

**ASX and AIM Release**

27 August 2018

**Record revenue and major project acquisition drive growth in FY18**

Price increases and consistent sales volumes across all products drove record revenue and NPAT for the year ended 30 June 2018 (FY18) for Base Resources (ASX and AIM: BSE). The Company also progressed its long-term strategy with the acquisition of the Toliara Sands Project in Madagascar and optimisation of the Kwale Operation in Kenya.

**Operational Highlights for FY18**

- Total Recordable Injury Frequency Rate of zero – no lost time due to injury since 2014;
- Consistent production – 91,672 tonnes of rutile, 464,988 tonnes of ilmenite and 37,157 tonnes of zircon;
- Average price improvement across all products – rutile up 17%, ilmenite up 28% and zircon up 46%;
- Completed a major optimisation project at the Kwale Operation to maximise production volumes;
- Kwale South Dune Measured and Indicated resources increased by 19%<sup>1</sup>;
- Acquisition of the Toliara Sands Project in Madagascar and commencement of pre-feasibility study; and
- US\$3.8m invested in community and environment programs.

**Financial Highlights for FY18**

- Revenue increased 22% to US\$198.8m;
- EBITDA increased 32% to US\$109.3m;
- NPAT increased 114% to US\$34.0m;
- Net debt reduced by US\$65.3m to US\$33.2m; and
- Revenue to cost of sales ratio of 2.8:1.

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

“This has been an outstanding year for Base Resources with our team achieving the goal of a total recordable injury frequency rate of zero – a fantastic outcome for any resources operation globally and testament to the quality of our management team.”

“Consistent production and strong average price improvement across all products contributed to record financial results for the Company and has allowed significant debt reduction and established a strong platform from which to grow the business. The well-timed acquisition of the Toliara Sands Project in Madagascar has given Base Resources an outstanding growth path in the development of another world-class mineral sands project with a long production life.”

**Outlook**

Priorities for the 2019 financial year include:

- Completion of the pre-feasibility study for the Toliara Sands Project and commencement of the definitive feasibility study, ahead of a planned final investment decision in late 2019;
- Pursuing mine-life extension at the Kwale Operation with continuation of the current encouraging exploration drilling program; and
- Retirement of the Kwale Project Finance Facility.

As stated in the June Quarterly update, Base Resources expects to produce from its Kwale Operation in FY19:

- Rutile – 88,000 to 93,000 tonnes;
- Ilmenite – 420,000 to 450,000 tonnes; and
- Zircon – 32,000 to 37,000 tonnes.



### **Investor and shareholder call**

Base Resources Managing Director, Tim Carstens, and CFO, Kevin Balloch, will host two investor and shareholder conference calls to discuss Base Resources' FY18 Full Year Results. Tim and Kevin will be available to answer questions following a summary of the results.

### **Asia Pacific conference call**

**Date:** Monday 27 August 2018

**Time:** 08:00am AWST / 10.00am AEST

**Conference ID:** 360973

#### **Telephone dial in details:**

|                        |               |            |               |            |              |
|------------------------|---------------|------------|---------------|------------|--------------|
| Australia Toll Free:   | 1 800 558 698 | Hong Kong: | 800 966 806   | Malaysia:  | 1800 816 294 |
| New Zealand Toll Free: | 0800 453 055  | Japan:     | 0053 116 1281 | Singapore: | 800 101 2785 |
| China Wide:            | 4001 200 659  |            |               |            |              |

### **Europe conference call**

**Date:** Tuesday 28 August 2018

**Time:** 10.00am GMT

**Conference ID:** 321257

#### **Telephone dial in details:**

|                 |               |               |              |                |                |
|-----------------|---------------|---------------|--------------|----------------|----------------|
| United Kingdom: | 0800 051 8245 | Ireland:      | 1800 948 625 | UAE:           | 8000 3570 2705 |
| Belgium:        | 0800 72 111   | Italy:        | 800 793 500  | United States: | (855) 881 1339 |
| Sweden:         | 020 791 959   | Norway:       | 800 69 950   | Canada:        | 1855 8811 339  |
| France:         | 0800 913 848  | Switzerland:  | 0800 820 030 |                |                |
| Germany:        | 0800 182 7617 | South Africa: | 0800 999 976 |                |                |

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#### **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 Sands 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).

<sup>1</sup> Refer to Base Resources' market announcement "Mineral Resource Increase for Kwale South Dune" released on 4 October 2017, which is available at <http://www.baseresources.com.au/investor-centre/asx-releases>, which contains the JORC competent persons statement for this estimate of Mineral Resource. The Company confirms that it is not aware of any new information or data that materially affects the information included in this ASX announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in this announcement continue to apply and have not materially changed.