

# FY23 Full Year Results

For the year ended 30 June 2023

28 August 2023

# Disclaimer & Important Notices



This document has been prepared by Base Resources Limited (**Base Resources**). Its release has been authorised by the Board of Base Resources. Information in this document should be read in conjunction with other announcements made by Base Resources to ASX, particularly Base Resources' announcement on 27 September 2021 "DFS2 enhances scale and economics of the Toliara Project" (**DFS2 Announcement**). Base Resources' ASX announcements are available at <https://baseresources.com.au/investors/announcements>.

## Explorations results

Slides 10 and 23 disclose exploration results for programs carried out at Kwale East and the Toliara Project, respectively. For further information in relation to the Kwale East results, refer to Base Resources' announcement on 3 July 2023 "Kwale East exploration drilling update". For further information relation to the Toliara Project results, refer to Base Resources' announcement on 21 January 2020 "Toliara Project drill assays reveal significant high-grade mineralisation". Base Resources confirms that it is not aware of any new information that materially affects the information included in either announcement.

## DFS2 Announcement

Slide 21 disclose the summary outcomes of DFS2. The DFS2 Announcement discloses the material assumptions and underlying methodologies adopted for deriving these outcomes, including the production information and forecast financial information. 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 and forecast financial information disclosed in the DFS2 Announcement continue to apply and have not materially changed.

## Forward-looking statements

Certain statements in or in connection with this document contain or comprise forward looking statements. Such statements include, but are not limited to, statements with regard to capital cost, capital expenditure, future production and grades and financial performance and may be (but are not necessarily) identified by the use of phrases such as "will", "expect", "estimate", "forecast", "guidance", "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.

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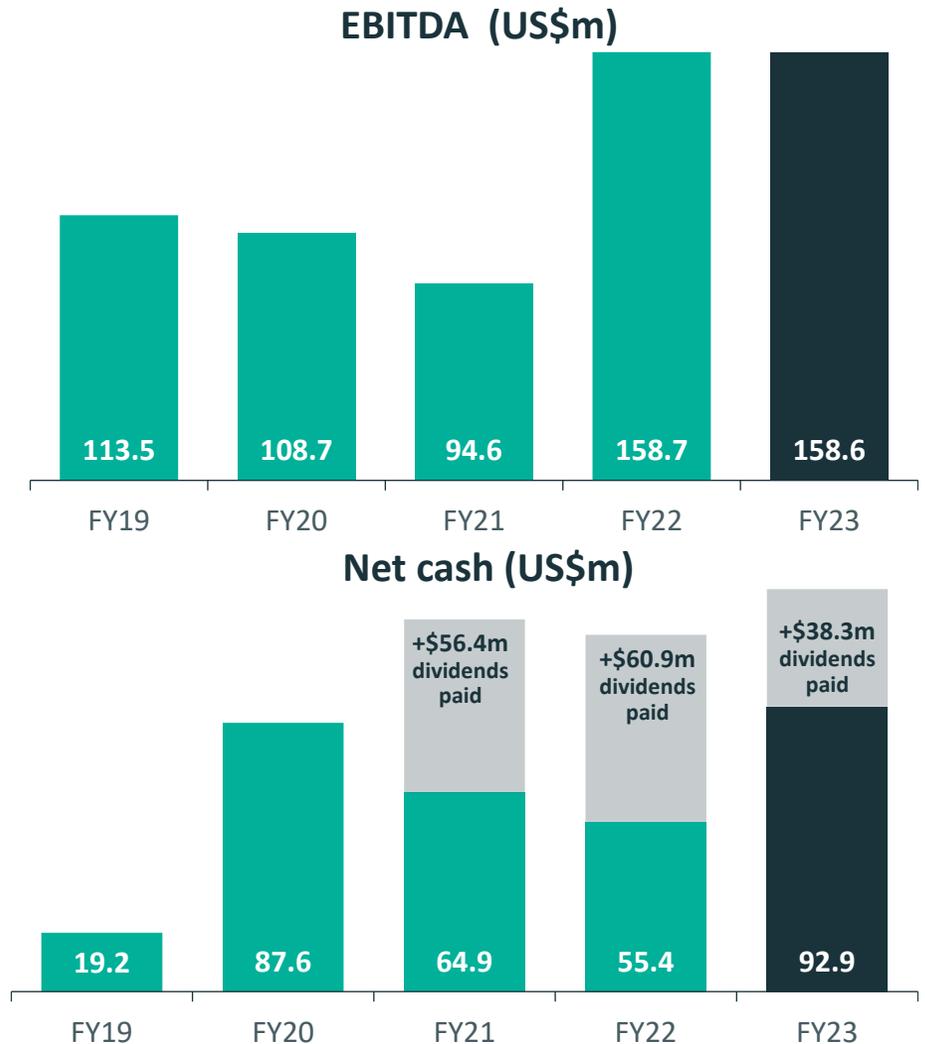
# Australian based, African focused, producer



# Financial results for FY23



- Revenue of US\$271.4m and EBITDA of US\$158.6m.
- Kwale Operations FY23 production guidance met.
- Realised sales price up 8% to US\$672 per tonne and cost of sales up 8% to US\$212 per tonne, maintaining the revenue to cash cost of sales ratio at 3.2.
- Non-cash impairment loss of US\$88.9m on Kwale Operations carrying value, resulting in a Net Loss After Tax of US\$4.8m.
- Invested US\$28.5m in Kwale Operations, primarily for implementation of the Bumamani Project to extend mine life to the end of 2024, and a further US\$1.8m spent on exploration at Kwale East and Uмба South.
- Invested US\$8.3m in the Toliara Project, including for progression of Toliara Rare Earth studies.
- US\$38.3m or AUD 5 cents per share of dividends paid during the year.
- Closing cash position of US\$92.9m.
- FY23 final dividend of AUD 4 cents per share determined, unfranked, totalling A\$47.1m (~US\$31.3m), taking total dividends for FY23 to AUD 6 cents per share, or AUD\$70.7m (~US\$46.9m).



# Sustainability highlights for FY23

- Inaugural 2022 Sustainability Report and data book released.
- Received two of nine ESG awards at 2023 African Mining Indaba.

## People

- 99% of Kwale workforce are Kenyan, with 74% drawn from Kwale County.
- US\$330,000 was invested in training and development of employees, contractors and community across all operations.
- 21 apprentices, 10 graduates and 20 interns at Kwale Operations.

## Community

- US\$5.9m invested in infrastructure, education, livelihood projects and health programs.
- US\$66.2m (80%) of Kwale Operations material, equipment and services expenditure sourced from Kenyan businesses.
- Progression of Kwale post mining land use studies covering agriculture, training, conservation and use of TSF materials in brick and cement making.

## Environment

- Over 58,000 indigenous trees planted as part of the Kwale Operations rehabilitation program.
- An additional 3,000 indigenous trees planted outside of the mine lease as part of regional reforestation programs.



# Outstanding safety outcomes indicative of the performance culture



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LTIFR

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Lost Time Injury  
Frequency Rate  
per million hours

2

Lost Time Injuries

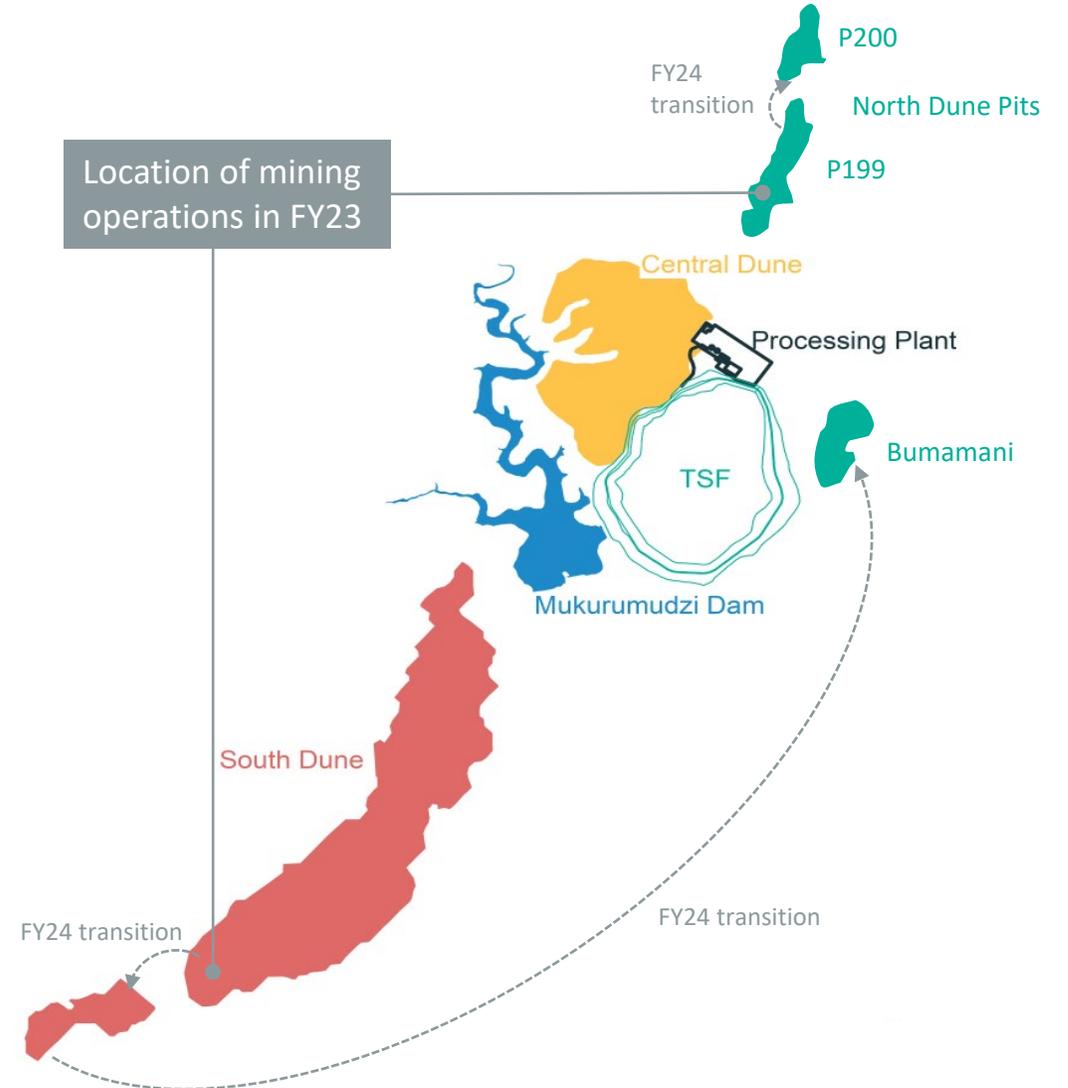
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In 35.4 million hours worked since commencing  
production at Kwale Operations in December  
2013

16

Medical Treatment  
Injuries

# Transition to North Dune and production guidance delivered to plan



# Consistent production performance



Mining and Concentrator	FY23	FY22	Variance
Ore mined (tonnes)	<b>16,264,017</b>	16,485,132	(1%)
HM grade	<b>3.68%</b>	3.73%	(1%)
VHM grade	<b>2.83%</b>	2.86%	(1%)
HMC produced (tonnes)	<b>532,049</b>	565,461	(6%)

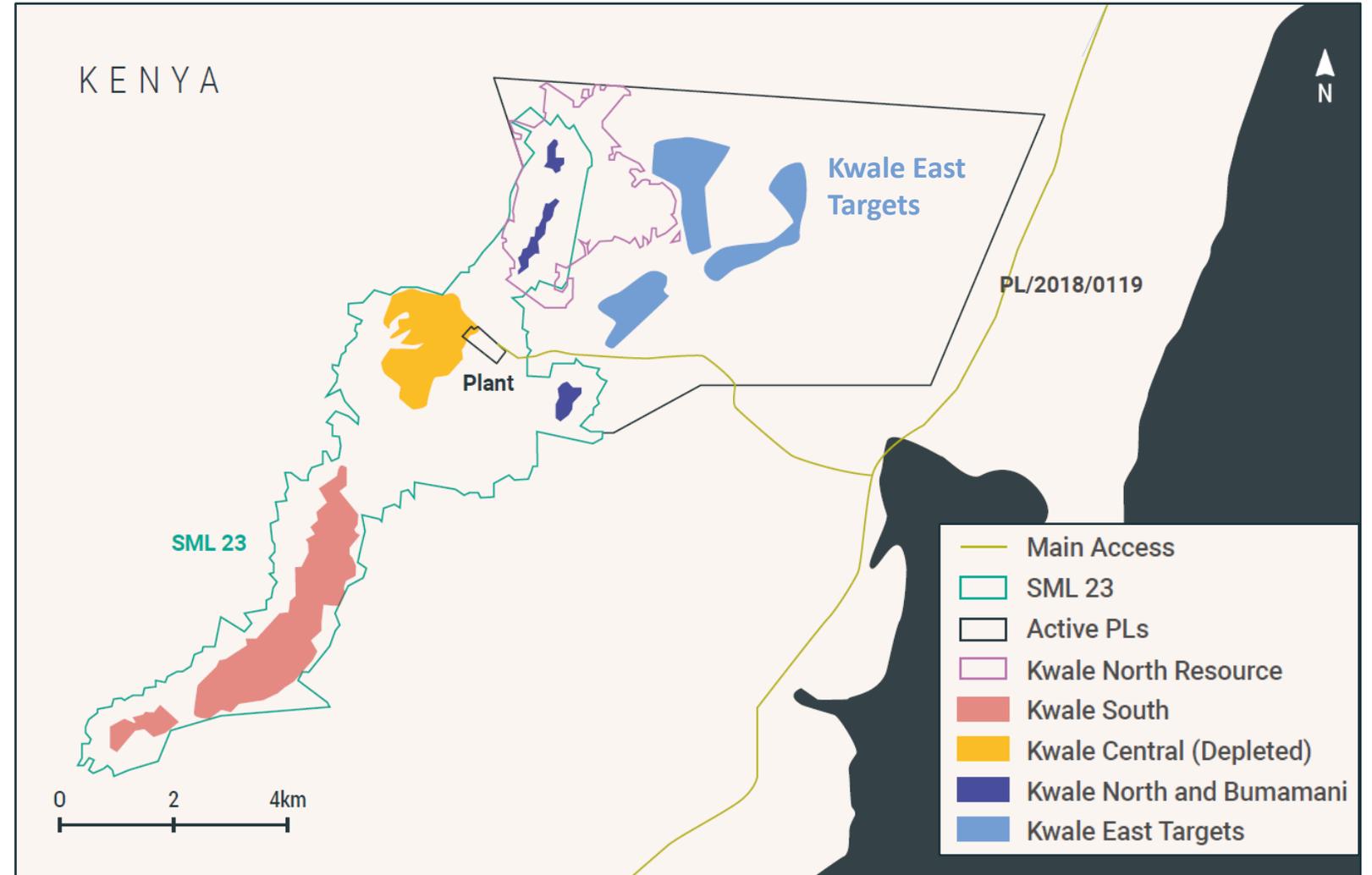
- Mining volume marginally lower at 16.3Mt - impacted by the stoppage to transition mining to the North Dune and lower mining rate in the higher slime portions of the North Dune.
- Heavy mineral concentrate (HMC) production lower due to lower heavy mineral grade and ore mined.
- HMC closing stocks were 2.5kt.

Mineral Separation Plant (tonnes)	FY23	FY22	Variance
MSP feed (HMC)	<b>539,308</b>	575,589	(6%)
Ilmenite produced	<b>297,861</b>	325,148	(8%)
Rutile produced	<b>68,814</b>	74,349	(7%)
Zircon produced	<b>25,954</b>	25,569	2%
Zircon low grade produced	<b>2,156</b>	2,555	(16%)
Rutile low grade produced	<b>16,174</b>	10,725	51%

- Mineral Separation Plant feed constrained by HMC availability.
- Recoveries marginally lower for ilmenite and rutile, higher for zircon.
- Differences in final production due to the variable mineral assemblage of the ore mined, with a notably higher proportion of zircon.

# Kwale East mine life extension opportunity

- Phase 1 scout auger drilling program completed - 1,019 holes drilled for a total of 11,536m.
- Three areas of mineralisation identified for further targeted exploration in the Phase 2 aircore drill program.
- Mineral assemblage analysis indicates elevated concentrations of rutile and zircon relative to the Kwale deposits currently being mined.
- Phase 2 focused on drilling the remaining 35% of the highly prospective areas in Magaoni and Zigira as landholder consents are obtained.



# Rutile prices easing from FY23 peak



## Market dynamics

- Strong demand from all sectors and restricted supply at the end of FY22 / start of FY23.
- TiO<sub>2</sub> pigment market slumped through H1 FY23.
- Expectations of a solid rebound in TiO<sub>2</sub> pigment markets following Chinese New Year were not met.
- Slow pigment plant production ramp up – dented demand for rutile.

## Price outcomes

- Strong pricing outcomes in H1 FY23 contracts partially offset by a reduction in market prices in H2 FY23.
- Average rutile price achieved in FY23 increased by 18%, compared to FY22, to US\$1,741/t.

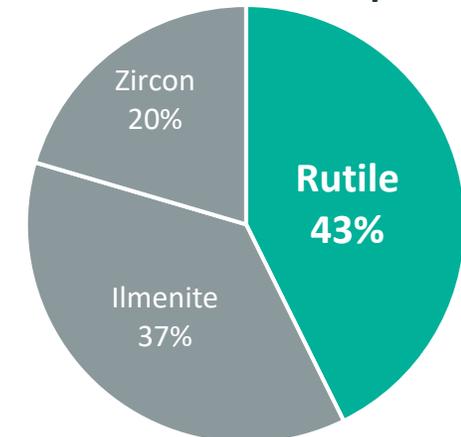
## Outlook

- Subdued pigment markets through H2 FY23 maintaining pressure on prices.
- Demand from welding and titanium metal sectors (main focus for the Company's sales going forward) remains strong and price premiums are being sustained.
- Supply issues and discipline from major producers stabilising the market.

Historical rutile prices (US\$/t FOB)



FY23 sales revenue split



# Ilmenite prices remain at high levels



## Market dynamics

- Impact of COVID-19 restrictions on Chinese economy (the biggest ilmenite market) dented Chinese TiO<sub>2</sub> pigment market conditions through H1 FY23.
- A bounce in sentiment following lifting of COVID-19 restrictions in China through mid FY23 was off-set by the lack of traction in the Chinese economy through the latter part of FY23.

## Price outcomes

- Prices eroded slightly through the year but remained close to historical highs.
- Average ilmenite price achieved in FY23 increased by 3%, compared to FY22, to US\$336/t.

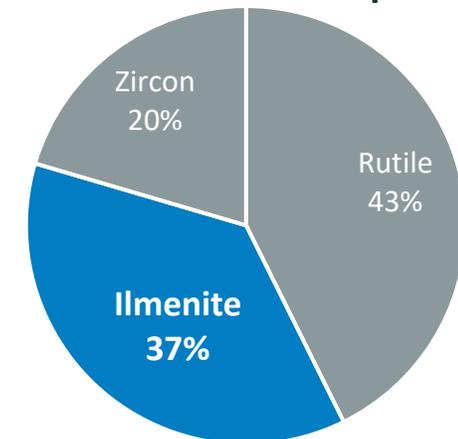
## Outlook

- Chinese TiO<sub>2</sub> pigment producers continue to focus on export growth to offset sluggish domestic market conditions. Pigment plant closures in Europe and Taiwan will assist Chinese exports.
- Prices to remain under pressure in H1 FY24 but rapidly growing chloride pigment production in China will support demand for imported ilmenite, which is a higher quality than Chinese domestic ilmenite.

Historical ilmenite prices (US\$/t FOB)



FY23 sales revenue split



# Zircon market slowed after solid start



## Market dynamics

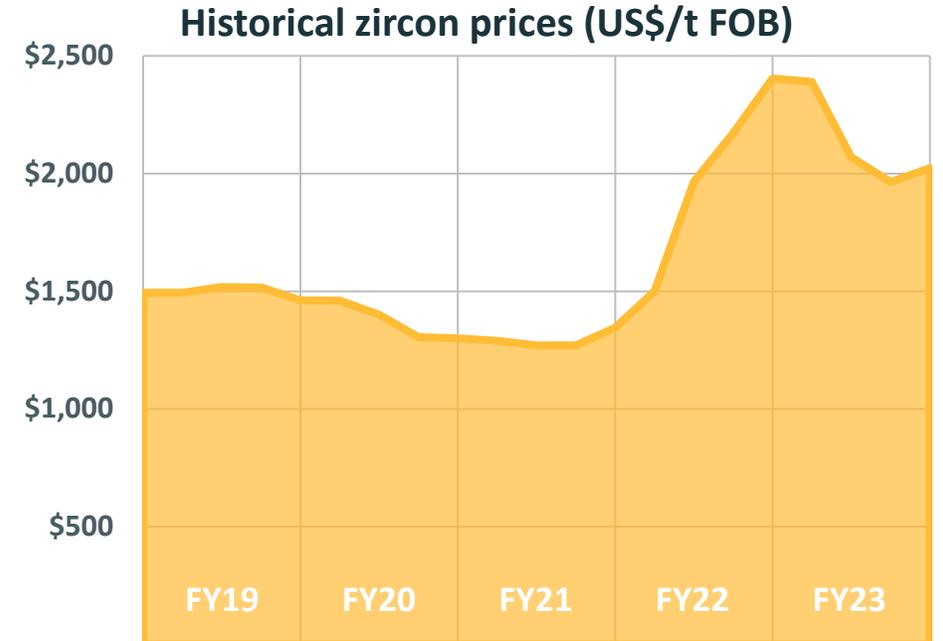
- After a strong start, subdued conditions were experienced through the middle of FY23 in Europe and China, the two biggest zircon markets.
- Improved sentiment early in H2 FY23 with lifting of COVID-19 restrictions in China and the better than anticipated economic conditions in the Northern winter.
- Conditions became challenging later in FY23 on the back of a stagnant Europe and stalling Chinese economic recovery.

## Price outcomes

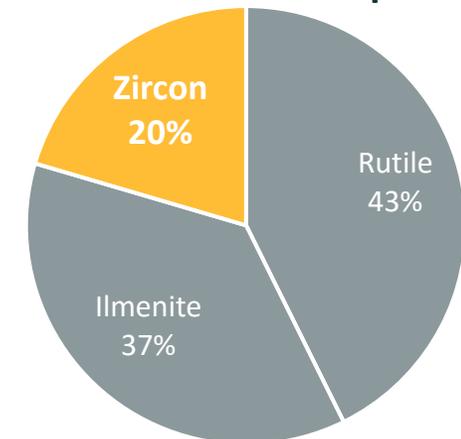
- Prices under quarterly contracts declined through the middle two quarters of the year before improving slightly towards the end.
- Average zircon price achieved in FY23 increased 3%, compared to FY22, to US\$2,105/t.

## Outlook

- Pricing pressure maintained into early FY24 as Chinese economy remains subdued.
- Medium term pricing dependent on developments in Chinese and European economies.



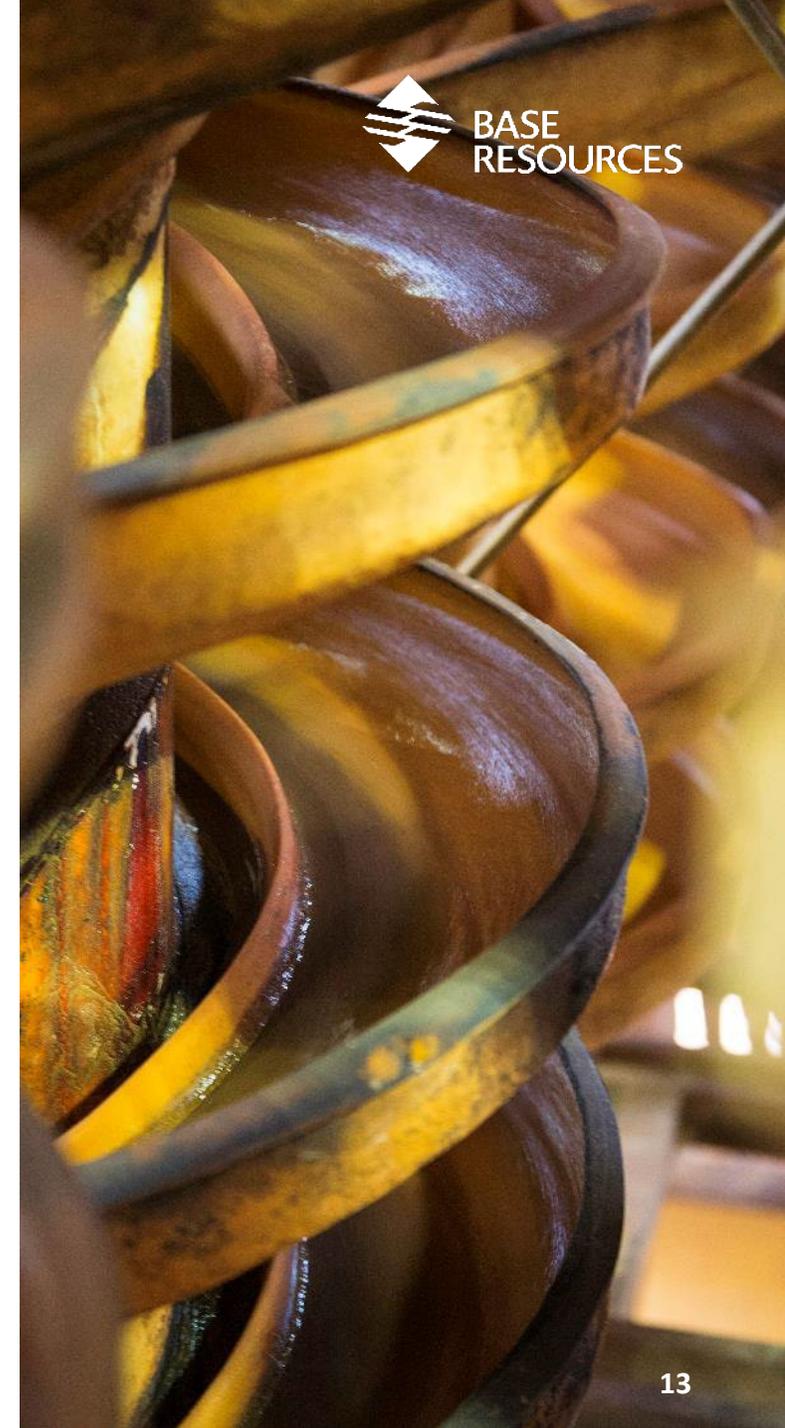
## FY23 sales revenue split



# NPAT impacted by non-cash impairment

(US\$ millions)	FY23	FY22
Revenue	271.4	279.1
Operating costs	(77.0)	(70.1)
Inventory movements	7.0	(3.4)
Royalties	(14.6)	(18.0)
Selling & distribution	(2.2)	(2.9)
Corporate & external affairs	(13.8)	(11.9)
Community development	(7.9)	(6.2)
Net write-off Kenyan VAT	-	(3.0)
Other	(4.3)	(4.9)
<b>EBITDA</b>	<b>158.6</b>	<b>158.7</b>
Depreciation & amortisation	(37.0)	(40.7)
Financing costs	(2.7)	(4.1)
Corporate income tax	(22.2)	(19.6)
Dividend withholding tax	(12.6)	(13.5)
<b>Underlying NPAT</b>	<b>84.0</b>	<b>80.7</b>
Impairment loss	(88.9)	-
<b>NPAT</b>	<b>(4.8)</b>	<b>80.7</b>

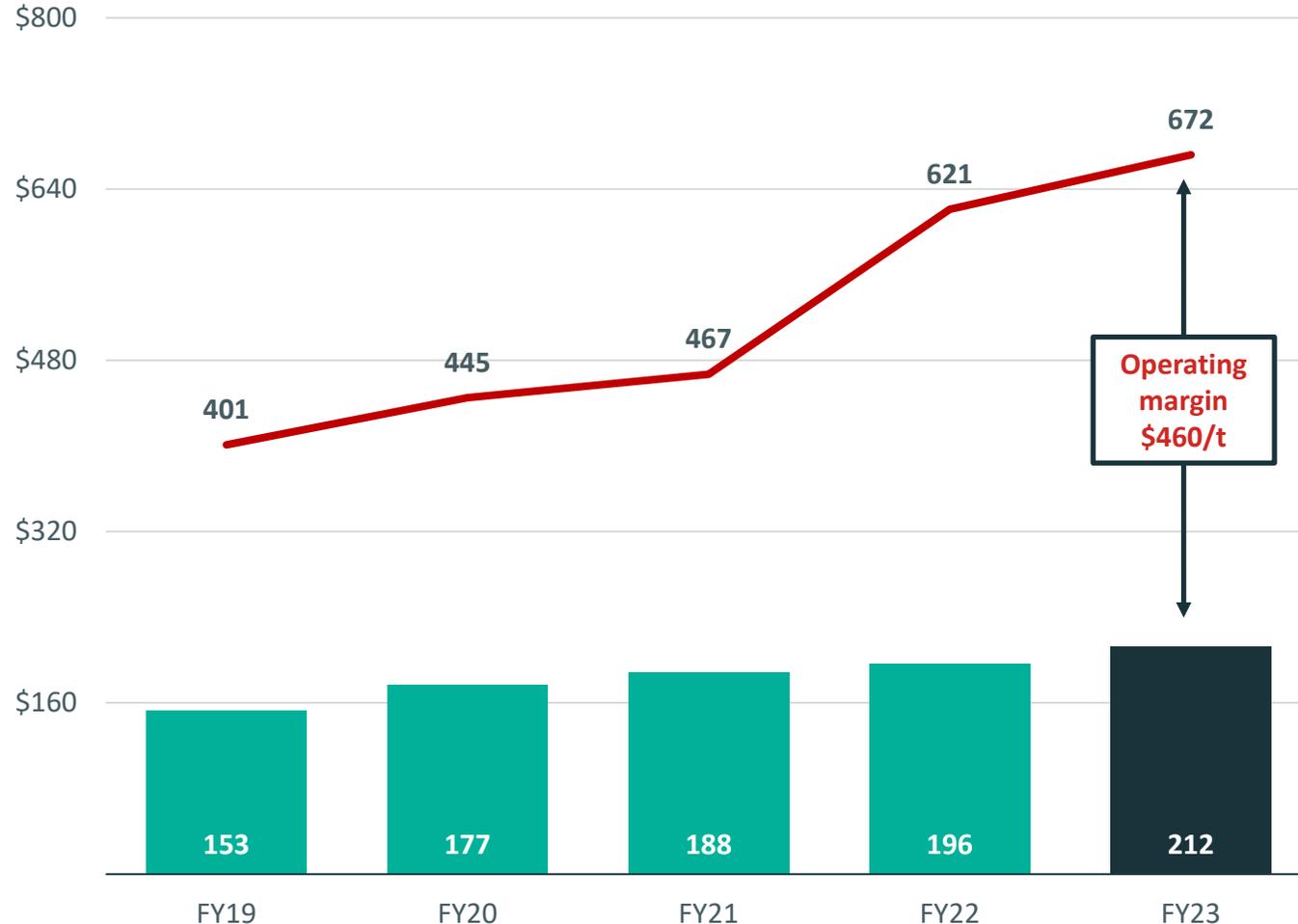
- Revenue 3% lower, with reduced sales volumes only partially offset by higher average unit sales price.
- Higher North Dune mining costs, together with higher unit fuel and power costs, led to an increase in operating costs.
- Positive inventory movements due to rutile and zircon stock build up at year end.
- EBITDA in line with last year's EBITDA record.
- NPAT impacted by the non-cash impairment loss on Kwale Operations – refer to slide 16 for further details.



# Price improvement expands operating margin

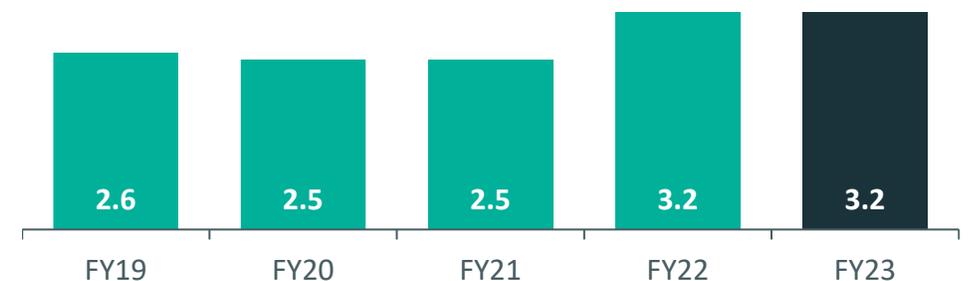


Unit revenue and cost of sales (US/t)



- Higher product prices resulted in an 8% increase in average revenue per tonne sold to US\$672/t.
- Cash cost of sales increased by 8% to US\$212/t.
- Operating margin increased by 8% to US\$460/t.
- Revenue to cost of sales ratio maintained at 3.2:1.

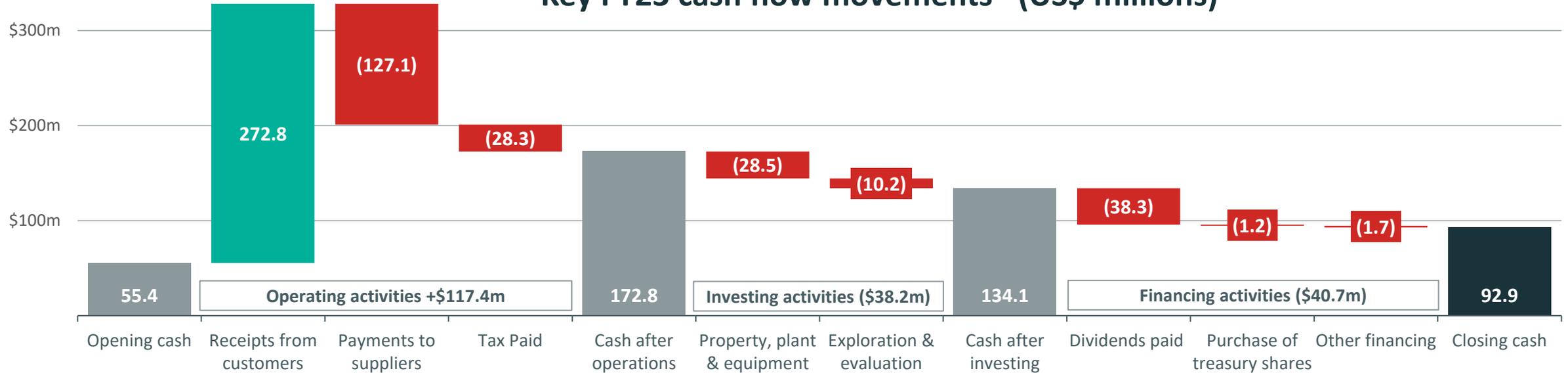
Revenue to cost of goods sold ratio



# Strong operating cash flows fund capital investment and dividends



Key FY23 cash flow movements\* (US\$ millions)



\* Not all cash flow movements are displayed on the chart. Consequently, the sum of the parts may not add to cash subtotals or to the closing cash position.

- Cash flow from operations driven by EBITDA of US\$158.6m, less US\$28.3m in Kenyan income and dividend withholding taxes paid, and US\$12.9m of working capital movements and other minor items.
- Dividends paid in FY23 totalled AUD 5 cents per share or US\$38.3m in aggregate.
- Invested US\$28.5m in Kwale Operations, primarily for land acquisition, construction and earthworks for implementation of the Bumamani Project, US\$8.3m on Toliara Project progression, including the Toliara Rare Earth studies, and US\$1.8m on exploration activities at Kwale East and Uмба South in Tanzania.

# Impairment charge - Kwale Operations



Following a review of the Kwale Operations carrying value at year end, a non-cash impairment charge of US\$88.9m has been recorded. The loss is reflective of the following material changes to recoverable value:

- Increased operating cost of mining the North Dune.
- Increase in the estimate of rehabilitation and mine closure costs.
- Reduction in forecast sale prices.
- Additional forecast capital expenditure.
- Forecast future capital requirements, including for the cost of transitioning mining operations to the Bumamani deposit following depletion of the South Dune and the recently updated rehabilitation and closure cost estimates (refer to slide 18 for further details of estimated key capital expenditure).
- Sales prices reflecting the midpoint of TZMI’s “Base Case” and “Low Case” price forecasts. Forecast realised sale prices, based on TZMI’s forecasts, are shown in the table below (US\$ per tonne FOB)

**On the basis of these changes, the recoverable value of Kwale Operations was assessed as US\$45.0 million.**

In estimating the recoverable value, the following assumptions or inputs were adopted:

- Mining limited to the current estimated Kwale Ore Reserves up to December 2024.
- Production consistent with previously released guidance, using historical processing recoveries.
- Increased operating costs based on recent cost history.

Quarter ending	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Rutile	US\$1,738	US\$1,532	US\$1,652	US\$1,616	US\$1,594	US\$1,585	US\$1,325
Chloride ilmenite	US\$300	US\$308	US\$285	US\$257	US\$243	US\$236	US\$230
Zircon	US\$1,883	US\$1,840	US\$1,781	US\$1,677	US\$1,624	US\$1,582	US\$1,507

# Balance sheet



(US\$ millions)	FY23	FY22
Cash	92.9	55.4
Trade & other receivables (incl. VAT)	63.1	69.0
Inventory (stockpiles & consumables)	23.1	15.1
Property, plant and equipment	23.2	89.0
Capitalised exploration & evaluation	162.9	156.1
Deferred tax asset	1.9	-
Other	10.3	9.1
<b>Total assets</b>	<b>377.4</b>	<b>393.7</b>
Trade and other payables	18.0	17.7
Mine closure and rehabilitation provision	51.9	22.3
Toliara deferred consideration	17.0	17.0
Other	2.0	3.0
<b>Total liabilities</b>	<b>88.9</b>	<b>60.0</b>
<b>Total equity</b>	<b>288.5</b>	<b>333.7</b>

- Increase in inventories of rutile and zircon at year end.
- US\$88.9m impairment write down of Kwale Operations property, plant and equipment.
- Mine closure and rehabilitation provision increased by US\$29.6m to US\$51.9m following further work on the mine closure plan, including:
  - The addition of an extension to the existing Mukurumudzi Dam spillway plus a secondary bywash spillway and a fuse plug following updated probable maximum precipitation estimates.
  - Allowance for grouting of the two tailings storage facility penstocks.
  - Increase in the area cleared for mining.
  - Increase in the estimated restoration cost per hectare for mined out areas based on recent experience.
  - Additional contingencies included to pre-empt further additional requirements or costs changes as closure planning advances.

# Upcoming key estimated capital expenditure



## Kwale Operations estimated capital requirements through to end of mine life (currently December 2024)

### Extensional capital

- US\$1.5m for Kwale East exploration.
- US\$8.6m for completion of a land purchase for potential resettlement of Kwale East communities.

### Sustaining capital

- US\$5.3m for the transition of mining operations to the Bumamani deposit and for extension of mining activities further along the South Dune and North Dune ore bodies.

### Rehabilitation and mine closure

- US\$37.2m of rehabilitation and mine closure works, including:
  - Extending the spillway and other related works to prepare the Mukurumudzi dam for transition to Government.
  - Tailings storage facility spillway and sealing of penstocks.
  - Land restoration and ongoing monitoring and aftercare.
- US\$12.8m closure contingency.

## Toliara Project

- US\$5.9m in FY24 for the continuation of the Toliara Rare Earth studies
- Prior to the lifting of suspension, in-country operating costs are heavily focused on government and stakeholder engagement. Substantive project development activities will re-commence following the lifting of suspension, focusing on engineering progression and early works.
- On securing fiscal terms, the following costs could be expected to be triggered or incurred:
  - Upfront community development funding - quantum subject to ongoing discussions with the Government of Madagascar.
  - Deferred acquisition consideration payable on securing fiscal and legal stability of US\$7.0m.
  - Land acquisition and compensation of US\$9.2m.

# Capital management provides continued returns to shareholders



## Our approach

Consistent with Base Resources' growth strategy, the Company seeks to provide returns to shareholders through both long-term growth in the Company's share price and appropriate cash distributions.

Cash not required for the Company's growth and development, or to maintain requisite balance sheet strength in light of prevailing circumstances, could be expected to be returned to shareholders.

- Final dividend of AUD 4 cents per share (unfranked) determined and to be wholly paid from conduit foreign income.
  - Totalling A\$47.1m (~US\$31.3m)
- Upon payment of the FY23 final dividend, dividends distributed to shareholders since October 2020 will total AUD 22.5 cents per share, equal to A\$265.2m (~US\$186.9m)
- Strikes an appropriate balance between delivering cash returns to shareholders and retaining requisite funding for current strategic growth initiatives as well as Kwale Operations transition to post-mining.

## Timetable

- Ex-dividend date: 8 September 2023
- Record date: 11 September 2023
- Payment date: 28 September 2023

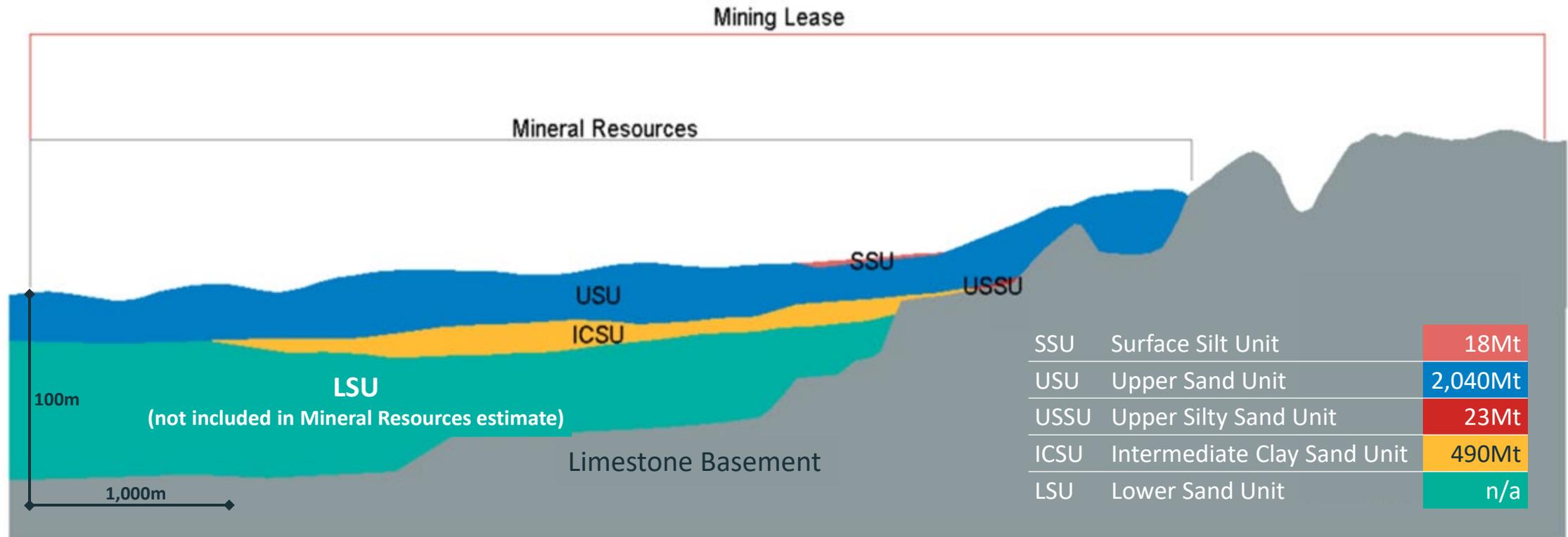
# Toliara Project DFS demonstrates exceptional economics



- Post-tax / pre-debt (real) NPV @ 10% of US\$1,008m.
- Average revenue to cost of sales ratio of 3.5.
- LOM free cash flow of US\$5.9 billion, with the first 10 years averaging US\$210m per annum.
- Annual averages (excluding first and last partial operating years):
  - Production of 960kt ilmenite, 66kt zircon and 8kt of rutile.
  - Revenue US\$317m.
  - Operating costs of US\$90m inclusive of 4% royalties.
  - EBITDA US\$219m.
  - Free cash flow US\$174m.

	Unit	DFS2
NPV <sub>10</sub> (discount rate of 10%), post tax, real	US\$ millions	1,008
IRR	%	23.8
Initial (Stage 1) capex	US\$ millions	520
Construction period (Stage 1)	Months	27
Stage 2 capex	US\$ millions	137
Construction period (Stage 2)	Months	21
Capital payback period (Stage 1 + 2)	Years	4.5
Life of mine	Years	38
LOM operating costs + royalty	US\$/t ore mined	3.78
LOM operating costs + royalty	(A) US\$/t produced	88
LOM revenue	(B) US\$/t produced	306
LOM cash margin	(B-A) US\$/t produced	218
LOM revenue : cost of sales ratio	(B/A) Ratio : 1	3.5
LOM free cash flow	US\$ millions	5,922

# World class mineral resource



## Ranobe Mineral Resources - 2,580Mt @ 4.3% HM

- Contained HM of 111Mt.
- Measured & Indicated of 1,390Mt @ 5.1% HM.
- LSU yet to be incorporated in estimate.

## Ranobe Ore Reserves - 904Mt @ 6.1% HM

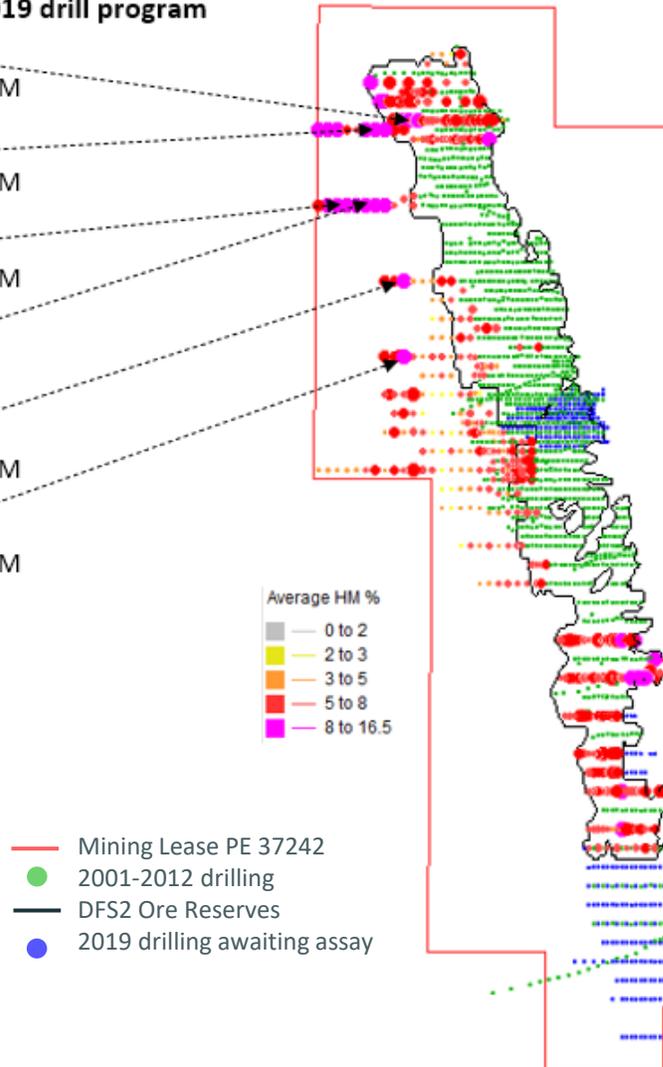
- Contained HM to 55Mt at 6.1%.
- 50% of current Mineral Resources contained HM.
- Only includes material from the SSU and USU.

# ...with further expansion and value potential



## Significant results from 2019 drill program

- 71.5m @ 12.2% HM  
- with LSU of 41.5m @ 17.6% HM
- 72m @ 11.6% HM  
- with LSU of 43.5m @ 16.5% HM
- 81m @ 15.7% HM  
- with LSU of 67.5m @ 18.3% HM
- 87m @ 13.9% HM  
- with LSU of 69m @ 16.4% HM
- 78m @ 9.1% HM  
- with LSU of 46.5m @ 13.8% HM
- 87m @ 9.1% HM  
- with LSU of 52.5m @ 13.8% HM

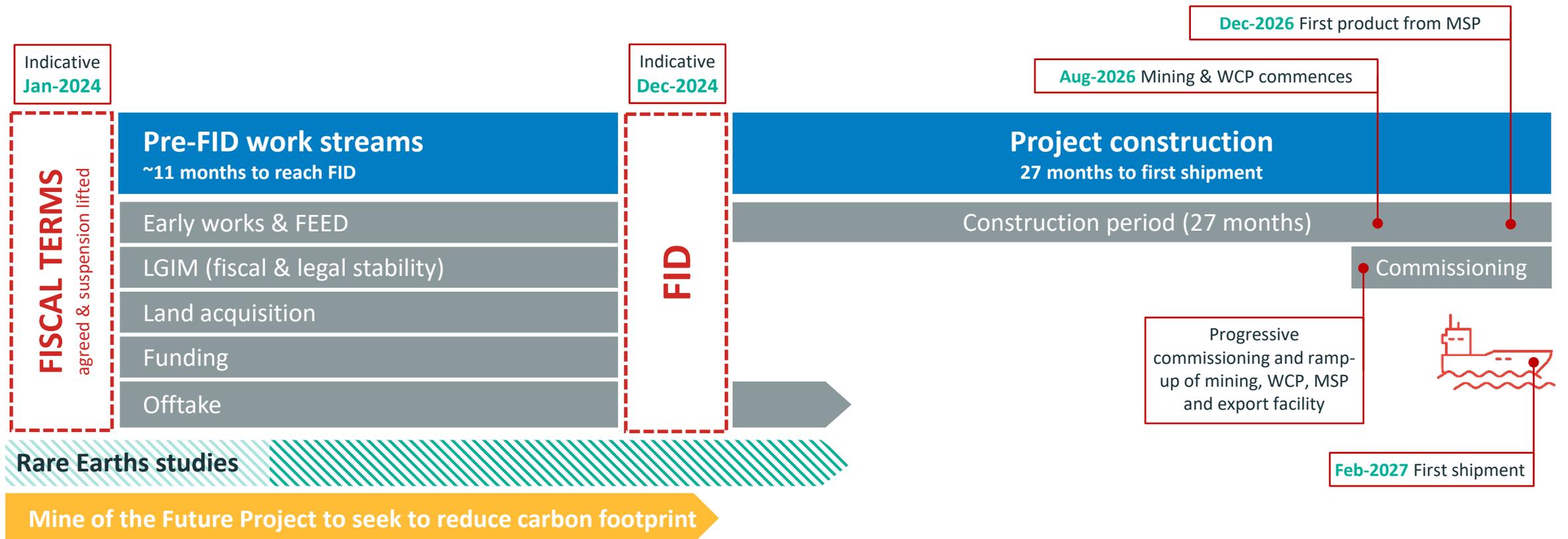


- The 2019 drill program identified significant heavy mineral intercepts in the LSU in the NW sector.
- Further drilling, and subsequent resource definition, to be completed as access to site becomes available.
- Mineral Resources HM estimate contains 2.0% monazite\* .
  - Represents a significant potential source of rare earth oxides (REOs) essential for a green energy future – rare earth magnets are a key component of the electric motors in wind turbines and electric vehicles.
  - Toliara Rare Earth Concept study completed, confirming the potential to add substantial value to the project. Pre-feasibility study now underway.
- Higher garnet levels are evident in the LSU.
  - Potentially suitable for the waterjet and blast markets.

\* The Toliara Project's existing mining tenure, *Permis D'Exploitation 37242*, does not currently provide the right to exploit monazite, rare earth oxides or garnet.

# Toliara Project indicative timeline

With the Government of Madagascar focused on finalising its overhaul of the Mining Code and preparations for the Presidential elections in late 2023, we are unlikely to see further material progress on fiscal terms discussions or lifting of the suspension until both are concluded. Once fiscal terms are agreed and the suspension lifted, there will be approximately 11 months' work to complete prior to FID, including the completion of land acquisition, funding, offtake agreements and major construction contracts.



# Key priorities for FY24

## Priorities for FY24

- Resolve Kwale mine life extension potential in Kwale East.
- Transition of mining operations to the Bumamani deposit following depletion of the South Dune.
- Progress refinement and implementation of the Kwale Operations mine closure plan.
- Securing fiscal terms with the Government of Madagascar, and lifting of the on-ground suspension, paving the way for the Toliara Project's progression towards FID.
- Complete the Toliara Rare Earths pre-feasibility study.
- Aggressively pursue strategic growth opportunities.

## Kwale Operations production guidance for FY24\*

- Rutile – 35,000 to 41,000 tonnes
- Ilmenite – 130,000 to 160,000 tonnes
- Zircon – 13,000 to 16,000 tonnes

\* Refer to Base Resources' announcement on 26 June 2023, "FY24 Production Guidance – Kwale Operations", for the assumptions upon which the guidance is based.





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# Appendices



# Ranobe Ore Reserves and Mineral Resources



Category	Material	HM	HM	SL	OS	HM Assemblage as % of HM					
						ILM	RUT	LEUC*	ZIR	MON^	GARN^
	(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
<b>Mineral Resources estimate at 30 June 2023</b>											
Measured	597	36	6.1	4.3	0.2	74	1.0	1.0	5.9	1.9	2.2
Indicated	793	35	4.4	7.1	0.5	71	1.0	1.0	5.9	2.0	3.6
Inferred	1,190	39	3.3	9.7	0.6	69	1.0	1.0	5.8	2.0	4.3
<b>Total</b>	<b>2,580</b>	<b>111</b>	<b>4.3</b>	<b>7.7</b>	<b>0.4</b>	<b>71</b>	<b>1.0</b>	<b>1.0</b>	<b>5.9</b>	<b>2.0</b>	<b>3.4</b>
<b>Ore Reserves estimate at 30 June 2023</b>											
Proved	433	30	6.9	3.8	0.1	75	1.0	1.0	6.0	-	-
Probable	472	25	5.3	3.9	0.2	72	1.0	1.0	5.8	-	-
<b>Total</b>	<b>904</b>	<b>55</b>	<b>6.1</b>	<b>3.8</b>	<b>0.1</b>	<b>73</b>	<b>1.0</b>	<b>1.0</b>	<b>5.9</b>	<b>-</b>	<b>-</b>

- Notes:**
- 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 Ore Reserves.
- ^ Monazite and garnet excluded from the Ore Reserves estimate because the existing mining tenure, PE 37242, does not currently provide the right to exploit these products.
- \*Recovered leucoxene will be split between rutile and chloride ilmenite products depending on product specification requirements.

For further information on the Ranobe deposit Mineral Resources and Ore Reserves estimates, refer to Base Resources' announcement on 27 September 2021 "Updated Ranobe Mineral Resources and Ore Reserves estimates", which is 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 September 2021 announcement and all material assumptions and technical parameters underpinning the estimates in the 27 September 2021 announcement continue to apply and have not materially changed.

# Ranobe Mineral Resources by Zone



Ranobe Deposit Mineral Resources estimate as at 30 June 2023

Zone	Category	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM Assemblage as % of HM					
							ILM (%)	RUT (%)	LEUC (%)	ZIR (%)	MON (%)	GARN (%)
USU Upper Sand Unit	Measured	575	36	6.2	3.7	0.1	74	1.0	1.0	5.9	1.9	2.2
	Indicated	654	30	4.6	3.6	0.2	71	1.0	1.0	5.9	1.9	3.6
	Inferred	820	27	3.3	2.8	0.1	69	1.0	1.0	5.8	2.0	4.5
	<b>Total USU</b>	<b>2,040</b>	<b>93</b>	<b>4.5</b>	<b>3.3</b>	<b>0.1</b>	<b>72</b>	<b>1.0</b>	<b>1.0</b>	<b>5.9</b>	<b>1.9</b>	<b>3.3</b>
SSU Surface Silt Unit	Measured	4	0.2	5.2	21	0.4	73	1.1	0.8	5.9	2.0	4.0
	Indicated	8	0.3	3.7	16	0.7	69	0.8	1.0	5.7	2.0	4.2
	Inferred	6	0.2	3.0	18	0.4	70	0.7	1.0	7.7	1.7	4.7
	<b>Total SSU</b>	<b>18</b>	<b>0.7</b>	<b>3.8</b>	<b>18</b>	<b>0.5</b>	<b>71</b>	<b>0.9</b>	<b>0.9</b>	<b>6.3</b>	<b>1.9</b>	<b>4.3</b>
USSU Upper Silty Sand Unit	Indicated	13	0.8	6.3	23	2.3	72	0.9	0.8	6.5	1.5	4.4
	Inferred	10	0.7	6.6	26	0.7	73	0.8	0.8	6.4	1.6	4.8
	<b>Total USSU</b>	<b>23</b>	<b>1.5</b>	<b>6.4</b>	<b>25</b>	<b>1.6</b>	<b>72</b>	<b>0.8</b>	<b>0.8</b>	<b>6.5</b>	<b>1.6</b>	<b>4.6</b>
ICSU Intermediate Clay Sand Unit	Measured	18	0.5	3.0	23	3.0	68	1.3	1.2	6.4	2.2	2.3
	Indicated	118	3.6	3.0	24	1.8	68	1.1	1.1	6.1	2.2	3.5
	Inferred	354	11	3.2	25	1.8	69	1.0	1.0	5.8	2.1	3.8
	<b>Total IC SU</b>	<b>490</b>	<b>15</b>	<b>3.2</b>	<b>25</b>	<b>1.8</b>	<b>69</b>	<b>1.1</b>	<b>1.1</b>	<b>5.9</b>	<b>2.1</b>	<b>3.7</b>
<b>Total – all zones</b>	<b>2,580</b>	<b>111</b>	<b>4.3</b>	<b>7.7</b>	<b>0.4</b>	<b>71</b>	<b>1.0</b>	<b>1.0</b>	<b>5.9</b>	<b>2.0</b>	<b>3.4</b>	

Table subject to rounding differences. Mineral Resources estimated at 1.5% HM cut off grade.

\*Mineral Resources are reported inclusive of Ore Reserves

The Ranobe deposit Mineral Resources estimates on a mineralised unit basis have been re-issued from the DFS2 Announcement, which was issued with the consent of Competent Person, Mr Ian Reudavey. They are zonal estimates in respect of the Mineral Resources estimate included in Base Resources' announcement on 27 September 2021 "Updated Ranobe Mineral Resources and Ore Reserves estimates". Together with the DFS2 Announcement, this announcement is 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 September 2021 announcement (and therefore the information on a mineralised unit basis included in the DFS2 Announcement) and all material assumptions and technical parameters underpinning the estimates in the 27 September 2021 announcement (and therefore the estimates on a mineralised unit basis included in the DFS2 Announcement) continue to apply and have not materially changed. Base Resources confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.