

September 2014 Quarterly Activities Report

BROULA KING MINE ACTIVITIES

The Broula King 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 500 meters from the main road. The company completed the treatment plant and became operation in September 2012.

In light of the poor gold price, and high Australian Dollar a decision has been made to halt current production and place the site on care and maintenance until conditions improve.

The gold sales for the September quarter totalled AUD\$1.3m.

During the quarter, the Company treated 6,349 dry tonnes for a recovered 12,804.20gms including gold in circuit resulting in a recovered grade of 2.02gm/t.

As at the end of the quarter, the Project has now treated a total of 183,863 dry tonnes.



COMPANY DETAILS

Principal and Registered Office:

Resource Base Limited
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MELBOURNE VIC 3000
AUSTRALIA

Website:

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Email:

admin@resourcebase.com.au

Phone:

(03) 9614 0600

Facsimile:

(03) 9614 0550

ABN:

57 113 385 425

ASX Code:

RBX

Corporate Information:

Shareholders: 475
Shares on Issue: 219,929,401
Options (unlisted): 23,000,000

Directors:

Managing Director:

Alan Fraser

Non Executive Director:

Michael Kennedy
Angelo Siciliano
Peter Kelliher



The company is actively seeking out further gold opportunities or outright purchase. The Company has been approached by a number of third parties seeking to transport ore to the Broula King treatment plant and thereby limit the capital requirement and reduce start up time for their projects. The current tailings storage facility with a further lift of 3m would provide capacity for an additional 200,000 tonnes of capacity.

The Company 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 Company is 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.

Corporate

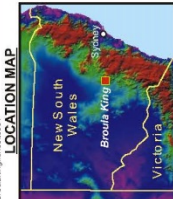
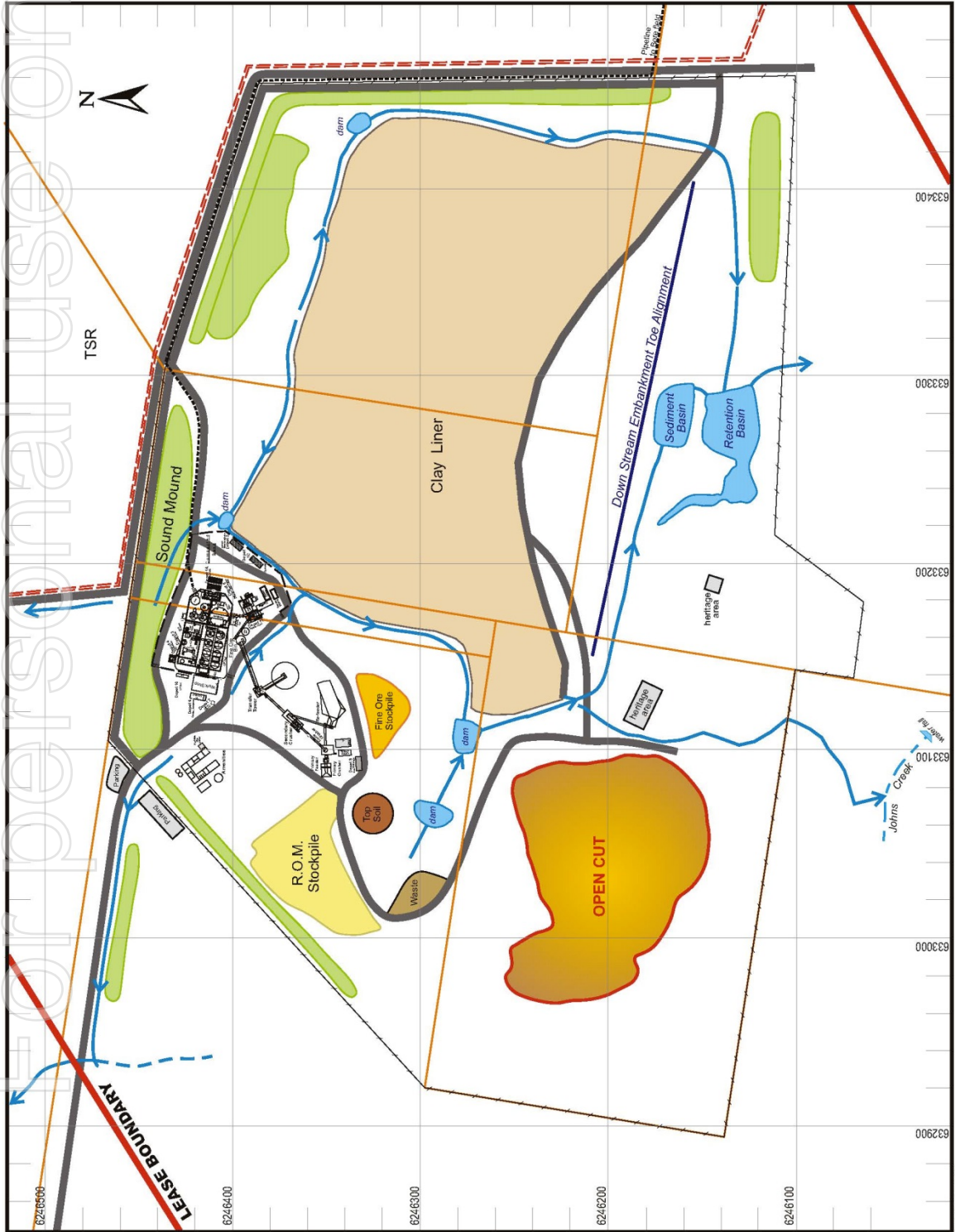
Subsequent to quarter end, Mr Michael Kennedy has been appointed as a non-executive director of the Company. Mr Kennedy is an independent director notwithstanding his nomination to the board by Asipac.

Mr Kennedy has enjoyed a 40 year career in the non-ferrous mining and smelting industry, and has held a number of senior marketing and logistics roles with the CRA/RTZ Group, managing raw material sales from the Bougainville, Broken Hill, Cobar and Woodlawn mines, managed raw material purchases and supply into the Port Pirie lead smelter, Budel zinc smelter (Netherlands), and the Avonmouth (UK) and Cockle Creek (Newcastle) zinc-lead smelters. He was the resident Director of the Korea Zinc group of companies in Australia from 1991 until 2005, which encompassed the construction and commissioning of the Sun Metals zinc refinery in Townsville.

Mr Kennedy is Non-Executive Chairman of Terramin Australia (ASX: TZN).

In addition, Kevin Lynn retired as a Director, effective as of 15 October 2014. The Company acknowledges Kevin's valuable input over the last 5 years and wishes him well with his continuing business commitments.





ISSUE	AMENDMENT	DATE
D	Realign TFS + sediment basins. Locate emergency spillway. Modify mine haulage roads.	March 2010
C	Realign sediment basin. Relocate pipeline to borefield. Altered access road to bullmill. Relocate southern fence and southern vegetation storage.	12 June 2008
B	Heritage site located. Sediment basin positioned. NE corner survey corrected. MGA-grid added. Visitor carpark repositioned	15 May 2009
A	Add vegetation storages	14 Mar 2008

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Resource Base Ltd

ABN

57 113 385 425

Quarter ended ("current quarter")

September 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	1,303	1,303
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(1,471) (325)	(1,471) (325)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	4	4
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)	39	39
	Net Operating Cash Flows	(450)	(450)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other – Term Deposit brought to "cash"(provide details if material)		
	Net investing cash flows		
1.13	Total operating and investing cash flows (carried forward)		

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)		
1.14	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows		
	Net increase (decrease) in cash held	(450)	(450)
1.20	Cash at beginning of quarter/year to date	1,693	1,693
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,243	1,243

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	102
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	
	Fees paid to director(s)	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'ooo
4.1 Exploration and evaluation	
4.2 Development	
4.3 Production	50
4.4 Administration	200
Total	250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	443	893
5.2 Deposits at call	800	800
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,243	1,693

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	ML 1615 Bumbaldry, NSW	Held by 100% subsidiary	100%	100%
6.2	Interests in mining tenements and petroleum tenements acquired or increased				

There has been no change in mining interests during the quarter.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	219,929,401	219,929,401		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	*Convertible debt securities (description)				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	23,000,000	-	Exercise price 6.0	Expiry date 14/12/2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here:



(Director)

Date: 31/10/2014

Print name: Alan Fraser

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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