For personal use only

RESOURCEBASE LIMITED
ABN 57 113 385 425
Suite 5, 62 Ord Street
West Perth WA 6005

Phone: (08) 9322 1587
Fax: (08) 9322 5230
Email: admin@resourcebase.com.au
Web Site: www.resourcebase.com.au

ASX Announcement

30 October 2020

Quarterly Activities Report – for the period ending 30 September 2020

Resource Base Limited (ASX:RSX) (**Resource Base** or the **Company**) provides the following update on its activities for the quarter ended 30 September 2020.

The suspension of the Company's securities from trading on the ASX continues in. In all other circumstances, the Company remains in full compliance with the regulatory requirements of the ASX.

Strategic Review of Company Operations

Following the appointment of new Board members in the June Quarter, a strategic review of the Company's operations commenced. This review assessed options in relation to the Company's existing Broula King gold project and the best pathway forward for the Company.

The review led to the decision that it is in the Company's best interests to:

1. Divest BKJV, which is currently on care and maintenance;
2. Unwind the potential magnetite lease purchase and magnetite processing strategy due to a lack of positive market outlook and recover the AUD$65,000 deposit paid to the Administrator (the deposit was returned to the Company in full in early July);
3. Commence an immediate search for new resource opportunities, of which early stage due diligence is currently being undertaken on several potential resource assets; and
4. Seek to recapitalise the Company and have its securities reinstated to trading on the ASX in accordance with ASX policy set out in ASX Guidance Note 33, with a suitable resource asset being identified and acquired by the Company.

Following the decision to divest BKJV, with all associated infrastructure, a formal sale process was initiated, and a virtual data room established by the Company. To ensure costs were minimised and the sale price maximised, the Board resolved to directly manage the sale process, as opposed to outsourcing the process to a third party for additional cost.

A number of parties engaged in varying levels of due diligence and negotiations with the Company on potential purchasing options.

The Company is pleased to report, as announced on 18 August 2020, that it entered into a Binding Exclusive Option Agreement (**EOA**) with Australian private company Sunshine Reclamation Pty Ltd (**SRP**) granting SRP an exclusive option to purchase 100% of the issued shares in the Company's wholly owned subsidiary Broula King Joint Venture Pty Ltd (**BKJV**) (**Transaction**). BKJV is the owner of the Broula King gold project under Mining Lease 1617 and Exploration Licence 8509 surrounding the Mining Lease, which is located in the Shire of Weddin in central NSW.

SRP is an exploration, mine reclamation and rehabilitation group specialising in complex environmental and metallurgical problems. SRP seeks to address the mining industry's historical legacies, particularly in relation to acid mine drainage and contamination issues. BKJV provides an ideal centralised processing plant to safely and sustainably treat materials from other reclamation projects. Given that BKJV has exhausted its gold resource and is transitioning into the closure stage of its life, divesting the project makes sense for RBX and allows the Company to hand over the project to a group that specialises in mine closure and rehabilitation.

The divestment allows RBX to lock in its liabilities for the site and reduce its overall risk going forward, while at the same time realising a significant price for the project. The Company believes that SRP is well positioned to fully leverage the strategic value of the site and provide the best value proposition to the Company. The parties are working closely and in good faith to reach a positive conclusion to the EOA.

The key terms of the EOA are disclosed in the Company's announcement on 18 August 2020. The Company will provide further updates as the EOA process progresses and on progress regarding the Company's search for new resource asset opportunities.

The ASX suspended the Company from official quotation on 19 November 2018 and there has been no trading in the Company's shares on the ASX since that time. RBX notes that, in accordance with ASX policy set out in ASX Guidance Note 33, if the Company has not recomplied with Chapters 1 and 2 of the ASX Listing Rules by 19 November 2020, ASX will remove the Company from the official list of ASX at commencement of trading on the following trading day.

Corporate

The Company finished the quarter with cash of $69,000.

During the September 2020 quarter, the Company made no payments to related parties.

On 1 July 2020, Ms Shannon Coates was appointed as Company Secretary and Mr Justyn Stedwell resigned as Company Secretary.

Authorised by the Board of Directors

For further information please contact
Shannon Green
Executive Chairman
Resource Base Limited

Phone: (08) 6462 1421

www.resourcebase.com.au

For personal use only

Tenement Table

Project Tenements	Location	Held at the start of the quarter	Acquired during the quarter	Disposed during the quarter	Held at the end of the quarter
Broula King *					
ML1617	NSW	100%	-	-	100%
EL8509	NSW	100%	-	-	100%

* Held by the Company's 100% subsidiary, Broula King Joint Venture Pty Ltd.

There has been no change in interests in the quarter.

For personal use only