ASX, AIM and Media Release

2 March 2017

Preliminary Exploration Results

HIGHLIGHTS

- Additional mineralisation discovered that extends the footprint of the Kwale South Dune Deposit to the south by 950m and east by up to a further 500m.
- Discovery of a new dunal mineral deposit at Mafisini, a continuation of the Kwale South Dune Deposit mineralisation, with recorded intercepts over a contiguous 1240m of strike and up to 480m in width.
- Discovery of new dunal mineralisation and marine sediments in the NE Sector, adjacent to the Kwale Central Dune.

Base Resources Limited (ASX & AIM: BSE) ("**Base Resources**" or the "**Company**") is pleased to provide preliminary exploration results of the extensional and infill drilling program completed to date for its Kwale Mineral Sands Operations ("**Kwale Operations**") in Kenya, East Africa. Strong drilling results clearly demonstrate the potential to grow resources and mine life to the north and south of existing project reserves.

As previously announced, the Company commenced an aircore drilling program in the December 2016 quarter, within its Special Prospecting License 173 ("**SPL 173**"). The drill program aims to provide mine life extension to the Kwale Operations by exploring two previously identified prospective areas adjoining or near the existing Kwale Operation ore bodies: the south-west sector ("**SW Sector**") and north east sector ("**NE Sector**") (refer Figure 1).

An airborne geophysics program, conducted in 2015, covering the south coast region of Kenya from Mombasa to the Tanzanian border, identified a series of exploration targets that were subsequently confirmed through ground reconnaissance. A summary of drilling completed to the 23rd February 2017 is included in Table 1 and shown in Figure 1.

Table 1. Drilling completed by location.

Location	Holes	Metres
SW Sector (Kwale South Dune extension & Mafisini)	361	5,726
NE Sector	43	1,119
Kwale South Dune Deposit edge definition	53	720
Kwale South Dune Deposit infill drilling	140	2,059
TOTAL	**597**	**9,624**

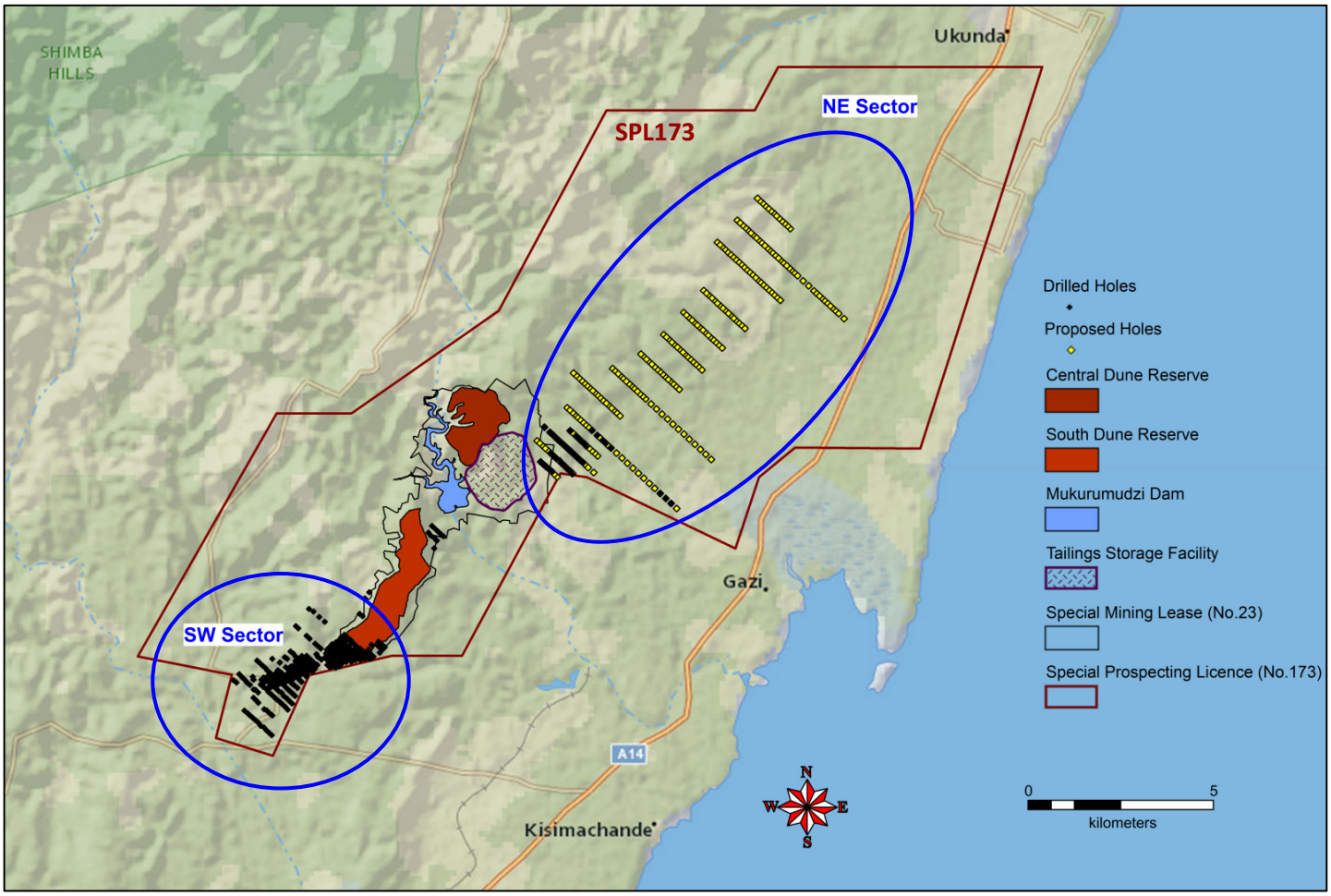

Figure 1. Kwale Special Mining Lease, Exploration Lease and drilling plan

SW Sector – Kwale South Dune Deposit extension & Mafisini Deposit

Exploration drilling in the SW Sector at Kwale has substantially increased the dimensions of the South Dune Deposit and intersected a new dunal heavy mineral sand deposit at Mafisini ("**Mafisini Deposit**") (refer Figure 2). The Kwale South Dune Deposit has been extended a further 950m to the south at an average of 700m across strike. The Mafisini Deposit is a continuation of the Kwale South Dune mineralisation, separated from it by a narrow alluvial lowland. Mafisini records mineralised intervals over a contiguous 1240m of strike and up to 480m in width.

Visual inspection of the Kwale South Dune Deposit extension and Mafisini Deposit mineralisation indicates a similar composition and high-value mineralogy as that reported for the Kwale Operations Mineral Resources (134.6Mt at 4.2% heavy mineral ("**HM**"), 26% slimes, 2% oversize and a HM assemblage of 59% ilmenite, 13% rutile and 6% zircon - refer ASX release 11th October 2016[1]). Detailed mineralogy and resource estimation are expected to be completed in the September quarter.

Representative cross sections of the discoveries are included in Figures 3 and 4 (excluding infill holes) and significant drill intercepts are included in Appendix 2.

1 Refer to the "2016 Mineral Resources and Ore Reserves Update for Kwale" released on 11 October 2016, which is available at http://www.baseresources.com.au/investor-centre/asx-releases/. Base Resources confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed.

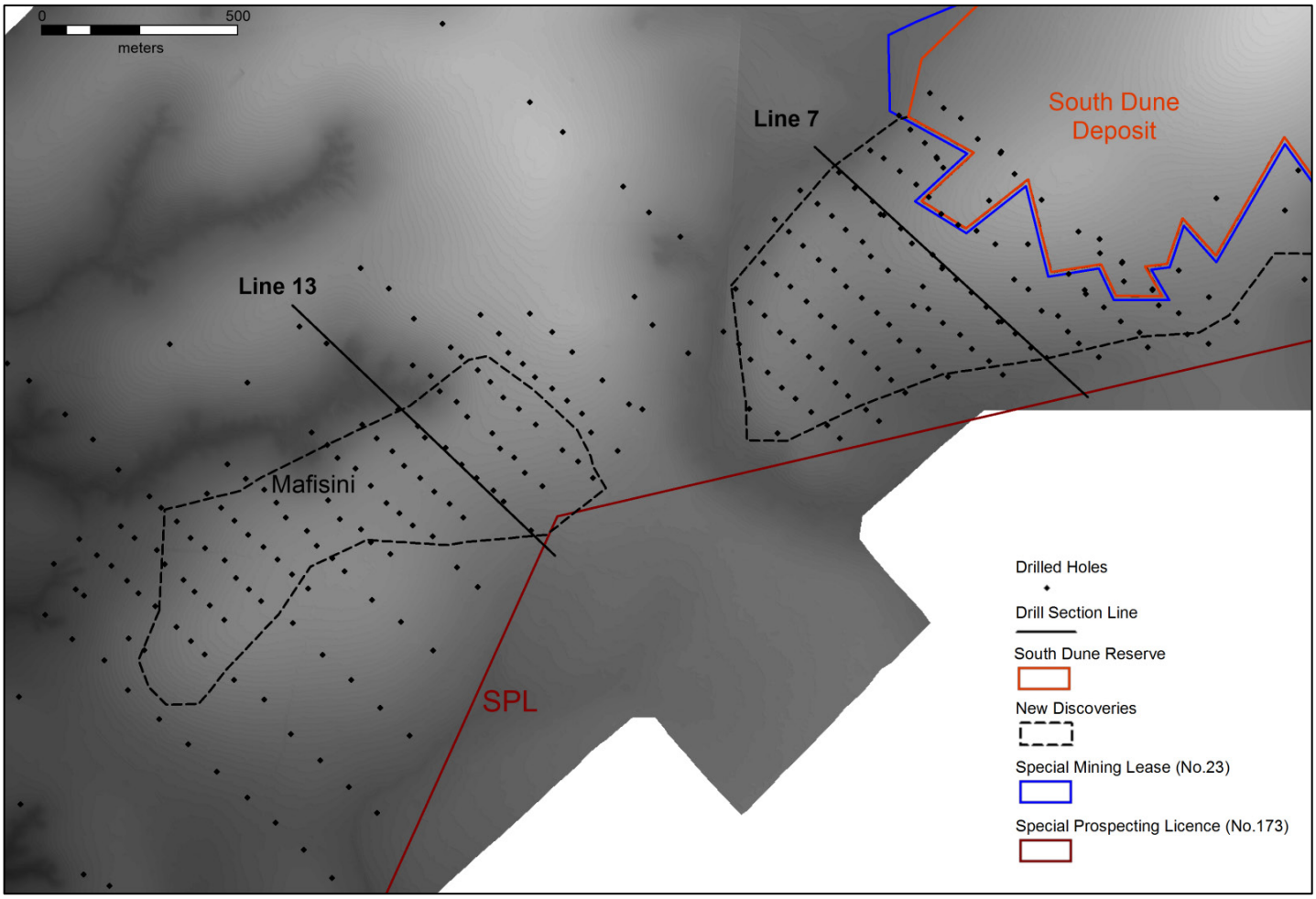

Figure 2. Kwale South Dune Deposit extension and Mafisini Deposit on LIDAR topography

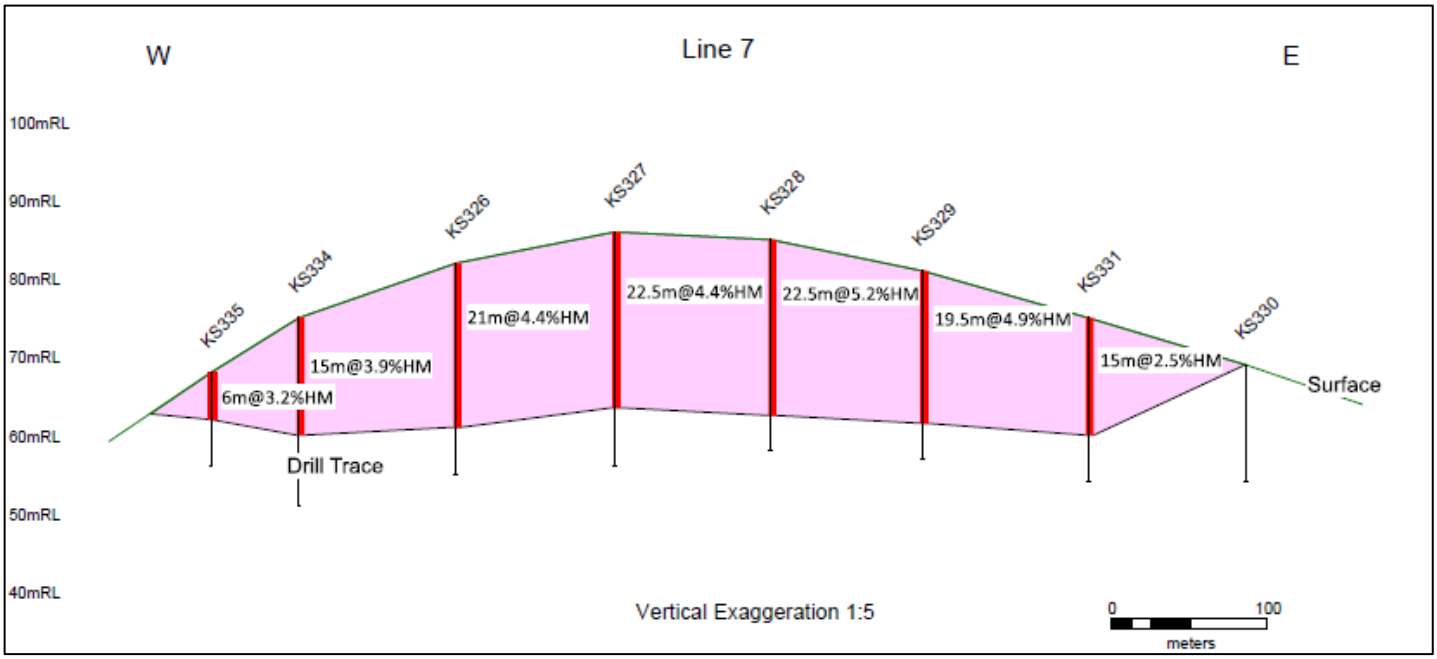

Figure 3. Kwale South Dune Deposit extension cross section: Line 7 mineralised intercepts (3m @ 2% HM bottom cut off)

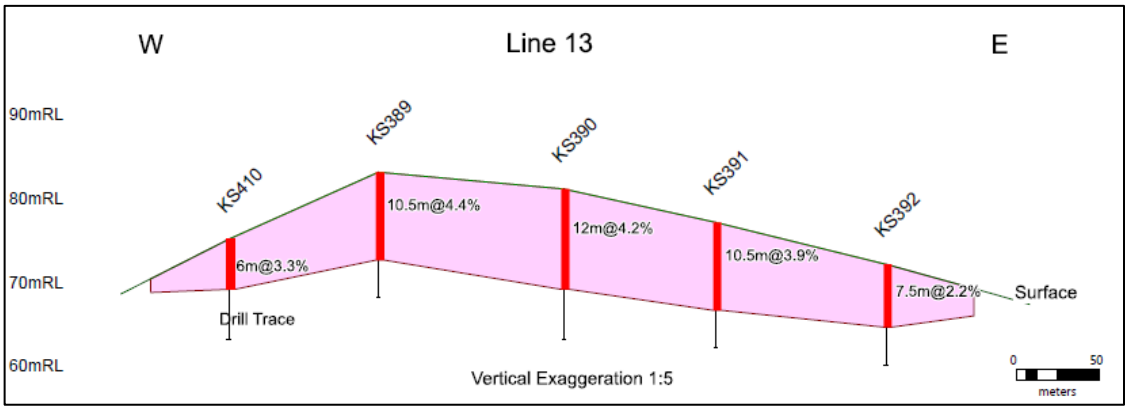

Figure 4. Mafisini Deposit cross section: Line 13 mineralised intercepts (3m @ 2% HM bottom cut off)

NE Sector

Exploration drilling has commenced in the NE Sector, where the marine escarpment falls away to the coastal plain (Figure 5). Initial results indicate significant additional, high-value, mineralised dune accumulations occur on the escarpment adjacent to the Kwale Central Dune Deposit (Figure 6).

Extensive community engagement has continued in the NE Sector to obtain informed consent and access to the target drill sites located in this area. However, increasing political positioning ahead of Kenya's general elections, currently scheduled for August 2017, has produced community tensions not conducive to exploration and so the Company has decided to postpone further drilling until sentiment improves, likely to be after the elections.

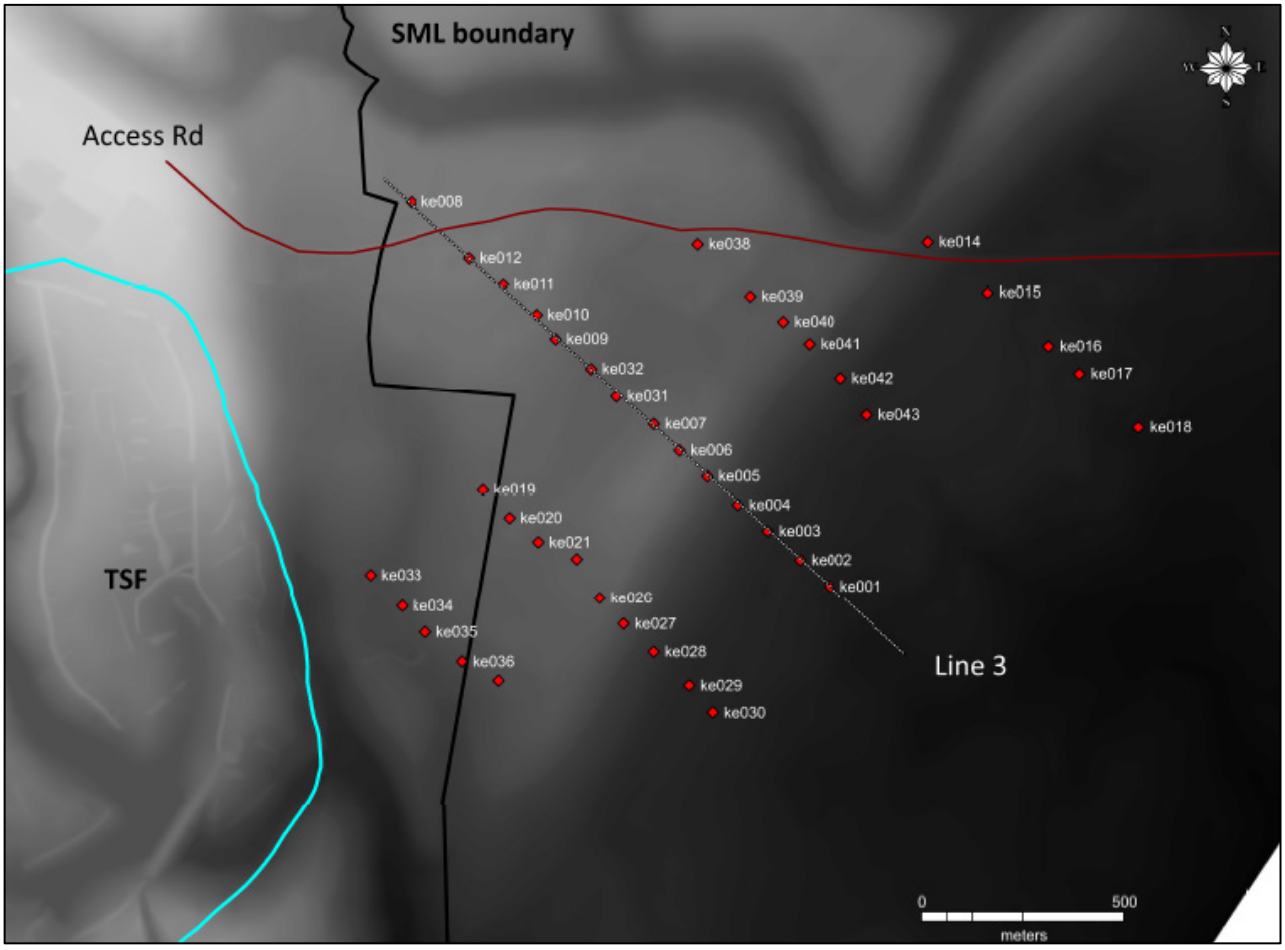

Figure 5. NE Sector drilling on LIDAR topography

Marine sediments have been intersected at the base of the escarpment in the NE Sector at around 20m above sea level (Figure 6). Mineralisation (incl. 1.5m @ 10.75% HM from 25.5m in ke001) has been discovered in what appears to be a beach placer setting. The extent of the new discovery remains to be determined by further drilling and is open in all axes.

Return of complete assays from the drilling in the NE Sector is awaited. Mineralised intercepts received to-date are included in Appendix 2. Intensive geological interpretation of down-hole results and further community engagement will be conducted prior to further drilling in this region.

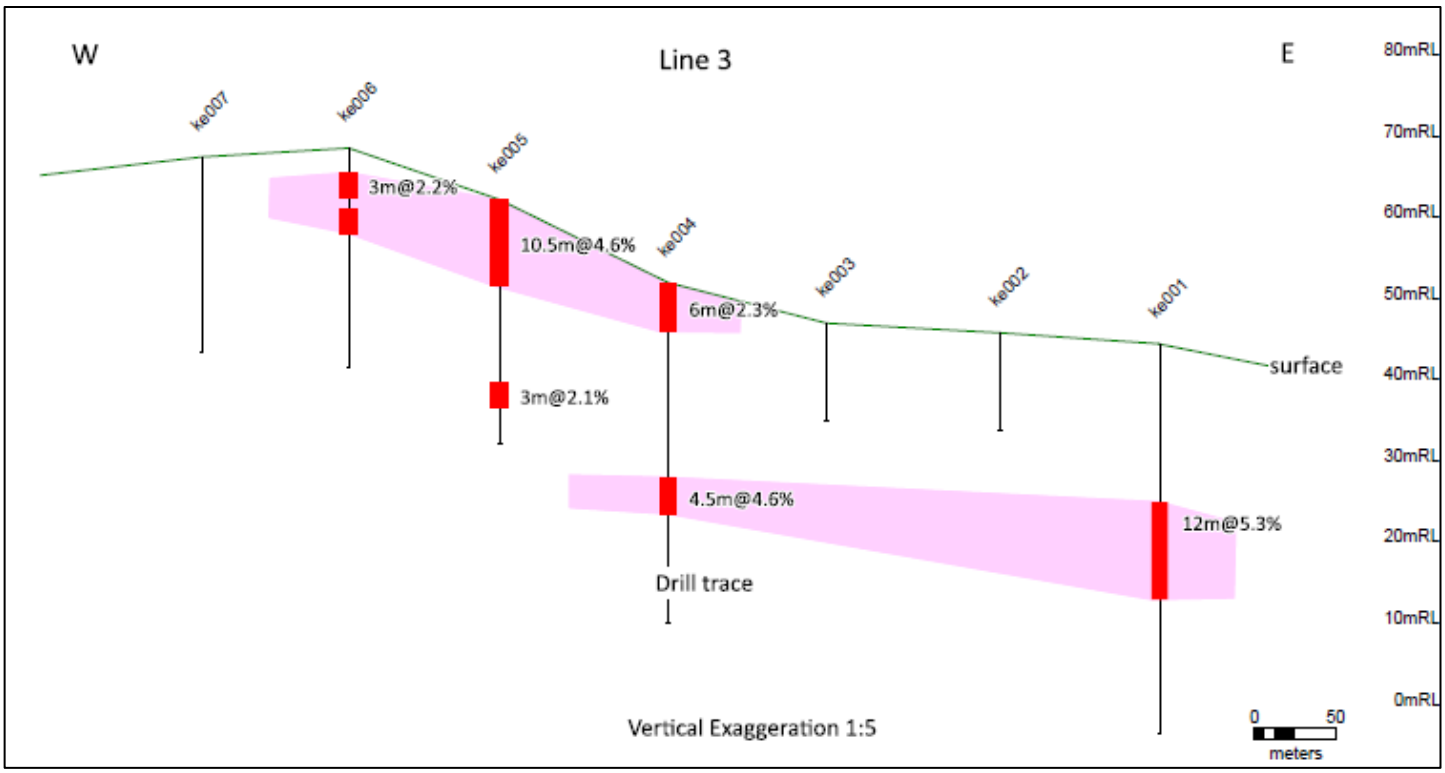

Figure 6. NE Sector cross section, Line 3 mineralised intercepts (3m @ 2% HM cut off)

Kwale South Dune Deposit – edge definition and infill drilling

Base Resources has completed a program of edge-definition drilling along the eastern margin of the Kwale South Dune Deposit (currently 88.5Mt @ 3.5% HM - refer ASX/AIM Release 11th October 2016[2]). Results suggest that the deposit may be extended by as much as 500m east of its current location.

Additionally, an infill drill program has been completed to bring the Kwale South Dune Deposit to a (nominally) 100m x 100m drill pattern, and provide the basis for upgrading the geological confidence of Inferred and part of the Indicated Resource areas of the deposit to a Measured status. Any Inferred Resources achieving an Indicated or Measured Resource status will in turn be eligible for inclusion within the Kwale South Dune Ore Reserves. Appreciable Ore Reserve increases are anticipated from this work.

Detailed mineralogy and resource estimation are expected to be completed in the September quarter.

2 Refer note 1.

Competent Persons Statements

The information in this report that relates to Exploration Results is based on and fairly represents, information and supporting documentation prepared by Mr. Richard Stockwell, who acts as contract Exploration Manager for Base Resources. Mr. Stockwell is the Principal for Hornet Drilling and Geological Services Pty Ltd, a mineral sands exploration consultancy engaged by Base Resources to manage the Company's exploration strategy in Kenya and Tanzania. Mr Stockwell is a member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr. Stockwell consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Forward Looking Statements

Information in this report should be read in conjunction with other announcements made by Base Resources to ASX. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information contained in this report (or any associated presentation, information or matters). To the maximum extent permitted by law, Base Resources and its related bodies corporate and affiliates, and their respective directors, officers, employees, agents and advisers, disclaim any liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any direct or indirect loss or damage arising from any use or reliance on this report or its contents, including any error or omission from, or otherwise in connection with, it.

Certain statements in or in connection with this report contain or comprise forward looking statements. 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.

Nothing in this report constitutes investment, legal or other advice. You must not act on the basis of any matter contained in this report, but must make your own independent investigation and assessment of Base Resources and obtain any professional advice you require before making any investment decision based on your investment objectives and financial circumstances. This document does not constitute an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any security in any jurisdiction.

ENDS.

APPENDIX 1: Table 1, JORC Code 2012

Section 1: Sampling Techniques and Data		
Criteria	Explanation	Comment
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	Sample sub-splits are collected at a standard 1.5m down-hole interval, using an on-board rotary splitter mounted beneath the drill rig cyclone. Sample gates are set at 25% of the splitter cycle, which delivers about 2kg of sample, dependant on ground conditions.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Appropriate drilling equipment and driller training is a prerequisite of the drilling contract. A rotary splitter (regularly cleaned) is used for splitting drill samples in the field and a robust QA/QC and audit system is established. Consistency in split sample weights is monitored via intermittent testing in the field with spring scales and through recording of air-dried sample weights at sample preparation. Weights are generally between two and three kilograms and this is considered representative for the detrital material being sampled.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	RCAC drilling is used to obtain a 1.5m samples from which approximately 1.2-2.5 kg is collected using a rotary splitter beneath a cyclone. The sample is then dried, de-slimed (material less than 45 µm removed) and then oversize (material +1mm) is removed. Approximately 100g of the resultant sample is then subjected to a heavy mineral (HM) float/sink technique using Lithium Heteropolytungstates (LST:SG=2.85g/cm^3). The resulting HM concentrate is then dried and weighed.

Criteria	Explanation	Comment
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	All samples are generated by RCAC drilling utilising ~71 mm diameter (NQ) air-core drill tooling. Drill holes are oriented vertically by eye.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Base Resources log sample quality at the rig as either good or poor, with 'good' meaning not contaminated and of an appropriate sample size (recovery), and 'poor' meaning contaminated or grossly over/undersized. Ground conditions vary and as such, the use of water injection is also logged in the sample quality field for every sample interval (dry, moist, injected or wet). No sample loss has been recorded. The configuration of drilling and nature of sediments encountered results in negligible loss.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Drill penetration is halted at the end of each sample interval to allow time for the sample to return to surface and be collected. Drilling proceeds once sample delivery ceases. Sampling on the drill rig is observed to ensure that rotary splitter remains clean. Water flush and manual cleaning of the cyclone occurs at regular intervals to ensure contamination is minimised.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No relationship is believed to exist between grade and sample recovery. The high percentage of silt and low hydraulic inflow of groundwater results in a sample size that is well within the expected size range.

Criteria	Explanation	Comment
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resources estimation, mining studies and metallurgical studies.*	Base Resources collects detailed qualitative logging of geological characteristics to allow a comprehensive geological interpretation to be carried out. Logging of HM sinks with a microscope also is used to inform the geological interpretation.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Logging of RCAC samples record sample quality, washability, colour, lithology, grainsize, sorting, induration type, hardness, estimated rock and estimated HM.
	The total length and percentage of the relevant intersections logged.	All drill holes are logged in full and all samples with observed HM (and designated for assay) are assayed.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	All samples are unconsolidated and comprise sand, silt, clay and rock fragments.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Base Resources rotary split the samples on the drill rig as they are delivered from drilling (wet, moist, injected or dry). Low groundwater pressure and rotary splitting delivers a representative sample for logging. The 25% split delivers approximately 2 kg of sample for analysis. Drill samples are dried then riffle split to produce a ~300g sample for de-sliming and oversize removal. The resultant sand fraction is then delivered to the laboratory for heavy liquid (LST) separation.

Criteria	Explanation	Comment
Sub-sampling techniques and sample preparation, cont'd.	*For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Base Resources use a standard flow sheet and detailed QA/QC is undertaken. The sample, designated in the field for analysis, is air dried, weighed and pulverized for riffle splitting. Two splits are generated of approximately 350 – 500g each and the remainder of the original sample is recorded and stored. One split is oven dried to establish moisture content of the air-dried sample. The second split is soaked in water and a de-flocculating agent prior to attritioning and de-sliming with a 45µm screen. The sample is then dried and weighed to determine material lost (Slimes weight) during screening. The dried sample is then screened at 1mm and the oversize is weighed. The remaining dry sand fraction is then delivered to the on-site analysis laboratory (SGS) for heavy liquid separation by TBE.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	To maintain QA/QC, a duplicate and standard assaying procedure has been implemented. A duplicate sample is collected at the rig at every 20th sample by the application of a second calico bag to the second, 25% split chute on the splitter. Both samples are subjected to the complete sample preparation and assaying process. In the sample preparation area, at a rate of 1:40, duplicates of the moisture content sample and screened sample are taken. These are subjected to moisture content (split 1) and de-sliming/oversize (split 2) determinations to ensure samples do not exhibit bias. A certified standard sample is submitted in the field and a second certified standard sample is submitted to the laboratory after the sample preparation stage, each at a rate of 1:40, to monitor analysis accuracy.

Criteria	Explanation	Comment
Sub-sampling techniques and sample preparation, cont'd.	*Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.*	Analysis of sample duplicates is undertaken by standard geostatistical methodologies (QQ Plots) to test for bias and to ensure that sample splitting is representative. Standards determine assay accuracy performance, monitored on control charts, where failure (beyond 3SD from the mean) triggers re-assay of the affected batch.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Given that the grain size of the material being sampled is sand and approximately 70 to 300 µm, an approximate sample size of 2 kg is more than adequate.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Laboratory analysis of drill samples is conducted by the Kwale, onsite contract laboratory, managed by SGS. Analysis is conducted according to a flow sheet that represents standard, best practice for the assessment of HM and is supported by robust QA/QC procedures. Sand samples delivered to SGS are rotary split to generate a ~100g sample for LST separation. Excess sand fraction is labelled and stored. The LST sink progresses till it clears and the sink is removed, washed in acetone, oven dried and weighed. LST is cleaned and density checked on a daily basis.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	None used.

Criteria	Explanation	Comment
Quality of assay data and laboratory tests, cont'd.	*Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	Field duplicates, sample preparation duplicates and laboratory replicates are submitted for precision and bias analysis. Standard samples are submitted to determine analysis accuracy.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Verification of significant intercepts is conducted by the Base Resources Exploration Superintendent. The deposit type and consistency of mineralization leaves little room for unexplained variance. Data entry errors were identified by the Exploration Superintendent and these were corrected (where obvious) or re-assay was completed.
	The use of twinned holes.	Twinned holes account for 4 – 5% of holes drilled at Mafisini Deposit and Kwale South Dune Deposit extensions. These will be used to determine short-range geological and assay field variability for resource modelling purposes.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Data collected by Base Resources is entered digitally in the field using ruggedized computer with Maxwell Geoscience logging software. Data is downloaded daily to the site server. Migration to a Datashed Database is planned.
	Discuss any adjustment to assay data.	No adjustments were made to data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resources estimation.*	Base Resources use a real time kinematic global positioning system ('RTK GPS') to pick up drill collar locations. Survey is completed by Company surveyors. Original drill set-out is completed by hand-held GPS.
	Specification of the grid system used.	The grid system used is the Arc1960 (Zone 37 South). The drill pattern is based on a local grid rotation to ensure drill lines are oriented orthogonal to the trend of mineralization. The Kwale South Dune Deposit Local Grid is used at Mafisini Deposit and Kwale South Dune Deposit extensions.

Criteria	Explanation	Comment
Location of data points, cont'd.	*Quality and adequacy of topographic control.*	A LiDAR survey was conducted in November 2013 at an accuracy of 0.015m and is available for topography modelling in the NE Sector and at Mafisini Deposit and Kwale South Dune Deposit extension areas.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The data spacing drilling is nominally 100m North, 50m East, and 1.5m down hole for exploration results. Variations from this spacing result from line-clearing difficulties prior to drilling and drill site survey and are not a result of access or traversing issue.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resources and Ore Reserves estimation procedure(s) and classifications applied.	Based on the experience of the competent person, the data spacing and distribution is considered adequate for the definition of mineralisation and adequate for proposed mineral resource estimation.
	Whether sample compositing has been applied.	No sample compositing or de-compositing has been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Sample orientation is vertical and approximately perpendicular to the dip and strike of the mineralization, which results in true thickness estimates. Drilling and sampling is carried out on a regular rectangular grid that is broadly aligned and in a ratio consistent with the anisotropy of the mineralisation.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	There is no apparent bias arising from the orientation of the drill holes with respect to the strike and dip of the deposit.
Sample security	*The measures taken to ensure sample security.*	All samples are numbered, with sample splits, residues and HM sinks registered and stored at Kwale site in a restricted access storage shed.

Criteria	Explanation	Comment
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Richard Stockwell (Hornet Drilling and Geological Services Pty Ltd) conducted two site visits to review drilling and sample preparation procedures. Minor recommended changes were made on each occasion.

Section 2: Reporting of Exploration Results

Criteria	Explanation	Comment
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The exploration results are coincident with the granted Special Mining Lease No.23 and Special Prospecting License No. 173. Mining on SML23 is subject to an ad valorem royalty of 2%, payable to the previous owners, and currently a 2.5% royalty, payable to the Kenyan government.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	There are no known impediments to the security of tenure over the area containing the reported exploration results.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The previous owners of the project (Tiomin Kenya Ltd) undertook exploration drilling over the Kwale Project (incl. South Dune area). Tiomin data is included in the Kwale HM Resource estimations.
Geology	*Deposit type, geological setting and style of mineralisation.*	Exploration results are indicative of aeolian (dunal) detrital heavy mineral sand deposits.

Criteria	Explanation	Comment
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Intercepts are listed in the body of the release. There are no further drill hole results that are considered material to the understanding of the exploration results. Identification of the wide and thick zone of mineralisation is made via multiple intersections of drill holes and to list them all would not give the reader any further clarification of the distribution of mineralisation throughout the deposit.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Exploration results are reported at a minimum 2% HM bottom cut-off over a minimum depth interval of 3m. This has been applied to ensure brevity in the release. Kwale HM Resources are reported at a 1% HM bottom cut-off.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Does not apply

Criteria	Explanation	Comment
Data aggregation methods, cont'd.	*The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No metal equivalents were used for reporting of exploration results.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	All drill holes are vertical and perpendicular to the dip and strike of mineralisation and therefore all interceptions are approximately true thickness.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Dune deposits typically approximate a horizontal accumulation over a variable basement topography.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to main body of release.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Reporting of results is restricted to type sections and more comprehensive tabulated results at a 2% HM bottom cut and a minimum 3m interval.

Criteria	Explanation	Comment
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Whilst mineralogical investigation is still awaited, a similar high-value assemblage, as recorded for the Kwale Mineral Resource (~19% Rutile + Zircon), has been observed on the dunal deposits during preliminary microscope investigation of exploration samples. Some lateritic fragments have been observed in a narrow and discontinuous zone (~3-6m in thickness) near the base of the South Dune southern extension and Mafisini Deposits that will have resulted in elevated HM results returning from heavy mineral analysis. This zone will be constrained during geological interpretation and subsequent works.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Geological interpretation is ongoing at the Kwale South Dune Deposit extension, Mafisini Deposit and in the NE Sector. Once complete, mineralogical analysis will ensue and results will feed into updated and new resource estimates. Resource estimation of the Kwale South Dune and Mafisini is anticipated the September quarter. Further community engagement is required to continue drilling in the NE Sector, which is not expect to take place until after Kenya's general elections, currently scheduled for August 2017.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to main body of release.

APPENDIX 2: Mineralised intercepts in the Kwale South Dune Deposit extension, Mafisini Deposit and NE Sector areas (3m @ 2% HM bottom cut off; UTM ARC1960 Zone 37S).

Project area	Hole_ID	UTM_E ARC1960	UTM_N ARC1960	RL (m)	From (m)	Interval (m)	DH Average THM	DH Average Slimes	DH Average Oversize
Mafisini	ks372	543636.1	9509281.9	88	0	4.5	3.76	26.17	0.88
Mafisini	ks372	543636.1	9509281.9	88	6	6	4.37	39.47	4.48
Mafisini	ks373	543719.5	9509213.5	86	3	6	2.84	36.94	6.35
Mafisini	ks374	543787.4	9509148.6	82	0	3	4.61	19.90	10.61
Mafisini	ks375	543812.6	9509398.5	95	1.5	3	8.72	32.65	29.80
Mafisini	ks375	543812.6	9509398.5	95	6	3	3.13	69.15	2.51
Mafisini	ks389	543489.0	9509154.7	83	0	10.5	4.36	28.70	1.16
Mafisini	ks390	543568.7	9509077.6	81	0	12	4.20	26.77	2.01
Mafisini	ks391	543637.1	9509017.5	77	0	10.5	3.94	24.55	1.15
Mafisini	ks392	543707.5	9508943.4	72	0	7.5	2.20	3.97	2.07
Mafisini	ks394	543517.9	9508849.2	76	4.5	3	3.39	26.37	14.57
Mafisini	ks397	543298.4	9509057.7	83	0	13.5	3.73	21.93	1.67
Mafisini	ks408	543080.5	9508976.0	80	0	10.5	2.89	27.77	6.85
Mafisini	ks409	543026.3	9509047.5	72	0	6	3.14	44.10	2.69
Mafisini	ks410	543418.0	9509209.7	75	0	6	3.34	30.17	7.01
Mafisini	ks412	542874.5	9508898.2	72	0	3	2.49	17.99	1.44
Mafisini	ks412	542874.5	9508898.2	72	4.5	6	2.81	26.47	5.71
Mafisini	ks414	542953.7	9508822.4	80	3	9	2.66	26.52	2.13
Mafisini	ks428	542801.4	9508696.6	74	6	3	2.04	27.92	12.93
Mafisini	ks436	543199.4	9508056.3	56	3	3	2.37	31.07	25.18
Mafisini	ks454	542768.0	9507374.5	51	6	3	2.44	44.39	0.80
Mafisini	ks462	542181.3	9507905.7	31	12	3	2.90	21.13	39.82
Mafisini	ks466	544017.2	9509467.8	81	4.5	6	4.15	49.55	9.72
Mafisini	ks466	544017.2	9509467.8	81	31.5	4.5	3.66	57.18	8.89
Mafisini	ks487	543717.9	9509333.9	92	6	3	3.45	35.49	17.90
Mafisini	ks492	543544.8	9509233.3	84	0	12	3.89	28.90	2.53
Mafisini	ks494	543473.8	9509298.0	68	0	6	2.48	58.23	4.79
Mafisini	ks495	543628.7	9509151.8	84	0	13.5	3.96	24.73	3.36
Mafisini	ks496	543664.0	9509128.9	83	0	12	3.68	26.88	3.40
Mafisini	ks497	543736.4	9509056.4	78	3	6	2.79	28.47	2.00
Mafisini	ks498	543827.9	9509119.3	80	3	4.5	2.39	27.70	1.81
Mafisini	ks499	543676.8	9509253.5	88	0	9	3.29	31.37	5.04
Mafisini	ks503	543533.9	9508975.9	78	0	10.5	2.84	26.33	1.43
Mafisini	ks504	543460.3	9509042.7	82	0	15	3.35	23.07	1.83
Mafisini	ks505	543382.9	9509108.1	82	0	6	3.02	20.18	0.75
Mafisini	ks505	543382.9	9509108.1	82	7.5	6	3.40	28.08	1.74
Mafisini	ks506	543312.8	9509178.7	74	0	3	3.22	36.00	1.08
Mafisini	ks509	543188.8	9509020.3	80	3	3	2.33	30.89	1.51

Project area	Hole_ID	UTM_E ARC1960	UTM_N ARC1960	RL (m)	From (m)	Interval (m)	DH Average THM	DH Average Slimes	DH Average Oversize
Mafisini	ks509	543188.8	9509020.3	80	7.5	3	2.53	26.27	3.54
Mafisini	ks511	543060.1	9508868.8	84	4.5	3	2.17	27.73	2.19
Mafisini	ks511	543060.1	9508868.8	84	9	4.5	2.33	26.19	3.27
Mafisini	ks512	542985.4	9508932.2	79	0	16.5	3.10	25.65	4.69
Mafisini	ks513	542916.4	9509001.3	70	0	4.5	2.83	26.61	1.81
Mafisini	ks513	542916.4	9509001.3	70	6	3	2.89	29.82	10.08
Mafisini	ks515	543056.8	9509013.7	76	0	3	2.97	26.69	1.09
Mafisini	ks515	543056.8	9509013.7	76	4.5	3	3.25	36.29	1.93
Mafisini	ks516	543135.5	9508942.3	83	9	3	2.10	24.57	4.05
Mafisini	ks519	543338.5	9509012.9	84	3	10.5	2.33	22.14	2.05
Mafisini	ks520	543259.2	9509101.4	79	0	7.5	3.64	27.77	1.18
Mafisini	ks522	543424.0	9509077.7	83	0	3	3.23	21.71	0.53
Mafisini	ks522	543424.0	9509077.7	83	4.5	9	3.59	25.01	1.56
Mafisini	ks523	543499.5	9509011.5	81	1.5	10.5	3.20	23.95	2.24
Mafisini	ks524	542924.1	9508715.2	81	0	4.5	2.09	27.26	1.66
Mafisini	ks524	542924.1	9508715.2	81	6	3	2.35	34.14	3.22
Mafisini	ks525	542848.1	9508787.2	74	0	9	2.54	27.44	2.30
Mafisini	ks536	542838.8	9508660.9	77	3	4.5	2.10	39.37	7.68
Mafisini	ks537	543353.7	9509145.3	80	0	10.5	3.31	27.17	2.47
Mafisini	ks538	543611.4	9509045.2	79	0	12	4.34	26.00	3.33
Mafisini	ks539	543691.9	9509089.9	81	0	13.5	3.38	31.63	2.43
Mafisini	ks540	543529.9	9509111.2	83	0	13.5	3.76	23.97	1.96
Mafisini	ks541	543436.0	9509180.3	80	0	10.5	4.07	30.73	3.13
Mafisini	ks543	543024.5	9508901.4	82	0	13.5	2.55	22.45	1.98
Mafisini	ks544	542949.7	9508968.1	75	0	10.5	3.38	25.29	2.61
Mafisini	ks545	542879.5	9509037.0	64	0	3	2.27	23.64	2.28
Mafisini	ks549	542925.2	9508866.8	77	0	13.5	2.94	22.41	2.81
Mafisini	ks550	542837.6	9508924.2	67	0	9	2.45	23.04	5.06
Mafisini	ks554	542887.2	9508751.8	79	0	10.5	2.75	27.59	2.26
Mafisini	ks555	542819.5	9508817.0	71	0	7.5	2.56	24.79	5.44
Mafisini	ks568	543608.7	9509191.4	85	0	4.5	3.59	22.26	0.50
Mafisini	ks568	543608.7	9509191.4	85	6	7.5	3.89	26.40	2.93
Mafisini	ks569	543276.5	9509213.1	66	9	3	15.19	42.02	4.48
Mafisini	ks570	543368.0	9509251.8	65	0	3	2.93	31.88	1.58
Mafisini	ks571	543517.0	9509271.6	79	0	10.5	3.71	38.45	4.48
Mafisini	ks572	543603.4	9509322.3	88	0	13.5	3.81	29.01	1.92
Mafisini	ks573	543686.5	9509368.1	93	4.5	3	2.36	36.88	17.12
Mafisini	ks576	543991.5	9509252.0	79	6	3	3.07	31.73	16.43

Project area	Hole_ID	UTM_E ARC1960	UTM_N ARC1960	RL (m)	From (m)	Interval (m)	DH Average THM	DH Average Slimes	DH Average Oversize
NE Sector	ke001	551155.9	9514670.6	44	19.5	12	5.27	42.38	2.73
NE Sector	ke004	550928.7	9514870.5	51	0	6	2.33	12.17	1.20
NE Sector	ke004	550928.7	9514870.5	51	24	4.5	4.61	32.34	0.81
NE Sector	ke005	550853.5	9514942.2	61	0	10.5	4.60	16.13	1.16
NE Sector	ke005	550853.5	9514942.2	61	22.5	3	2.08	39.46	0.78
NE Sector	ke006	550785.3	9515005.2	68	3	3	2.16	19.81	2.33
NE Sector	ke006	550785.3	9515005.2	68	7.5	3	2.14	19.08	2.84
Sth Dune Extension	ks323	544726.4	9510058.5	76	3	4.5	2.07	21.61	1.20
Sth Dune Extension	ks324	544804.7	9509994.6	83	0	18	3.37	19.48	0.71
Sth Dune Extension	ks325	544908.6	9509910.0	94	0	22.5	3.84	21.56	0.16
Sth Dune Extension	ks326	544607.7	9509747.9	82	0	21	4.42	21.20	1.74
Sth Dune Extension	ks327	544679.6	9509675.8	86	0	22.5	4.37	19.70	0.81
Sth Dune Extension	ks328	544756.7	9509611.9	85	0	22.5	5.17	22.15	1.25
Sth Dune Extension	ks329	544832.5	9509550.4	81	0	19.5	4.95	22.87	2.65
Sth Dune Extension	ks331	544908.7	9509476.7	75	0	15	2.44	16.47	0.96
Sth Dune Extension	ks332	544743.0	9509896.3	85	0	21	3.88	21.31	1.87
Sth Dune Extension	ks333	544676.6	9509965.9	76	0	10.5	2.50	23.26	0.97
Sth Dune Extension	ks334	544534.2	9509816.8	75	0	15	3.88	23.84	1.97
Sth Dune Extension	ks335	544493.7	9509856.3	68	0	6	3.24	11.87	1.27
Sth Dune Extension	ks337	544442.0	9509633.9	83	0	13.5	4.64	20.80	0.97
Sth Dune Extension	ks338	544512.2	9509565.7	80	0	21	6.49	21.82	1.75
Sth Dune Extension	ks339	544590.6	9509498.1	75	0	16.5	4.73	22.47	3.49
Sth Dune Extension	ks340	544735.5	9509361.6	65	0	7.5	2.45	8.75	0.77
Sth Dune Extension	ks341	544648.5	9509428.0	70	0	13.5	3.26	16.77	1.50
Sth Dune Extension	ks342	544517.0	9509286.8	69	0	6	2.84	9.25	2.59
Sth Dune Extension	ks343	544449.6	9509356.7	74	0	10.5	3.51	26.93	2.69
Sth Dune Extension	ks344	544376.4	9509425.8	80	0	3	5.04	21.00	0.84
Sth Dune Extension	ks344	544376.4	9509425.8	80	4.5	7.5	5.26	24.82	7.13
Sth Dune Extension	ks345	544304.1	9509491.0	80	0	7.5	4.14	33.08	1.16
Sth Dune Extension	ks349	545396.6	9511200.0	94	12	3	3.26	60.29	6.64
Sth Dune Extension	ks353	545124.0	9509546.2	80	3	10.5	2.37	22.26	0.65
Sth Dune Extension	ks355	545294.8	9509558.6	79	0	10.5	2.16	23.15	0.63
Sth Dune Extension	ks356	545361.7	9509606.1	82	0	12	2.23	27.27	5.75
Sth Dune Extension	ks357	545438.4	9509538.1	76	0	6	2.17	25.15	1.26
Sth Dune Extension	ks359	545217.5	9509628.7	85	3	6	2.88	21.80	0.32
Sth Dune Extension	ks359	545217.5	9509628.7	85	10.5	9	3.56	22.77	3.58
Sth Dune Extension	ks360	545159.0	9509686.6	91	0	16.5	3.58	22.35	0.20
Sth Dune Extension	ks360	545159.0	9509686.6	91	19.5	3	3.77	21.72	2.92

Project area	Hole_ID	UTM_E ARC1960	UTM_N ARC1960	RL (m)	From (m)	Interval (m)	DH Average THM	DH Average Slimes	DH Average Oversize
Sth Dune Extension	ks380	545707.3	9509690.3	74	0	3	2.93	14.59	1.90
Sth Dune Extension	ks382	545741.0	9509797.3	76	0	7.5	2.33	32.00	1.50
Sth Dune Extension	ks383	545666.9	9509861.7	91	0	3	2.48	24.56	0.86
Sth Dune Extension	ks383	545666.9	9509861.7	91	4.5	7.5	3.72	28.58	10.99
Sth Dune Extension	ks384	545633.0	9509760.1	85	0	12	3.26	28.34	9.05
Sth Dune Extension	ks385	545457.2	9509791.2	91	0	4.5	2.66	24.03	0.49
Sth Dune Extension	ks385	545457.2	9509791.2	91	6	12	4.30	27.45	10.22
Sth Dune Extension	ks477	545216.6	9509626.0	85	0	18	3.27	20.71	1.75
Sth Dune Extension	ks478	545294.8	9509556.4	79	3	10.5	2.54	24.96	2.04
Sth Dune Extension	ks479	545121.7	9509556.9	81	0	3	2.35	15.53	0.41
Sth Dune Extension	ks479	545121.7	9509556.9	81	4.5	10.5	2.48	23.52	0.78
Sth Dune Extension	ks480	544901.0	9509475.9	75	3	12	2.61	20.06	0.74
Sth Dune Extension	ks481	544759.0	9509618.5	85	0	24	5.73	21.28	0.86
Sth Dune Extension	ks482	544600.1	9509749.6	81	3	18	4.57	21.80	2.07
Sth Dune Extension	ks483	544743.9	9509891.6	85	0	19.5	4.03	21.79	2.26
Sth Dune Extension	ks484	544906.1	9509906.1	94	0	15	3.97	23.47	0.20
Sth Dune Extension	ks484	544906.1	9509906.1	94	16.5	4.5	4.81	14.00	1.15
Sth Dune Extension	ks579	544198.3	9509450.3	64	0	3	4.45	28.06	10.68
Sth Dune Extension	ks580	544239.1	9509418.5	71	0	4.5	4.17	42.26	7.59
Sth Dune Extension	ks581	544268.0	9509379.5	76	0	6	4.53	39.01	5.34
Sth Dune Extension	ks582	544311.8	9509346.8	78	0	9	4.00	31.39	3.31
Sth Dune Extension	ks583	544347.8	9509307.6	77	0	9	2.83	30.35	1.77
Sth Dune Extension	ks584	544382.6	9509279.1	75	0	7.5	2.27	27.37	1.32
Sth Dune Extension	ks590	544484.7	9509320.1	71	0	9	2.78	16.11	5.41
Sth Dune Extension	ks591	544416.5	9509386.0	77	1.5	9	3.74	21.22	13.17

DIRECTORS

Keith Spence	Non-Executive Chairman
Tim Carstens	Managing Director
Colin Bwye	Executive Director
Sam Willis	Non-Executive Director
Michael Anderson	Non-Executive Director
Michael Stirzaker	Non-Executive Director
Malcolm Macpherson	Non-Executive Director

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