



RESOURCEBASE
LIMITED

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Company Update

16 February 2021

Company Executes Binding Term Sheet for Acquisition

Resource Base Limited (**Resource Base** or the **Company**) is pleased to announce that it has entered into a binding Term Sheet (**Term Sheet**) with ASX listed Navarre Minerals Limited (ACN 113 385 425) (**NML** or the **Vendor**) pursuant to which the Company has agreed to acquire from the Vendor Exploration Licence 4590 (the **Tenement** or the **Black Range Project**) and all applicable mining information and the benefit of any applicable access, heritage and native title agreements relating to the Tenement area (together, the **Sale Assets**).

The Black Range Project, located 260km west of Melbourne in Victoria and approximately 60km north-west of Stavely Mineral's Limited's Cayley Lode copper discovery, includes the Eclipse prospect and is prospective for copper, gold and zinc. During FY2020, NML announced the completion of a 1,496m diamond drilling program across 3 holes at the Eclipse prospect. Results of the drilling program are included in NML's ASX announcement dated 18 June 2020.

Executive Chairman, Mr Shannon Green commented "The proposed acquisition of the Black Range Project is very exciting and enables Resource Base to progress its strategy of restructure and recapitalisation, targeting readmission to the Official List of the ASX in Q2 of CY2021. The Company believes it is well positioned to fully leverage the strategic value of the Black Range Project for the benefit of all Resource Base shareholders."

The material terms of the Term Sheet are as follows:

1. subject to the satisfaction or waiver of certain conditions precedent (see below) Resource Base will acquire 100% of all rights, title and interest in the Sale Assets from the Vendor (**Acquisition**);
2. in consideration for the Acquisition, Resource Base agrees to pay staged equity-based consideration to the Vendor as follows:
 - a. **Tranche 1:** on the date of Settlement (**Settlement**), Resource Base shall pay the Vendor an initial consideration of \$1,520,000 worth of ordinary shares in Resource Base (**Shares**) (on a post-Consolidation basis (see below)), at the proposed IPO price of \$0.20 per Share (**Settlement Shares**);
 - b. **Tranche 2:** subject to any required legal, regulatory or shareholder approval, Resource Base shall issue to the Vendor 2,500,000 Shares (on a post-Consolidation basis) on the announcement by Resource Base of a JORC compliant Mineral Resource of 100,000 tonnes of any mineral substance of economic interest that occurs naturally as part of the

- Earth's crust and can be eventually extracted economically from the Tenement, including, but not limited to, copper, zinc, gold, silver, platinum group metals, base metals and non-ferrous ores, but excluding oil, shale, coal, hydrocarbons and petroleum, within 5 years of the Settlement Date; and
- c. **Tranche 3:** subject to any required legal, regulatory or shareholder approval, Resource Base shall issue to the Vendor 6,000,000 Shares (on a post-Consolidation basis) on Resource Base delivering a definitive feasibility study consistent with industry standards within 5 years of Settlement relating to the Tenement area which indicates a project net present value of greater than \$250,000,000;
3. The Vendor will be entitled to nominate one (1) non-executive director to sit on the Board of the Company), effective from Settlement.
 4. Settlement of the Acquisition is conditional on the satisfaction or waiver of the following conditions precedent by 31 July 2021:
 - a. completion of due diligence, including legal, native title and geological/technical, by Resource Base on the Sale Assets to the absolute satisfaction of Resource Base;
 - b. completion of due diligence by the Vendor on Resource Base to the absolute satisfaction of the Vendor within the period from the Execution Date to the trading day prior to the lodgement the Capital Raising prospectus;
 - c. the consent of the Minister responsible for the administration of the *Mineral Resources (Sustainable Development) Act 1990* (VIC) (**Act**) (**Minister**), or of any officer of the Department of Mines, Industry Regulation and Safety acting with the authority of the Minister, being obtained to all dealings evidenced by this Terms Sheet in so far as those dealings require consent to be given under the Act;
 - d. the Purchaser completing a consolidation of capital at a ratio of one (1) new security for every eight (8) securities (unless another ratio is otherwise mutually agreed by both parties) (**Consolidation**);
 - e. Resource Base completing a capital raising of not less than such amount as is required by ASX to allow the Company's securities to be admitted to trading on the Official List of the ASX following settlement of the Acquisition (**Capital Raising**);
 - f. the Vendor subscribing for the Settlement Shares as partial consideration for the sale and purchase of the Sale Assets and pursuant to the relevant offer to the Vendor under the Capital Raising prospectus (**Vendor Offer**);
 - g. the Vendor being satisfied, in its absolute discretion that Resource Base does not intend to acquire any other material assets in conjunction with the purchase of the Sale Assets and no such material assets are disclosed in the prospectus in respect of the Vendor Offer;
 - h. Resource Base receiving written conditional approval of ASX to the trading of its securities on ASX in accordance with the requirements of the ASX Listing Rules, and those conditions being acceptable to Resource Base, acting reasonably;
 - i. receipt by the Resource Base of restriction agreements or notices (as applicable) in a form required by ASX from the Vendor in order to comply with the ASX Listing Rules and the requirements of ASX;
 - j. the parties obtaining all necessary shareholder, board and/or regulatory approvals, including pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other law or regulation to allow the parties to lawfully complete the matters set out in the Term Sheet;
 - k. the parties obtaining all necessary third-party approvals or consents to give effect to the matters set out in the Term Sheet;

Navarre Minerals Limited is not a related party of the Company.

A shareholders' meeting to seek shareholder approval for the Consolidation will be scheduled in due course.

The Company will provide further updates on the Acquisition and the progress of the Company's proposed re-admission to the ASX in due course.

This Company Update has been approved by the Board of Resource Base Limited.

For further information please contact:

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Executive Chairman

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