

Half Year Results to 31 December 2017

Base Resources Limited (ASX & AIM: BSE) (**Base Resources**) is pleased to release its half year results for the reporting period to 31 December 2017, with the following highlights¹.

\$ million ²	Six months to 31 December 2017 (reporting period)	Six months to 31 December 2016 (comparative period)	% Change
Kwale Operation Sales Revenue	115.9	90.6	+28%
Kwale Operation EBITDA	72.4	46.8	+55%
Group EBITDA	69.3	44.0	+58%
Net Profit / (loss)	21.5	3.8	+466%
Reduction in Net Debt (during the six-month period) ³	44.1	24.5	+80%
Net Debt outstanding at end of period ³	(84.1)	(179.7)	-53%

- **Sales volumes:** 225,814 tonnes of ilmenite (comparative period: 236,488 tonnes), 37,971 tonnes of rutile (comparative period: 42,796 tonnes), 17,427 tonnes of zircon (comparative period: 17,957 tonnes) and 3,287 tonnes of zircon low grade (comparative period: 3,397 tonnes). Sales volumes were lower than the comparative period, despite higher production volumes, solely due to the timing of shipments.
- **Sales revenue:** \$115.9 million (comparative period: \$90.6 million), achieving an average price of product sold (rutile, ilmenite, zircon and zircon low grade) of \$407 per tonne, or US\$317 per tonne, (comparative period: \$302 per tonne or US\$227 per tonne) with the main drivers being higher ilmenite and zircon prices.
- **Costs:** Underlying costs remained steady at an average cost of \$131, or US\$102, per tonne of product sold (comparative period: \$130, or US\$98, per tonne). Reflecting the 5% decrease in sales volume, total cost of goods sold decreased by 5% to \$37.2 million (comparative period: \$39.0 million).
- **Revenue to cash cost ratio:** The Kwale Operation achieved a revenue to cost of sales ratio of 2.8:1, comfortably positioning it in the first quartile of mineral sands producers.
- **Group EBITDA:** \$69.3 million, representing a 58% increase (comparative period: \$44.0 million) on the back of improving commodity prices and a continued tight focus on cost management.
- **Cash flow from operations:** \$73.5 million (comparative period: \$45.1 million).
- **Capital investment:** Cash flows used in investing activities increased to \$21.4 million (comparative period: \$3.0 million) due to the Kwale Phase 2 mine optimisation project commencing during the reporting period and on track for completion of construction in the June quarter of 2018.
- **Reduction in net debt:** \$44.1 million (comparative period: \$24.5 million), bringing net debt to \$84.1 million (US\$65.6 million) at the end of the reporting period.

ENDS.

¹ Refer to Base Resources' Financial Report for the half year ended 31 December 2017 for a more detailed review.

² All figures reported in Australian dollars unless otherwise stated.

³ Net Debt consists of the outstanding balance of debt facilities less cash less restricted cash held in the debt service reserve account.

CORPORATE PROFILE

Base Resources Limited ABN 88 125 546 910

DIRECTORS

Keith Spence	Non-Executive Chairman
Tim Carstens	Managing Director
Colin Bwy	Executive Director

Sam Willis	Non-Executive Director
Michael Stirzaker	Non-Executive Director
Malcolm Macpherson	Non-Executive Director
Diane Radley	Non-Executive Director

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