,775	245,309

Production at the Broula King gold mine commenced in October 2012, after commissioning of the mine.

Note 6. Expenses

	Consolidated 2013 $	Consolidated 2012 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Mining equipment	304,301	123,045
Plant and equipment	1,234	3,796
Total depreciation	305,535	126,841
Amortisation		
Developed mine	3,329,557	-
Total depreciation and amortisation	3,635,092	126,841
Impairment		
Developed mine	3,858,725	-
Inventory recognised in profit or loss		
Changes in inventories recognised in profit or loss	(458,753)	-
Impairment of inventory	81,648	-
Total inventory recognised in profit or loss	(377,105)	-

Note 6. Expenses (continued)

	Consolidated	
	2013	2012
	$	$
Finance costs		
Convertible note	52,625	-
Loan	18,390	-
Hire purchase	40,232	11,120
Finance costs expensed	111,247	11,120
Rental expense relating to operating leases		
Minimum lease payments	154,654	155,399
Superannuation expense		
Defined contribution superannuation expense	70,631	39,856
Share-based payments expense		
Share-based payments expense	-	276,000
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	983,480	207,241

Note 7. Income tax expense

	Consolidated	
	2013	2012
	$	$
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(7,481,071)	(881,790)
Tax at the statutory tax rate of 30%	(2,244,321)	(264,537)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	-	82,800
	(2,244,321)	(181,737)
Current year tax losses not recognised	851,562	418,224
Current year temporary differences not recognised	1,392,759	(236,487)
Income tax expense	-	-
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	7,844,139	5,005,599
Potential tax benefit @ 30%	2,353,242	1,501,680

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 7. Income tax expense (continued)

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 realised;
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 realising the benefits from deducting the losses.

Note 8. Current assets - cash and cash equivalents

	Consolidated	
	2013	2012
	$	$
Cash at bank	300,572	353,080

Note 9. Current assets - trade and other receivables

	Consolidated	
	2013	2012
	$	$
Trade receivables	29,560	-
Other receivables	180,502	35,255
Interest receivable	10,016	12,988
GST receivable	17,381	122,325
	237,459	170,568

Impairment of receivables
The consolidated entity has recognised a loss of $nil (2012: $nil) in profit or loss in respect of impairment of receivables.

Note 10. Current assets - inventories

	Consolidated 2013 $	Consolidated 2012 $
Consumables - at cost	182,807	-
Ore in process - at cost	203,706	-
Less: Provision for impairment	(52,565)	-
Gold bars - at cost	72,241	-
Less: Provision for impairment	(29,083)	-
	377,106	-

The carrying value of inventories of gold bars and ore in process is subject to commodity price risk. At 30 June 2013 the net realisable value of the gold bars on hand and the ore in process was determined to be less than the recorded cost. Consequently, the inventory was impaired, and the impairment recorded in mining and production expenses in profit or loss.

Note 11. Non-current assets - property, plant and equipment

	Consolidated 2013 $	Consolidated 2012 $
Plant and equipment - at cost	20,301	25,801
Less: Accumulated depreciation	(11,225)	(9,991)
	9,076	15,810
Computer equipment - at cost	1,940	-
	1,940	-
	11,016	15,810

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant & Equipment $	Computer Equipment $	Total $
Consolidated			
Balance at 1 July 2011	14,106	-	14,106
Additions	5,500	-	5,500
Depreciation expense	(3,796)	-	(3,796)
Balance at 30 June 2012	15,810	-	15,810
Additions	-	1,940	1,940
Transfers in/(out)	(5,500)	-	(5,500)
Depreciation expense	(1,234)	-	(1,234)
Balance at 30 June 2013	9,076	1,940	11,016

Note 12. Non-current assets - exploration and evaluation

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Exploration & Evaluation $	Total $
Consolidated		
Balance at 1 July 2011	4,955,930	4,955,930
Transfers in/(out)	(4,955,930)	(4,955,930)
Balance at 30 June 2012	-	-
Balance at 30 June 2013	-	-

During the 2012 financial year the directors determined that the Broula King mine met the definition of a mine under construction, and transferred costs accumulated in the exploration and evaluation of the resource into the mine under construction costs.

Note 13. Non-current assets - mining

	Consolidated 2013 $	Consolidated 2012 $
Developed mine - at cost	8,638,263	-
Less: Accumulated amortisation	(3,329,557)	-
Less: Impairment	(3,858,725)	-
	1,449,981	-
Mine equipment - at cost	2,030,602	1,825,950
Less: Accumulated amortisation	(820,556)	(516,255)
	1,210,046	1,309,695
Mine under construction - at cost	-	7,041,776
	-	7,041,776
	2,660,027	8,351,471

Note 13. Non-current assets - mining (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Developed mine $	Mine equipment $	Mine under construction $	Total $
Consolidated				
Balance at 1 July 2011	-	1,302,184	-	1,302,184
Additions	-	130,556	2,430,426	2,560,982
Transfers in/(out)	-	-	4,611,350	4,611,350
Amortisation expense	-	(123,045)	-	(123,045)
Balance at 30 June 2012	-	1,309,695	7,041,776	8,351,471
Additions	23,956	204,652	1,572,531	1,801,139
Impairment of assets	(3,858,725)	-	-	(3,858,725)
Transfers in/(out)	8,614,307	-	(8,614,307)	-
Amortisation expense	(3,329,557)	(304,301)	-	(3,633,858)
Balance at 30 June 2013	1,449,981	1,210,046	-	2,660,027

Note 13. Non-current assets - mining (continued)

In October 2012 the mine went into production, and as a consequence the construction costs were transferred into Developed mine costs in the current financial year.

The mine is being amortised based on the units of production over the expected life of the mining operation. At 30 June 2013 cumulative amortisation of the mine and cumulative depreciation of the mining equipment has been estimated at 39% of the total cost accumulated at 30 June 2013, being the proportion of the estimated resource mined and sold or recorded in inventory.

The mining equipment is depreciated over the estimated life of the mine, allowing for residual values of each asset.

Recoverability of mining assets and impairment loss

The recoverable value of the mining assets is based upon the discounted cash flows expected to be derived from the use of the assets in the production of gold. Due to the volatility of the gold price over the last 12 months the carrying value of the mining assets has been assessed by the directors at 30 June 2013. The discounted cash flows have been derived from the estimated net cash flows from gold sales, less the cost of production, over the remaining life of the mining assets. The remaining life of the asset is based on the expected life of the mine operation. As a result of the review the directors determined an impairment of $3,858,725, recorded against the developed mine.

Revenues are estimated based on the remaining mineable gold, at the expected production levels, using the current gold price.

Production costs are estimated based on current levels of expenditure. The significant variable in estimating production costs relates to the timeframe over which production runs. The longer the period of time the total production runs for, the higher the total production costs, increasing the unit cost of production. Further capital expenditure is estimated based on expected levels of repair and renewal, and may be impacted by changes in technology and results of production drilling and development.

Whilst the value in use is estimated using discounted cash flows, the production run for the remainder of the mining operation is expected to be approximately one year. At that point, based on expected production timelines, the mines resource will be exhausted and no further mining is planned or expected. Accordingly, the discount factor does not impact the estimated cash flows.

The directors note that changes in the key assumptions, including changes in the gold price, may impact the estimate of recoverable values.

Note 14. Non-current assets - other

	Consolidated	
	30 June 2013 $	**30 June 2012 $**
Deferred expenses	10,192	156,000
Other non-current assets	516,628	516,628
	526,820	672,628

Note 15. Current liabilities - trade and other payables

	Consolidated	
	2013	**2012**
	$	**$**
Trade payables	746,161	249,186
Due to Directors	402,098	474,831
BAS payable	76,895	-
Other payables	332,638	145,912
	1,557,792	869,929

Refer to note 24 for further information on financial instruments.

The average credit period on purchases is 30 to 60 days. No interest is charged on the trade payables.

Note 16. Current liabilities - borrowings

	Consolidated	
	2013	**2012**
	$	**$**
Shareholder loans	418,390	-
Convertible notes payable	459,147	-
Hire purchase	139,736	48,527
	1,017,273	48,527

A hire purchase facility was provided to the consolidated entity during the year for the acquisition of mine equipment. The facility is fully secured.

At the 2012 Annual General Meeting the shareholders approved the issue of 17 million unlisted convertible notes at $0.025 (2.5 cents) each providing proceeds of $425,000. The notes were provided with an interest rate of 10% and a maturity date of 3 September 2013 for 15.6 million notes and 2 October for the remaining 1.4 million notes. The notes are convertible at any time prior to the maturity date at the request of the note holder at $0.025 (2.5 cents) per share. The fair value of the convertible note liability has been estimated using a market interest rate of 15%.

The shareholder loan facility was provided in February 2013. The facility provides funding of up to $800,000 at an interest rate of 15% and is repayable within 12 months of signing of the loan facility agreement.

Note 16. Current liabilities - borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2013 $	Consolidated 2012 $
Total facilities		
Shareholder loan facility	800,000	-
Used at the reporting date		
Shareholder loan facility	400,000	-
Unused at the reporting date		
Shareholder loan facility	400,000	-

Note 17. Current liabilities - employee benefits

	Consolidated 2013 $	Consolidated 2012 $
Annual leave	76,571	55,097

Note 18. Non-current liabilities - borrowings

	Consolidated 2013 $	Consolidated 2012 $
Loan from director	-	105,000
Hire purchase	164,015	37,656
	164,015	142,656

Refer to note 24 for further information on financial instruments.

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated 2013 $	Consolidated 2012 $
Shareholder loans	418,390	-
Hire purchase	303,751	86,183
	722,141	86,183

Note 18. Non-current liabilities - borrowings (continued)

Assets pledged as security
The hire purchase liability is secured by against the assets acquired under the agreement.

Note 19. Non-current liabilities - employee benefits

	Consolidated	
	2013	2012
	$	$
Employee benefits	59,409	11,815

Note 20. Non-current liabilities - provisions

	Consolidated	
	2013	2012
	$	$
Rehabilitation	500,000	500,000

Environmental
The provision represents the present value of estimated costs of the remediation work that will be required to comply with environmental and legal obligations.

Note 21. Equity - issued capital

	Consolidated		Consolidated	
	2013	2012	2013	2012
	Shares	Shares	$	$
Ordinary shares - fully paid	207,929,370	197,429,370	13,533,276	13,268,276

Movements in ordinary share capital

Details	Date	No of shares	Issue price	$
Balance	1 July 2011	114,451,810		10,459,539
Share placement	29 July 2011	17,167,770	$0.036	618,040
Rights issues	16 September 2011	65,809,790	$0.036	2,369,152
Cost of capital raising		-		(178,455)
Balance	30 June 2012	197,429,370		13,268,276
Shares issued to extinguish debt	27 November 2012	10,000,000	$0.025	250,000
Share based payment	4 December 2012	500,000	$0.030	15,000
Balance	30 June 2013	207,929,370		13,533,276

Note 21. Equity - issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may issue new shares in order to meets its financing requirements.

The consolidated entity may look to raise capital in order to raise the capital to finance the Broula King project.

The consolidated entity is subject to certain financing arrangements and meeting these are given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2011 Annual Report.

For further information in relation to unissued ordinary shares of Resource Base Limited, refer to the Director's

Note 22. Equity - reserves

	Consolidated	
	2013	**2012**
	$	**$**
Share-based payments reserve	276,024	524,824
Convertible notes reserve	18,478	-
	294,502	524,824

	Share based payment $	Convertible note reserve $	Total $
Consolidated			
Balance at 1 July 2011	248,824	-	248,824
Share based payments	276,000	-	276,000
Balance at 30 June 2012	524,824	-	524,824
Options lapsed	(248,800)	-	(248,800)
Equity portion of convertible	-	18,478	18,478
Balance at 30 June 2013	276,024	18,478	294,502

Note 22. Equity - reserves (continued)

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Convertible notes reserve
The reserve for convertible notes comprises the amount allocated to the equity component of the convertible notes issued by the Group in September and October 2012 (see note 18).

Note 23. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 24. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the Board of Directors ('the Board'), which identifies, evaluates and hedges financial risks within the consolidated entity's operating units where considered appropriate.

Market risk

Foreign currency risk
The consolidated entity is not subject to significant levels of foreign exchange risk in relation to its financial instruments.

Price risk
The consolidated entity is exposed to commodity price risk in relation to its gold reserves. At 30 June 2013 the quantities of gold in reserve amounted to $43,158 plus $44,718 which had yet to be poured and was included in inventory of ore in process. Also included in inventory of ore in process is $55,717 of gold ore that is subject to commodity price risk. Accordingly the total amount of inventory subject to commodity price risk is $143,593.

As the inventory levels are not significant in comparison to the net assets or loss for the year, the potential effect of changes in the price of gold held at 30 June 2013 is not considered significant. The Board will manage the risk associated to future gold reserves as the resource is realised and the risks materialise.

Interest rate risk
The consolidated entity is not exposed to any significant interest rate risk due to its low level of cash holdings and the fact the only interest bearing liabilities that it has are fixed interest hire purchase agreements.

Note 24. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is$1,064,851. The consolidated entity does not hold any collateral.

Resource Base Limited has significant exposure to its wholly-owned subsidiary, Broula King JV Pty Ltd. At 30 June 2013 a provision for non-recovery of $4,198,039 (2012: $495,232) has been made against the long term inter-company loan.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	2013	**2012**
	$	**$**
Shareholder loan facility	400,000	-

The loan facility is provided by Asipac Group Pty Ltd and is repayable in full within 12 months of commencement of the loan agreement.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2013	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	746,161	-	-	-	746,161
BAS payable	-	76,895	-	-	-	76,895
Other payables	-	332,638	-	-	-	332,638
Other loans	-	402,098	-	-	-	402,098
Interest-bearing - fixed rate						
Other loans	15.00	418,390	-	-	-	418,390
Convertible notes payable	10.00	459,147	-	-	-	459,147
Hire purchase	7.72	139,736	150,908	13,107	-	303,751
Total non-derivatives		2,575,065	150,908	13,107	-	2,739,080

Note 24. Financial instruments (continued)

Consolidated - 2012	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	249,186	-	-	-	249,186
Other payables	-	145,912	-	-	-	145,912
Other loans	-	474,831	105,000	-	-	579,831
Interest-bearing - fixed rate						
Hire purchase	7.72	48,527	37,656	-	-	86,183
Total non-derivatives		918,456	142,656	-	-	1,061,112

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 25. Key management personnel disclosures

Directors
The following persons were directors of Resource Base Limited during the financial year:

Mr Alan Fraser
Mr Peter Kelliher
Mr Kevin Lynn
Mr Angelo Sicilano

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Mr Adrien Wing

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2013	**2012**
	$	**$**
Short-term employee benefits	427,548	341,829
Post-employment benefits	12,240	12,240
Long-term benefits	3,462	10,615
Share-based payments	-	276,000
	443,250	640,684

Note 25. Key management personnel disclosures (continued)

Shareholding
The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2013	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr Alan Fraser *	8,588,351	-	10,000,000	-	18,588,351
Mr Peter Kelliher	190,475	-	-	-	190,475
Mr Adrien Wing	3,034,298	-	-	-	3,034,298
	11,813,124	-	10,000,000	-	21,813,124

* Additions during the year were made to settle outstanding director's fees.

2012	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr Alan Fraser	6,212,923	-	2,375,428	-	8,588,351
Mr Peter Kelliher	190,475	-	-	-	190,475
Mr Adrien Wing	3,034,298	-	-	-	3,034,298
	9,437,696	-	2,375,428	-	11,813,124

Option holding
The number of options over ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2013	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr Alan Fraser	7,000,000	-	-	-	7,000,000
Mr Peter Kelliher	4,000,000	-	-	-	4,000,000
Mr Kevin Lynn	4,000,000	-	-	-	4,000,000
Mr Angelo Siciliano	4,000,000	-	-	-	4,000,000
Mr Adrien Wing	4,000,000	-	-	-	4,000,000
	23,000,000	-	-	-	23,000,000

2013	Vested and exercisable	Vested and unexercisable	Vested at the end of the year
Options over ordinary shares			
Mr Alan Fraser	7,000,000	-	7,000,000
Mr Peter Kelliher	4,000,000	-	4,000,000
Mr Kevin Lynn	4,000,000	-	4,000,000
Mr Angelo Siciliano	4,000,000	-	4,000,000
Mr Adrien Wing	4,000,000	-	4,000,000
	23,000,000	-	23,000,000

Note 25. Key management personnel disclosures (continued)

2012	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr Alan Fraser	854,212	7,000,000	-	(854,212)	7,000,000
Mr Peter Kelliher	28,571	4,000,000	-	(28,571)	4,000,000
Mr Kevin Lynn	-	4,000,000	-	-	4,000,000
Mr Angelo Siciliano	-	4,000,000	-	-	4,000,000
Mr Adrien Wing	-	4,000,000	-	-	4,000,000
	882,783	23,000,000	-	(882,783)	23,000,000

2012	Vested and exercisable	Vested and unexercisable	Vested at the end of the year
Options over ordinary shares			
Mr Alan Fraser	7,000,000	-	7,000,000
Mr Peter Kelliher	4,000,000	-	4,000,000
Mr Kevin Lynn	4,000,000	-	4,000,000
Mr Angelo Siciliano	4,000,000	-	4,000,000
Mr Adrien Wing	4,000,000	-	4,000,000
	23,000,000	-	23,000,000

Related party transactions
Related party transactions are set out in note 29.

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Loren Datt Audit Pty Ltd, the auditor of the company:

	Consolidated	
	2013	**2012**
	$	**$**
Audit services - Loren Datt Audit Pty Ltd		
Audit or review of the financial statements	40,000	30,000

Note 27. Contingent liabilities

	Consolidated	
	2013	**2012**
	$	**$**
Bank guarantees	516,628	516,628

The consolidated entity did not have any other contingent liabilities at either 30 June 2013 or 30 June 2012.

Note 28. Commitments

	Consolidated	
	2013	2012
	$	$
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	153,846	147,928
One to five years	-	153,846
	153,846	301,774
Exploration and evaluation assets		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	52,500	52,500
One to five years	210,000	210,000
	262,500	262,500
Hire purchase commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	158,300	48,527
One to five years	171,492	37,656
	329,792	86,183

The Company entered into a 6 year lease arrangement for the office of Level 17, 500 Collins Street, Melbourne on 1 June 2008, with the option of a further six years at expiry. The Company sub leases this office to other tenants and recovers a proportion of the lease commitment on a monthly basis.

In order to maintain current rights of tenure to the mining lease the Company is required to outlay rentals and meet 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 recorded in the financial statements.

The disclosed commitment relates to Mining Lease 1617. The lease has been granted and will expire in March 2029. There is an annual commitment of $52,500 whilst the lease is in force. Whilst it is expected that the mining operation will complete in approximately one year, the consolidated entity is exploring other sources of income that can be generated from the assets. This includes the processing of ore from surrounding mining operations in the area. For this reason the consolidated entity intends to meet the lease obligations over the next five years to retain rights to the lease.

Note 29. Related party transactions

Parent entity
Resource Base Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 31.

Key management personnel
Disclosures relating to key management personnel are set out in note 25 and the remuneration report in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2013	**2012**
	$	**$**
Payment for goods and services:		
Payments for hire of equipment from Nailbridge Pty Ltd (an entity related to Alan Fraser)	28,600	34,712
Payment for other expenses:		
Payment of corporate advisory and underwriting fees to Asipac Loan Pty Ltd (the company's major shareholder)	24,000	178,458
Interest payable on the loan from Asipac Group Pty Ltd	18,390	-
Interest payable on convertible note held by Asipac Group Pty Ltd	37,147	-

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2013	**2012**
	$	**$**
Current payables:		
Director fees payable to Alan Fraser	188,697	371,565
Directors fees payable to Kevin Lynn	72,027	54,027
Fees payable to Gippsland Resource Development Pty Ltd, an entity related to Peter Kelliher	49,210	40,105
Director fees payable to Angelo Siciliano	37,620	19,620
Fees payable to Northern Star Nominees Pty Ltd, an entity related to Adrien Wing	65,055	66,000
Payable to Nailbridge Pty Ltd (an entity related to Alan Fraser)	68,750	-

No interest is payable by the consolidated entity in respect of these balances .

Note 29. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2013	2012
	$	$
Current borrowings:		
Loan payable to Alan Fraser	-	105,000
Loan payable to Asipac Group Pty Ltd	418,390	-
Convertible note held by Asipac Group Pty Ltd	300,000	-

No interest is payable on the loan from Alan Fraser. During the year 10,000,000 ordinary fully paid shares were issued to Alan Fraser at $0.025 (2.5 cents) per share, to repay part of the amounts owing. The shares extinguished $100,000 of the non-current loan, the remaining $5,000 settled in cash, and $150,000 relating to outstanding director's fees.

Asipac Group Pty Ltd provided a finance facility of a maximum $800,000 repayable within 12 months of signing of the loan agreement. $400,000 has been advanced and interest accrued at 15%, payable on repayment of the loan.

The convertible note held by Asipac Group Pty Ltd is redeemable at $0.025 (2.5 cents) per share in August 2013, with a coupon rate of 10%. The convertible note is carried at its fair value at 30 June 2013, being $325,994 based on an estimated market rate of interest of 15%.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2013	2012
	$	$
Loss after income tax	(7,186,401)	(1,169,470)
Total comprehensive income	(7,186,401)	(1,169,470)

Note 30. Parent entity information (continued)

Statement of financial position

	Parent 2013 $	Parent 2012 $
Total current assets	65,861	115,777
Total assets	2,236,757	8,361,279
Total current liabilities	1,439,408	608,600
Total liabilities	1,498,817	720,415
Equity		
Issued capital	13,533,274	13,268,275
Share-based payments reserve	276,024	524,824
Convertible notes reserve	18,478	-
Accumulated losses	(13,089,836)	(6,152,235)
Total equity	737,940	7,640,864

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2013 and 30 June 2012

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2013 and 30 June 2012.

Capital commitments - Property, plant and equipment
Refer to Note 28 for details of capital commitments. Only the amount relating to the operating lease relates to the parent entity. The other amounts relate to Broula King Joint Venture Pty Ltd.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment.

Note 31. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name of entity	Country of incorporation	Equity holding 2013 %	Equity holding 2012 %
Broula King Joint Venture Pty Ltd	Australia	100.00	100.00

Note 32. Events after the reporting period

On 21 August 2013 the consolidated entity redeemed the convertible notes held by Asipac Group Pty Ltd ('Asipac') by issuing 12,000,000 fully paid ordinary shares. Asipac held a note with a face value of $300,000 and elected to convert the note to ordinary shares under stated terms. At the same time, the remaining convertible notes, valuing $125,000, were extended under the same terms for 6 months.

No other matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 33. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated	
	2013 $	2012 $
Loss after income tax expense for the year	(7,481,071)	(881,790)
Adjustments for:		
Depreciation and amortisation	3,635,092	126,841
Impairment of non-current assets	3,858,725	-
Share-based payments	-	276,000
Capitalised employment costs	-	384,580
Pre-steady state production sales revenue offset into development expenditure	927,450	-
Interest payable	111,247	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	149,105	(149,301)
Increase in inventories	(377,106)	-
Decrease/(increase) in prepayments	145,808	(255)
Increase in trade and other payables	769,357	143,324
Increase/(decrease) in employee benefits	(69,068)	30,447
Net cash from/(used in) operating activities	1,669,539	(70,154)

Financing Facilities

The consolidated entity has taken out a bank guarantee which is held by the Department of Mines for the purposes of the rehabilitation on tenement leases. Held as security against the guarantee, is a term deposit of $491,000, (2012: $491,000).

The consolidated entity has a commercial hire purchase arrangement for plant and equipment purchased for use in its mining activities. Held as security against the guarantee, is a term deposit of $25,629, (2012:$25,629)

Note 34. Non-cash investing and financing activities

	Consolidated 2013 $	Consolidated 2012 $
Loans from related parties	250,000	-
Trade payables	15,000	-
	265,000	-

The consolidated issued 10,000,000 fully paid ordinary shares at $0.025 (2.5 cents) each to settle outstanding amounts owed to Alan Fraser.

The consolidated entity issued 500,000 fully paid ordinary shares at $0.03 (3 cents) each to Wise-Owl.com Pty Ltd to settle outstanding amounts owing.

Note 35. Earnings per share

	Consolidated 2013 $	Consolidated 2012 $
Loss after income tax attributable to the owners of Resource Base Limited	(7,481,071)	(881,790)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	203,604,712	182,044,045
Weighted average number of ordinary shares used in calculating diluted earnings per share	203,604,712	182,044,045
	Cents	**Cents**
Basic earnings per share	(3.674)	(0.484)
Diluted earnings per share	(3.674)	(0.484)

The rights to 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 to options are non-dilutive as the Company generated a loss during the financial year.

Resource Base Limited
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and

- 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 required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Alan Fraser
Director

30 September 2013
Melbourne

LorenDattAudit
AUDIT & ASSURANCE

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF RESOURCE BASE LIMITED REPORT ON THE FINANCIAL REPORT

Report on the Financial Report

We have audited the accompanying financial report of Resource Base Limited, which comprises the statements of financial position as at 30 June 2013, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a)(i), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 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 have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Resource Base Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Loren Datt Audit Pty Ltd | ABN. 73 363 160 893 | Chartered Accountants & Registered Company Auditor
Suite 304, 22 St Kilda Road. St Kilda, Vic 3182 | Ph. +61 (3) 9529 3993 | Fax. +61 (3) 9529 8057
Email. admin@ldaudit.com.au | Web. www.ldaudit.com.au

LorenDattAudit

AUDIT & ASSURANCE

Opinion

In our opinion:

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

(i) giving a true and fair view of the company's and consolidated entity's financial positions as at 30 June 2013 and of their performance for the year ended on that date; and

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

(b) the consolidated financial statements and notes in the financial report also comply with *International Financial Reporting Standards* as disclosed in Note 1(a)(i)

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the financial report, which indicates that the consolidated entity incurred a net loss of $7,481,071 during the period ended 30 June 2013; at that date, the consolidated entity's current liabilities exceeded its current assets by $1,734,499 and the consolidated entity had cash inflows from operating activities of $1,669,539 and cash outflows of $2,634,184 from investing activities. It also had insufficient cash reserves to meet its commitments for the next 12 months. The ability of the consolidated entity to continue as a going concern is dependent upon positive cash flows from the Broula King Gold Project, based on its gold reserves over the next 12 months. These conditions, along with other matters set forth in Note 2, indicate the existence of an inherent uncertainty which may cast significant doubt on the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise their assets and discharge its 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 12 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Resource Base Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

LOREN MICHELLE DATT
Registered Company Auditor
Registration: 339204

30 September 2013

Resource Base Limited
Shareholder information
30 June 2013

The shareholder information set out below was applicable as at 30 September 2013.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	131
1,001 to 5,000	237
5,001 to 10,000	106
10,001 to 100,000	13
100,001 and over	13
	500
Holding less than a marketable parcel	240

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Asipac Group Pty Ltd	90,804,668	43.67
Alcardo Investments Limited	18,210,015	8.76
Mr Alan Robert Fraser	10,999,998	5.29
JE & MG O'Grady Nominees Pty Ltd	10,000,000	4.81
Timora Pty Ltd	7,204,254	3.46
Tronic Enterprise Development Pty Ltd	6,299,737	3.03
Egret Superannuation Pty Ltd	4,617,000	2.22
Mr Leslie Thomas King & Mrs Heather King	2,513,926	1.21
Dr Leon Eugene Pretorius	2,500,000	1.20
Nu Energy Capital Limited	2,487,000	1.20
Martin Place Securities Staff Superannuation Fund Pty Ltd	2,220,630	1.07
Consolidated Global Securities Ltd	2,000,000	0.96
Martin Place Securities Staff Superannuation Fund Pty Ltd	1,944,444	0.94
Mr Glenn Thomas Connor and Mrs Annette Margaret Connor	1,782,333	0.86
Monk Nominees Pty Ltd	1,674,988	0.81
Nailbridge Pty Ltd	1,428,571	0.69
SST Trading Pty Ltd	1,385,000	0.67
Mr Clarke Barnett Dudley	1,363,955	0.66
Mr Zhi Ren Deng	1,350,742	0.65
Narrowsburg Holdings Pty Ltd	1,250,000	0.60
	172,037,261	82.76

Unquoted equity securities

There are no unquoted equity securities.

Resource Base Limited
Shareholder information
30 June 2013

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Asipac Group Pty Ltd	90,804,668	43.67
Alcardo Investments Limited	18,210,015	8.76
Mr Alan Robert Fraser	10,999,998	5.29

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Tenements

Description	Tenement number	Interest owned
Bumbaldry, NSW (held by Broula King, expires 31 March 2029 - $52,500 expenditure pa)	Mining Lease 1615	100.00%