

Delivering returns

TZMI Virtual Congress 2020

November 2020



**BASE
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The DFS Announcement discloses details about the material assumptions and underlying methodologies adopted for deriving the production information included in this document in respect of the Toliara Project. It also discloses key pre and post FID risks in respect of the Toliara Project. Base Resources confirms that all the material assumptions underpinning the production information disclosed in the DFS Announcement continue to apply and have not materially changed.

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Overview and Kwale Operations

Tim Carstens
Managing Director

Australian based, African focused, producer



Kwale Operations

Kenya
Operational asset producing
rutile, ilmenite and zircon.



Toliara Project

Madagascar
Mineral sands project progressing
towards development.

Base Resources

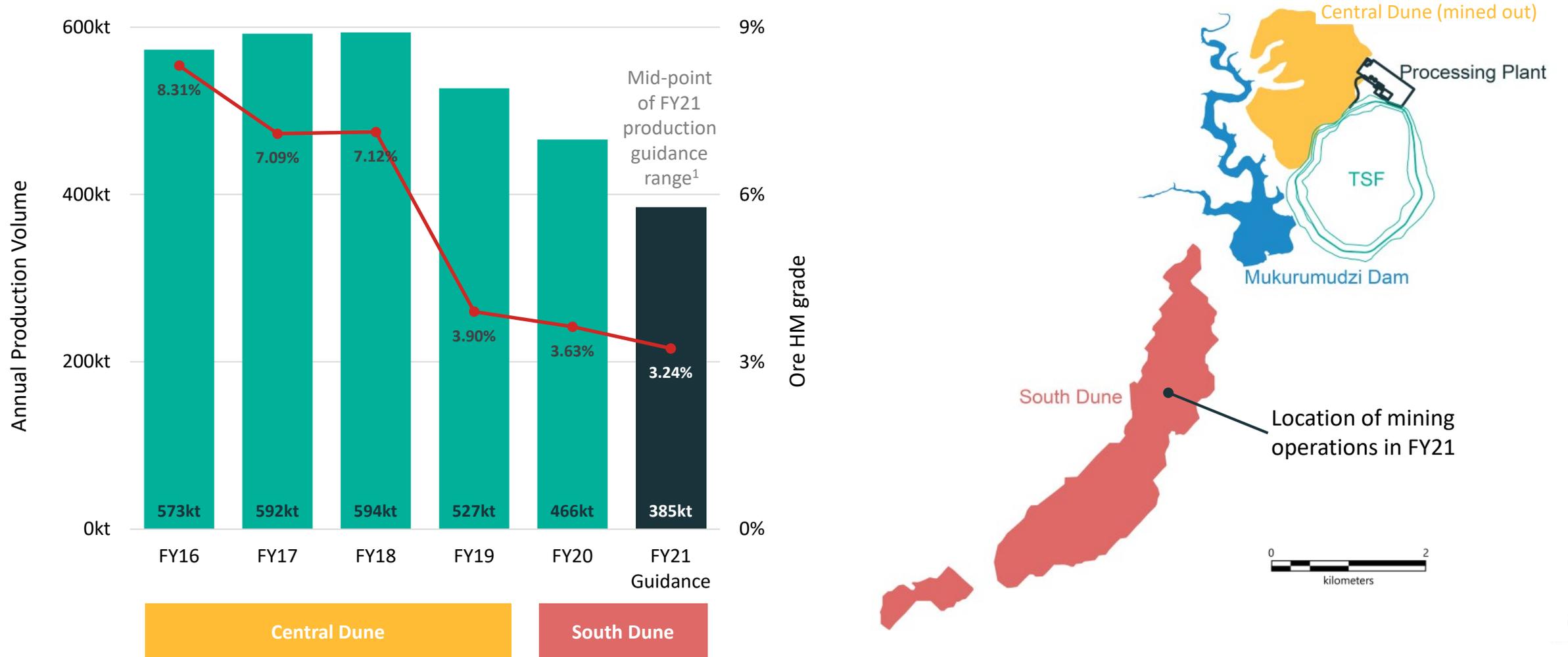
Perth
Company headquarters.

Building a unique mineral sands company

- “Mid cap” pure mineral sands company.
- Established profitable Kwale Operation in Kenya with extensional potential.
- A world class mineral sands development project in the Toliara Project in Madagascar.
- Long combined mine life once the Toliara Project is developed.
- Track record of excellence in safety, community engagement and environmental stewardship.
- An experienced team and capacity to execute well.
- A robust financial position from which to grow the business and deliver returns to shareholders.
- Creating a company of strategic relevance in a sector likely to continue to evolve.

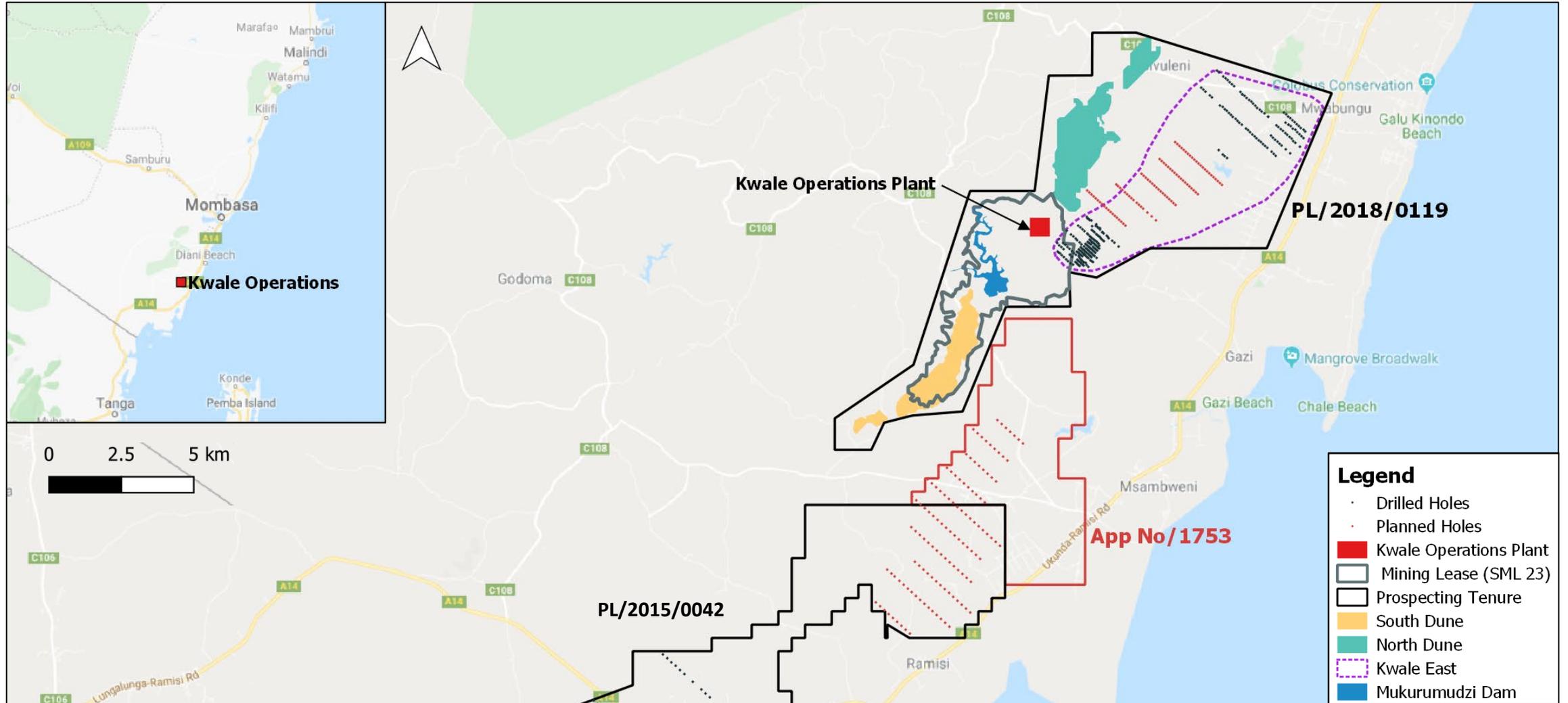


Kwale Operations smoothly transitioned to next phase

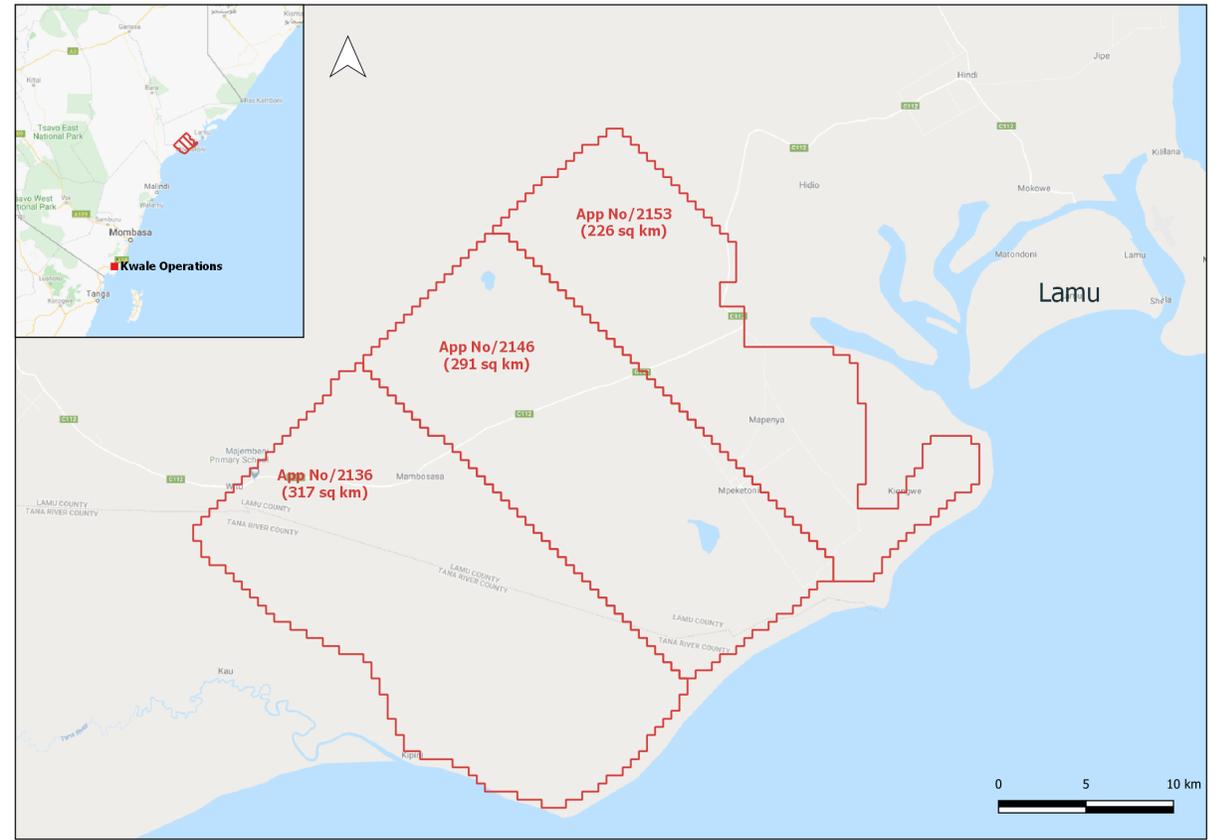
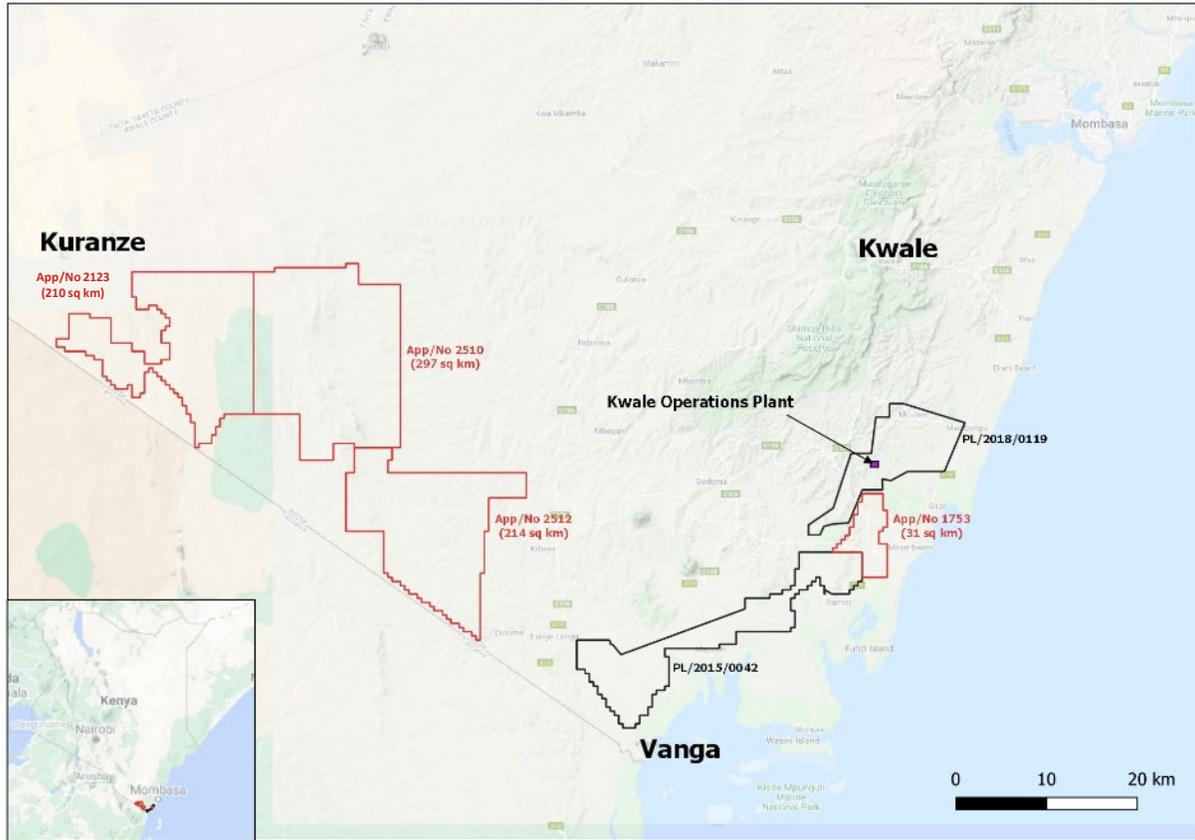


1. For further information, including the guidance range and applicable assumptions, refer to Base Resources' announcement on 28 July 2020 "Quarterly Activities Report – June 2020" available at <https://baseresources.com.au/investors/announcements>.

Multiple mine life extension opportunities being explored...



...as well as Kenyan opportunities further afield





Toliara Project development

Colin Bwye
Executive Director – Operations and
Development





Toliara Project flyover

Project video available at
www.baseresources.com.au



December 2019 Toliara DFS

- Life of mine per DFS of 33 years with average HM grade of 6.5%.
- Highly competitive forecast annual average revenue to cost of sales ratio.
- Stage 1 capex \$442m for 13Mtpa.
- Stage 2 capex \$69m to increase to 19Mtpa.
- Annual operating costs of \$71.9m or \$76.9m incl. 2% Government royalty.
- Annual non-operating costs of \$7.1m (community, external affairs, marketing etc.).
- Annual average production¹:
 - Sulphate ilmenite – 365.6kt
 - Slag ilmenite – 211.6kt
 - Chloride ilmenite – 202.5kt
 - Zircon – 52.6kt
 - Rutile – 7.0kt



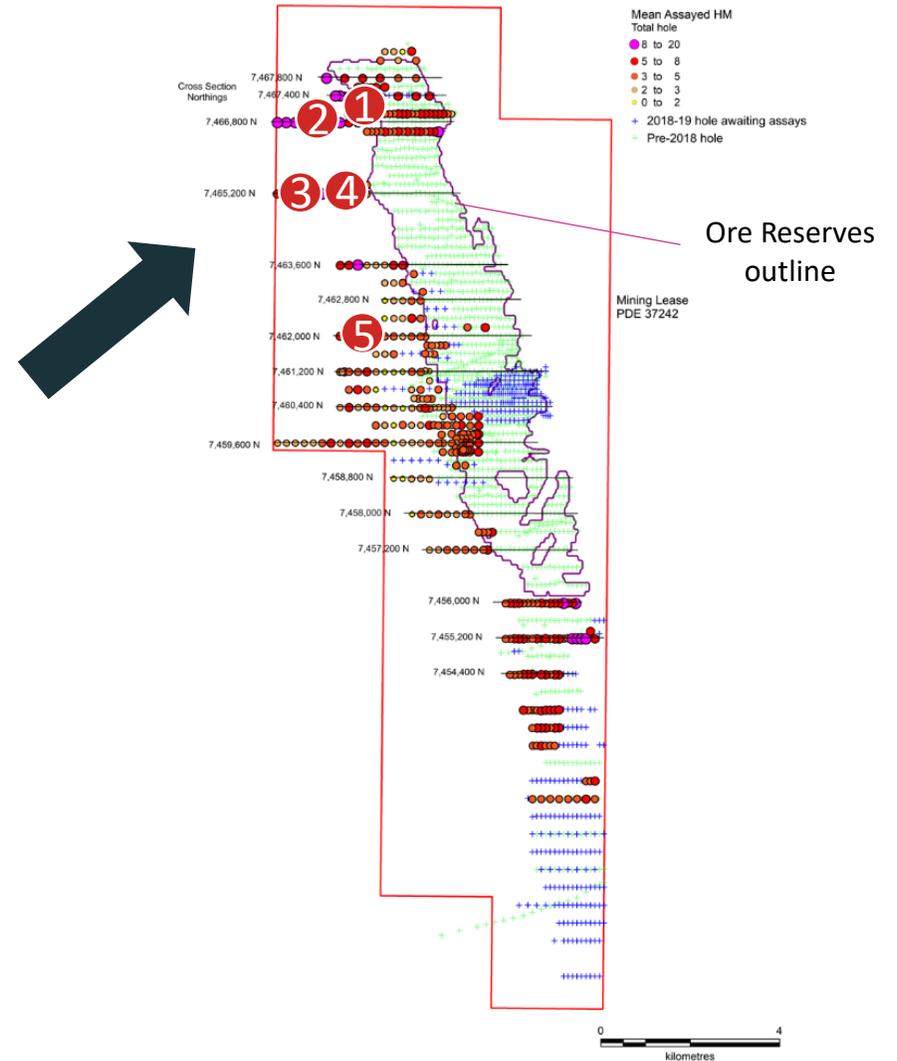
1. The anticipated annual production information is derived from the Toliara Project Definitive Feasibility Study and excludes the first and last partial operating years. For further information about that study, refer to Base Resources' announcement on 12 December 2019 "DFS reinforces Toliara Project's status as a world-class mineral sands development" available at <https://baseresources.com.au/investors/announcements>.

Long life resource that is highly competitive and supports expansion

- Current Mineral Resources¹ estimate of 1,293Mt at 5.1%HM.
- Current Ore Reserves¹ estimate of 586Mt at 6.5% HM – 33yr Life of Mine at 18Mtpa mining rate.
- Update to Ranobe Mineral Resources estimate underway to incorporate all of 2018/19 exploration program (~30km of drilling).

Notable drill results²

- ① 72m @11.6% HM, with LSU of 43.5m @ 16.5% HM
- ② 71.5m @12.2% HM, with LSU of 41.5m @ 17.6% HM
- ③ 81m @ 15.7% HM, with LSU of 67.5m @ 18.3% HM
- ④ 87m @ 13.9% HM, with LSU of 69m @ 16.4% HM
- ⑤ 87m @ 9.1% HM, with LSU of 52.5m @ 13.8% HM



Preparing the Toliara Project for FID and construction

Project delivery preparation has focused on ensuring we are ready for rapid resumption of on-ground activities and post FID implementation



Lenders' technical review



Critical path contracts



FEED activities

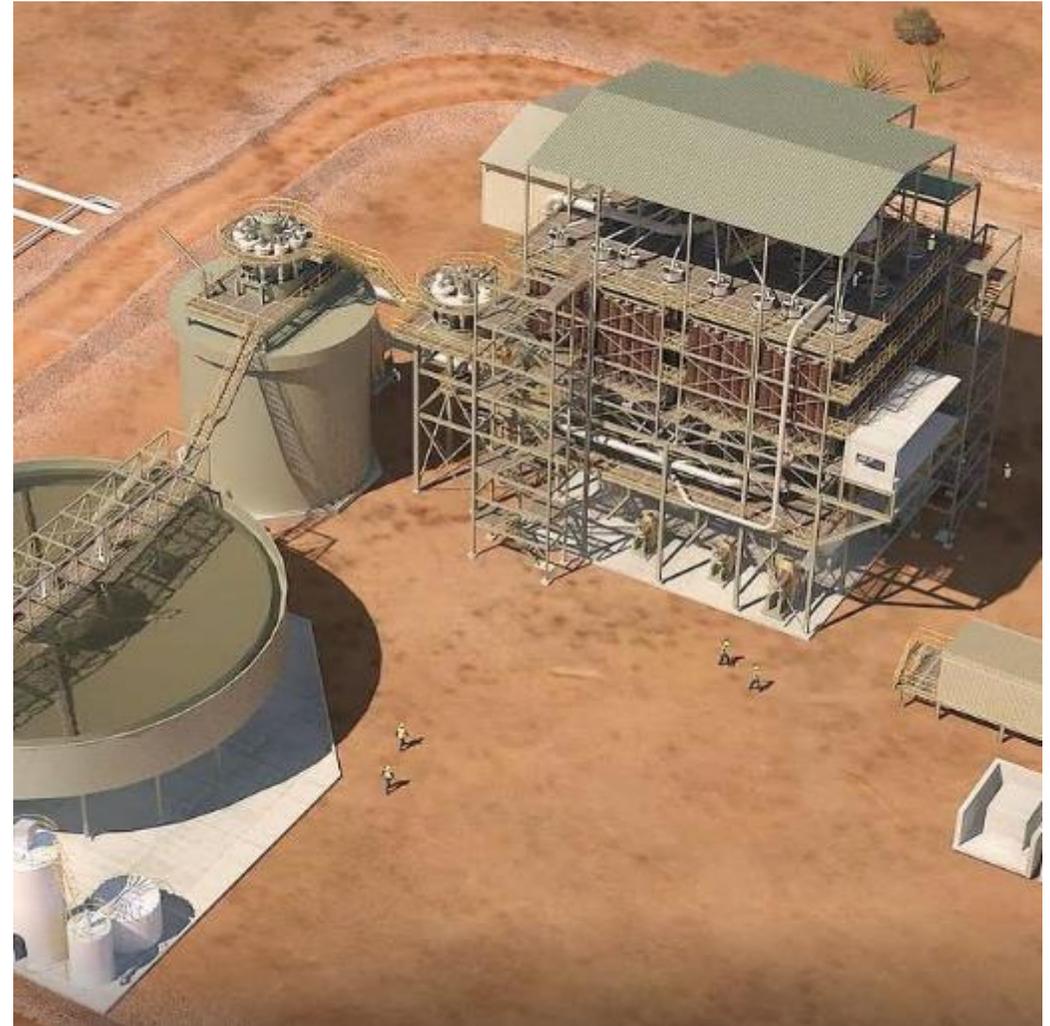


Workforce development

Lenders' technical review predominantly complete

SRK (UK), the lenders' appointed "independent engineer" have reviewed the DFS (subject to site visit)

- *"Base has a good understanding of the tasks and challenges involved and its experience in developing and operating the Kwale project means that it is very well placed and has the capabilities to successfully develop and operate the Toliara project."*
- Extensive technical audit and review of:
 - Geology, Mining and Tailing
 - Mineral processing
 - Infrastructure – water, power, roads
 - Construction
 - Operational Management
 - Operating costs
 - Capital Costs
 - Technical economic model
- Detailed risk review - Majority of project risks are low/medium.
- Site visit planned following resumption of travel to finalise review.



Critical path contracts well advanced



Tender processes complete for critical path contracts to ensure immediate start upon FID

Work package	Scope defined	Tender	Preferred bidder(s) selected	Best and final offer received	Contract award
Port Shed Piling	✓	✓	1	N/A	FID
Marine	✓	✓	2	FEED	FID
Bridge	✓	✓	1	N/A	FID
Power (IPP)	✓	✓	3	✓	FID
Haul Road	✓	FEED	FEED	N/A	FID

Improvements to existing Toliara port and construction of road access to new port shed prior to FID (Early Works) will ensure critical contracts start at FID.

FEED activities underway to ensure rapid post FID implementation

Processing plants

- Engineering ~55% complete.
- Key equipment vendors identified following tender process.

Northern access road and camp bulk earthworks

- Preferred bidder selected and all contract terms agreed.
- Contract ready to be awarded following FID.

Water supply

- Groundwater model developed.
- Contract for borehole drilling and step testing awarded.

Transport and logistics

- Two T&L specialist suppliers short listed.
- Logistics study completed.

Fuel supply (power plant and mobile equip)

- Fuel tender process complete with two local distributors shortlisted.
- Preliminary design for fuel storage facility at site complete.



Building tomorrow's workforce

Comprehensive program initiated early to identify local talent to train for the construction and operational phases

Internal

- 24 Malagasy trade apprentices relocated to Kwale in Kenya - mech, elect, mobile equip, boiler making, air cond. 2-year program 50% complete.
- 17 Malagasy graduate trainees selected and undertaking baseline training courses (language, IT, orientation) prior to 18-month extensional training in Kenya.
- English, French and Malagasy language training for all Toliara employees.



Capacity building

- 7,421 local community members registered for training programs.
- 3,067 completed assessments.
- 571 commenced or completed training programs including Heavy Mobile Equipment, wet trades, tiling, carpentry, construction and languages.
- Tender application training for local suppliers and contractors.





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Key catalysts

Tim Carstens
Managing Director



Locking down fiscal terms

Sound progress being made with a sense of urgency on both sides

- Government encouragement for submission of the LGIM application.
- Formal discussions on fiscal terms applying to the project are underway despite COVID restrictions.
- Proposed revisions to the Mining Code with World Bank advisory input in parallel are framing discussions.
- Consistent Government expressions of the desire to lift the suspension of activities by the end of the year.



Securing funding



Encouraging interest has been largely progressed as far as can be until fiscal terms are settled and secured

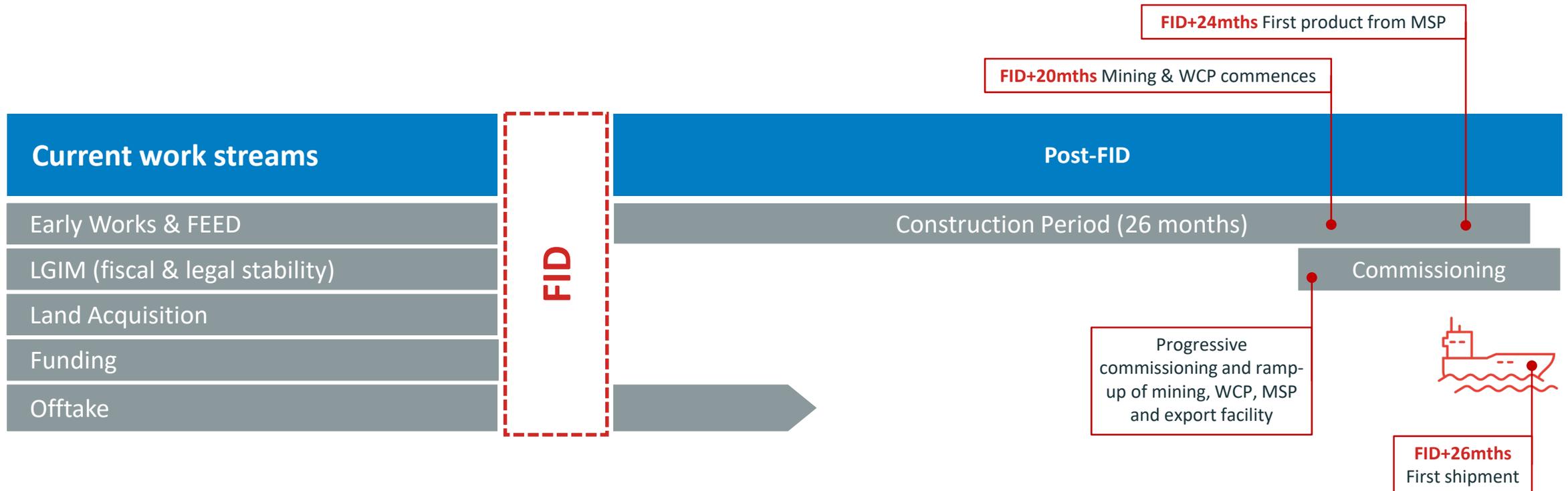
- Strong support from current (Kwale Operations) and new lenders, particularly from export credit agencies and DFIs.
- Lenders' independent expert reviews well advanced:
 - Technical expert (SRK UK) due diligence of the DFS predominantly complete.
 - Lenders' independent environmental and social consultants completed desktop due diligence.
 - Site visit required for completion.
- Lenders' insurance agent and financial model and tax advisor recently appointed.

Next steps

- Mandating of lender roles within the syndicate.
- Term sheet negotiation.

Toliara Project indicative timeline

Planned FID has been delayed from H2 2020. Once line of sight on lifting of suspension, resumption of international travel and financial market conditions is achieved, a revised FID will be announced – with FID unlikely to be before September 2021. The next critical milestone is agreeing fiscal terms with the Government of Madagascar. We maintain readiness to accelerate progress when conditions support.



Delivering returns

- **Team** with a track record of delivery.
- Consistent, **high cash flow Kwale Operations**, with extension potential.
- **Reputation for excellence** in safety, community and environment.
- A robust financial position from which to **grow the business** and **deliver returns** to shareholders.
- Market outlook supporting a clear **need for new supply**.
- A world class development in the **long-life Toliara Project** that is continuing to progress.





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Appendices



Kwale Ore Reserves and Mineral Resources

Category	Material	In Situ HM	HM	SL	OS	HM Assemblage		
						ILM	RUT	ZIR
	(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)
Mineral Resources¹ as at 30 June 2020								
Measured	55	1.8	3.2	24	1	58	14	6
Indicated	157	2.7	1.7	37	2	47	12	5
Inferred	34	0.5	1.4	36	3	46	13	6
Total	246	4.9	2.0	34	2	51	13	5
Ore Reserves as at 30 June 2020								
Proved	35	1.2	3.5	26	0.8	58	14	6
Probable	5	0.2	2.9	27	7	51	12	5
Total	40	1.4	3.4	26	1.7	57	13	6

Notes:

- 1) Mineral Resources estimated at a 1% HM cut-off grade.
- 2) Table subject to rounding differences.
- 3) Mineral Resources are reported inclusive of the Ore Reserves.

For further information on the Kwale Deposit Mineral Resources and Ore Reserves, for the Kwale South Dune Deposit, refer to Base Resources' announcement on 27 July 2020 "Updated Kwale South Dune Mineral Resources and Ore Reserves estimate" and, for the Kwale North Dune Deposit, refer to Base Resources' announcement on 1 May 2019 "Mineral Resource for Kwale North Dune Deposit", each of which are available at <https://baseresources.com.au/investors/announcements/>. Base Resources confirms that it is not aware of any new information or data that materially affects the information included in the 27 July 2020 and the 1 May 2019 announcements and all material assumptions and technical parameters underpinning the estimates in the 27 July 2020 and the 1 May 2019 announcements continue to apply and have not materially changed. For further information on the depleted Kwale Deposit Mineral Resources and Ore Reserves as at 30 June 2020, refer to Base Resources' announcement on 13 August 2020 "2020 Mineral Resources and Ore Reserves Statement" available at <https://baseresources.com.au/investors/announcements/>.

Ranobe Ore Reserves and Mineral Resources

Category	Material	In Situ HM	HM	SL	OS	HM Assemblage			
						ILM	RUT*	LEUC**	ZIR
	(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Mineral Resources¹ at 30 June 2020									
Measured	419	28	6.6	4	0	75	2	-*	6
Indicated	375	18	4.9	8	1	72	2	-*	6
Inferred	499	20	3.9	7	1	70	2	-*	5
Total	1,293	66	5.1	6	0	72	2	-*	6
Ore Reserves at 30 June 2020									
Proved	347	24	7.0	3.8	0.1	75	1.0	1.0	5.9
Probable	239	14	5.8	4.2	0.2	73	1.3	0.8	5.7
Total	586	38	6.5	3.9	0.1	74	1.1	0.9	5.9

Notes:

* Rutile reported in the Mineral Resources table is rutile + leucoxene mineral species

** Recovered Leucoxene will be split between Rutile and Chloride Ilmenite products depending on product specification requirements.

1) Mineral Resources estimated at a 1.5% HM cut-off grade.

2) Table subject to rounding differences.

3) Mineral Resources are reported inclusive of the Ore Reserves.

For further information on the Ranobe Deposit Mineral Resources and Ore Reserves, refer to Base Resources' announcement on 23 January 2019 "Updated Ranobe Deposit Mineral Resources (corrected)" and the announcement on 6 December 2019 "Maiden Ranobe Ore Reserves estimate", each of which are available at <https://baseresources.com.au/investors/announcements/>. Base Resources confirms that it is not aware of any new information or data that materially affects the information included in the 23 January 2019 and 6 December 2019 announcements and all material assumptions and technical parameters underpinning the estimates in the 23 January 2019 and 6 December 2019 announcements continue to apply and have not materially changed.