

ASX and Media Release
26 November 2021

Chair's Address to the Annual General Meeting Friday, 26 November 2021, 11.00am (AWST)

Ladies and gentlemen

In another operationally and financially successful year, Base Resources continued to deliver robust results at our Kwale Operations in Kenya while working to progress development of the world class Toliara Project in Madagascar.

Base Resources continued to closely manage the risks associated with the COVID-19 pandemic, and despite these challenges, Kwale Operations maintained full production, achieved guidance and met shipping schedules throughout the 2021 financial year.

After some early volatility, markets for mineral sands products were remarkably resilient and finished the year very tight, with customer demand exceeding the Company's ability to supply.

Our strong operational performance, combined with a robust pricing environment, allowed the Company to record revenue of US\$198.2 million. This result, along with a continued focus on efficiency, drove EBITDA of US\$94.6 million and a net profit after tax of US\$11.0 million. Strong underlying cashflow enabled the Company to end the year with US\$64.9 million net cash, after paying out an aggregate of US\$56.4 million in dividends over the course of the financial year.

Following another year of strong cash generation, the Board was pleased to determine a final dividend of AUD 4.0 cents per share. Together with the AUD 3.0 cents per share paid in March, total distributions to shareholders in respect of the financial year were AUD 7.0 cents per share, unfranked.

On site, the Company maintained its uncompromising focus on safety, health and wellbeing with no lost time or medical treatment injuries during the financial year. Kwale Operations also continued to set a benchmark for sustainability in mining project implementation and operation with a wide range of activities focused on our people, community and environment.

To build on the Company's long history of sustainable operational practice, an Environment, Social and Ethics committee of the Board was established in the financial year. The Committee oversees development and implementation of the Company's ESE strategy and reporting mechanisms, with the objective of enhancing and cementing the Company's reputation for excellence in the full lifecycle of mining.

The Company remains intensely focused on extending Kwale mine life to maximise the value created by the Kwale development for shareholders, employees, the community and the nation of Kenya. Subsequent to the year end, the Kwale South Dune Ore Reserves estimate was updated and the Kwale Special Mining Lease extension was finalised, extending mine life to December 2023. The outcomes of the Bumamani PFS were also released, with the study concluding that higher grade subsets of the North Dune and Bumamani deposits can be economically mined, supporting an extended mine life to mid-2024¹.

We are also further expanding our exploration tenure in the Kuranze region of Kenya, with a number of prospecting licence applications moving through the regulatory approval process, and we secured adjacent prospecting licences in Tanzania and have commenced our exploration program there.

The Toliara Project in Madagascar continues to represent a significant and attractive growth opportunity for the Company and, during the 2021 financial year, meaningful progress was made in discussions with the Government of Madagascar about the fiscal terms applicable to the project. More recently, the Company updated the Ranobe Mineral Resources and Ore Reserves estimates and released an enhanced DFS which significantly increases the scale and economics of the Toliara Project.

¹ Refer to Base Resources' market announcements on 3 September 2021 "Bumamani PFS supports extension of Kwale mine life to mid-2024" and "Further supporting information for Bumamani PFS" (**Bumamani PFS Announcements**) for the material assumptions and underlying methodologies adopted for deriving the summary outcome of the Bumamani PFS disclosed above. Base Resources confirms that all the material assumptions underpinning the production information and forecast financial information disclosed in the Bumamani PFS Announcements continue to apply and have not materially changed.

As we proceed through the 2022 financial year, we remain highly optimistic for the future of Base Resources and the value we can create for all stakeholders, especially against a backdrop of strong commodity markets with fundamentals that are calling forward new supply.

As previously announced, I am retiring from the Board at the conclusion of this AGM. It has been an honour to Chair the Board since 2015, during which time we achieved many significant milestones of which I am very proud. It has been my absolute pleasure to serve with my fellow directors and to work with such a high-quality management team.

Mr Stirzaker will take up the role of Chair at the conclusion of the AGM. A director of Base Resources since 2014, and with over 30 years of commercial experience, Mr Stirzaker is well placed to take Base Resources into its next phase of development.

In closing, I would like to thank my fellow directors for their support and wisdom, the Base Resources team for their enduring focus on excellence, and our shareholders for your ongoing belief in the Company.

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This release has been authorised by Base Resources' Disclosure Committee.

About Base Resources

Base Resources is an Australian based, African focused, mineral sands producer and developer with a track record of project delivery and operational performance. The Company operates the established Kwale Operations in Kenya and is developing the Toliara Project in Madagascar. Base Resources is an ASX and AIM listed company. Further details about Base Resources are available at www.baseresources.com.au.