

ASX and Media Release  
22 August 2022

## Continued revenue growth drives record FY22 profit

African mineral sands producer and developer, **Base Resources Limited** (ASX & AIM: BSE) (**Base Resources** or the **Company**) is pleased to present its results for the year ended 30 June 2022 (**FY22**), with higher prices for all products supporting record results, including EBITDA of US\$158.7 million and a revenue to cost of sales ratio (operating margin) of 3.2:1. These results have allowed the Board to determine a final FY22 dividend of AUD 3.0 cents per share (unfranked).

Kwale Operations achieved production guidance and met customer shipping schedules consistently throughout the year, despite COVID-19 induced challenges and some unplanned stoppages, allowing the Company to capitalise on the high price environment. Following a decision to proceed with the Bumamani Project, Kwale Operations mine life was also extended to December 2024, and additional initiatives are being progressed to secure further mine life extensions.

The Toliara Project in Madagascar is a significant growth opportunity for the Company and remains a key focus. Discussions with the Government of Madagascar on the fiscal terms applicable to the project progressed substantially during the year and are now at an advanced stage, with a clear pathway for agreement to be reached, and the suspension of on-ground-activities lifted.

### Financial highlights for FY22

- Record revenue of US\$279.1 million following a 33% increase in average realised unit sales price compared to the prior year ended 30 June 2021 (**FY21**).
- Record EBITDA of US\$158.7 million and net profit after tax of US\$80.7 million.
- Free cashflow of US\$59.4 million (operating cashflows of US\$78.3 million less investing cashflows of US\$18.9 million).
- Net cash position of US\$55.4 million at 30 June 2022.

### Final dividend of AUD 3.0 cents per share determined

The Company's capital management policy is that cash not required to meet the Company's near-term growth and development requirements, or to maintain requisite balance sheet strength in light of prevailing circumstances, could be expected to be returned to shareholders. While discussions on fiscal terms with the Government of Madagascar are at an advanced stage, agreement has not yet been reached. Against this backdrop, and with net cash of US\$55.4 million at the end of the period and continued strong financial performance, the Board has determined a final dividend of AUD 3.0 cents per share (unfranked), totalling A\$35.3 million in aggregate (approximately US\$24.4 million) and to be paid wholly from conduit foreign income. The record date for the final dividend is 5 September 2022 and the payment date is 22 September 2022 – refer to Base Resources' accompanying announcement "FY22 Final Dividend – Key dates and information" for further information.

Upon payment of the FY22 final dividend, dividends distributed to shareholders since October 2020 will total AUD 16.5 cents per share, equal to A\$194.4 million in aggregate (approximately US\$141.7 million).

### Operational and development highlights for FY22

- Production of 74,349 tonnes of rutile, 325,148 tonnes of ilmenite, 25,569 tonnes of zircon and a combined 13,280 tonnes of low-grade rutile and zircon products from Kwale Operations.
- Continued strengthening of demand for all products, with increases in average achieved prices of 26% for rutile, 42% for ilmenite and 57% for zircon compared to FY21.
- Kwale Operations mine life extended following finalisation of the Kwale South Dune mining lease extension, and then further extended to December 2024 following a decision to implement the Bumamani Project subject to completion of necessary land acquisitions.



- Toliara Project enhanced definitive feasibility study completed, with a significant growth in estimated Ore Reserves underpinning an expansion of mining and processing scale, increasing the project's post-tax / pre-debt (real) NPV @ 10% discount rate to US\$1.0 billion<sup>1</sup>.
- Toliara Project monazite and rare earths concept study commenced.
- Tanzanian exploration program commenced, with an air core drill program planned for FY23.

**Managing Director of Base Resources, Tim Carstens, said:**

"We have completed another operationally strong year and, with the continued improvement in mineral sands prices throughout the period, we were able to achieve record financial outcomes. This, and our disciplined management of costs, has enabled continuation of robust returns to shareholders."

"The extension of mine life at Kwale Operations remains an intense area of focus and meaningful results were achieved in FY22, with the successful expansion of our special mining lease to incorporate the remainder of the South Dune orebody, and commencement of development of the Bumamani Project. When combined, these will extend mine life at Kwale until December 2024. We continue to pursue additional mine life extension opportunities in the Kwale East sector and regionally, with exploration to intensify in northern Tanzania in the coming year. Now that the Kenyan General Election has concluded, we are hopeful that various prospecting licence applications lodged in prior years will progress toward issuance. Our stakeholders – employees, communities, governments, customers and shareholders – are aligned in a desire to extend our successful presence in East Africa."

"The Toliara Project in Madagascar continues to represent a significant growth opportunity for Base Resources and the release of an enhanced DFS incorporating an increased scale, supported by a substantial increase in Ore Reserves and an improvement in the long-term supply-demand outlook for mineral sands, has further highlighted the Toliara Project's high potential."

"Discussions with the Government of Madagascar on fiscal terms, and the lifting of the on-ground suspension, have advanced significantly and we are encouraged by government's recent messaging on the need to bring the Toliara Project to development in a timely manner to help stimulate economic growth in the region."

"This is an exciting time for Base Resources. We look forward to sharing milestone developments with investors as soon as feasible."

**Investor webcasts**

Investor webcasts will be hosted by Base Resources' Managing Director, Tim Carstens, Chief Financial Officer, Kevin Balloch, and General Manager - Marketing, Stephen Hay, who will each also be available to answer questions following a presentation of the Company's results.

Details for the webcasts are below. Participants will be able to ask questions via the messaging function on the webcast platform or via the teleconference line. Participants that propose using the teleconference line will need to pre-register their details using the teleconference registration URL provided below. Upon registering, participants will receive an email with their unique PIN and dial-in details so that they can join the call without needing to speak to an operator.

Asia Pacific webcast

**Date:** Monday, 22 August 2022

**Time:** 9.00am AWST / 11.00am AEST

**Webcast URL:** <https://edge.media-server.com/mmc/p/4vx3v6ty>

**Teleconference registration URL:** <https://register.vevent.com/register/BI2ed34efbcaaa48898a129df43edab45f>

Europe webcast

**Date:** Monday, 22 August 2022

**Time:** 4.00pm AWST / 9.00am BST

**Webcast URL:** <https://edge.media-server.com/mmc/p/2tiz59hz>

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<sup>1</sup> For further information, refer to Base Resources' announcement on 27 September 2021 "DFS2 enhances scale and economics of the Toliara Project". This announcement contains the material assumptions and underlying methodologies adopted for deriving this forecast financial outcome. Base Resources confirms that all the material assumptions underpinning the production information and forecast financial information in this announcement continue to apply and have not materially changed.

Teleconference registration URL: <https://register.vevent.com/register/BI4131d19441d84f51be130c4a3b14254f>

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### **Forward looking statements**

Certain statements in or in connection with this announcement contain or comprise forward looking statements. Such statements may include, but are not limited to, statements with regard to future production and grades, capital cost, capacity, sales projections and financial performance and may be (but are not necessarily) identified by the use of phrases such as “will”, “expect”, “anticipate”, “believe” and “envisage”. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside Base Resources’ control. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in product prices and exchange rates and business and operational risk management. Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, Base Resources undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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This release has been authorised by the Board of Base Resources.

### **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](http://www.baseresources.com.au).