

A close-up photograph of a hand holding a large amount of shimmering, blue-tinted mineral sands. The hand is cupped, and the sand is piled in the center, catching the light and creating a sparkling effect. The background is dark, making the sand stand out.

Broadening Base

Creating a unique mineral sands company

Bell Potter Emerging Leaders Conference
25 October 2018



**BASE
RESOURCES**



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Base Resources - a unique mineral sands company

- ▶ “Mid cap” pure mineral sands company:
 - Established profitable Kwale Operations with extensional potential in Kenya
 - A world class mineral sands development project in the Toliara Project in Madagascar
 - Long combined mine life
 - Track record of excellence in safety, community engagement and environmental management
 - An experienced team and capacity to execute well
- ▶ Creating a company of strategic relevance in a sector likely to continue to evolve



Kwale Mineral Sands Operation



View video at www.basetitanium.com

**No lost time or medical
treatment injuries**

14.1 MILLION

Hours worked with zero Lost-time
Injuries

57 months

Since last Lost-time Injury

Zero TRIFR

No medical treatments in last 15 months



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Further investing in our community



US\$3.8m invested in community and environment programs



Kwale Cotton Project receives World Economic Forum award



60,000 training hours delivered to employees



100 interns, apprentices and graduates employed



20,500 trees planted



240 health workers trained and supported

September quarter highlights

Mine optimised	35% increase in mined ore following mine optimisation project
Record production	Record rutile and zircon production
Price improvement	Continued strengthening of rutile and zircon prices
Safety	No lost time or medical treatment injuries
Mine extension	Exploration drilling at Kwale Operations North Dune completed
PFS progressing	Preferred development options for mining, processing and infrastructure selected for the Toliara Project
Debt down	Net debt reduced by US\$9.4m to US\$23.8m as at 30 September 2018

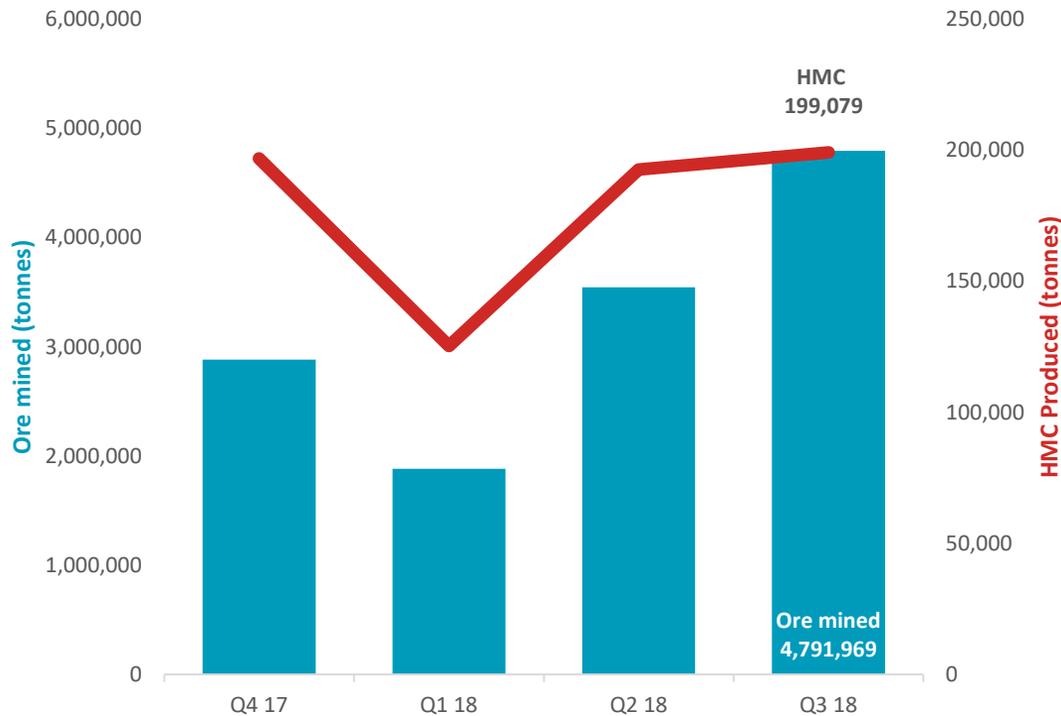


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35% increase in mined ore

Ore mined and HMC produced



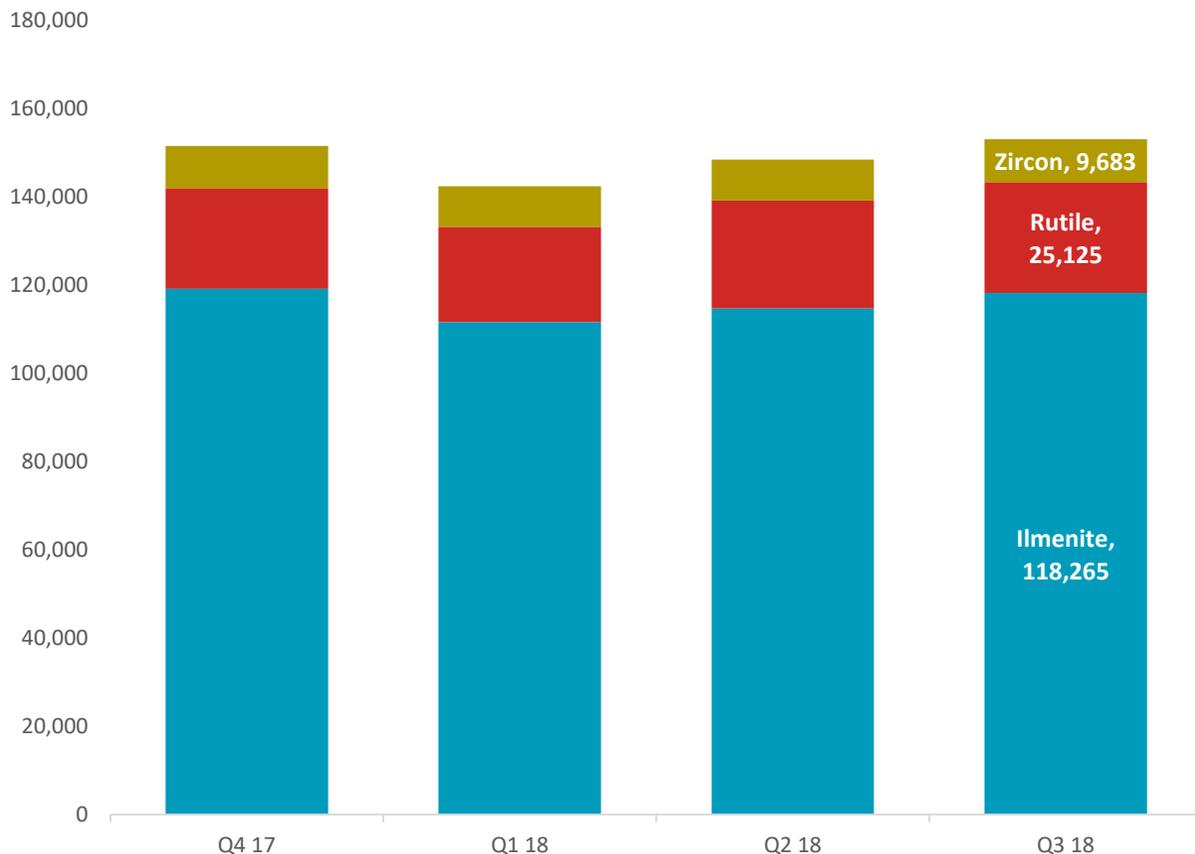
HM%	7.61	6.88	6.36	4.78
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Commentary

- ▶ 35% increase in mined ore following completion of Kwale Phase 2 mine optimisation in March 2018, offsetting lower HM grade
- ▶ Three HMUs now in operation and operating above design capacity
- ▶ Mined grades were lower, as expected, with all mining located on the western and northern fringes of the orebody
- ▶ Wet concentrator plant production of heavy mineral concentrate increased to 199kt
- ▶ Recoveries of heavy minerals (HM) to concentrate are now achieving design levels
- ▶ Heavy mineral concentrate stockpiles increased from 78kt to 86kt

Record rutile and zircon production

Kwale Production (tonnes)

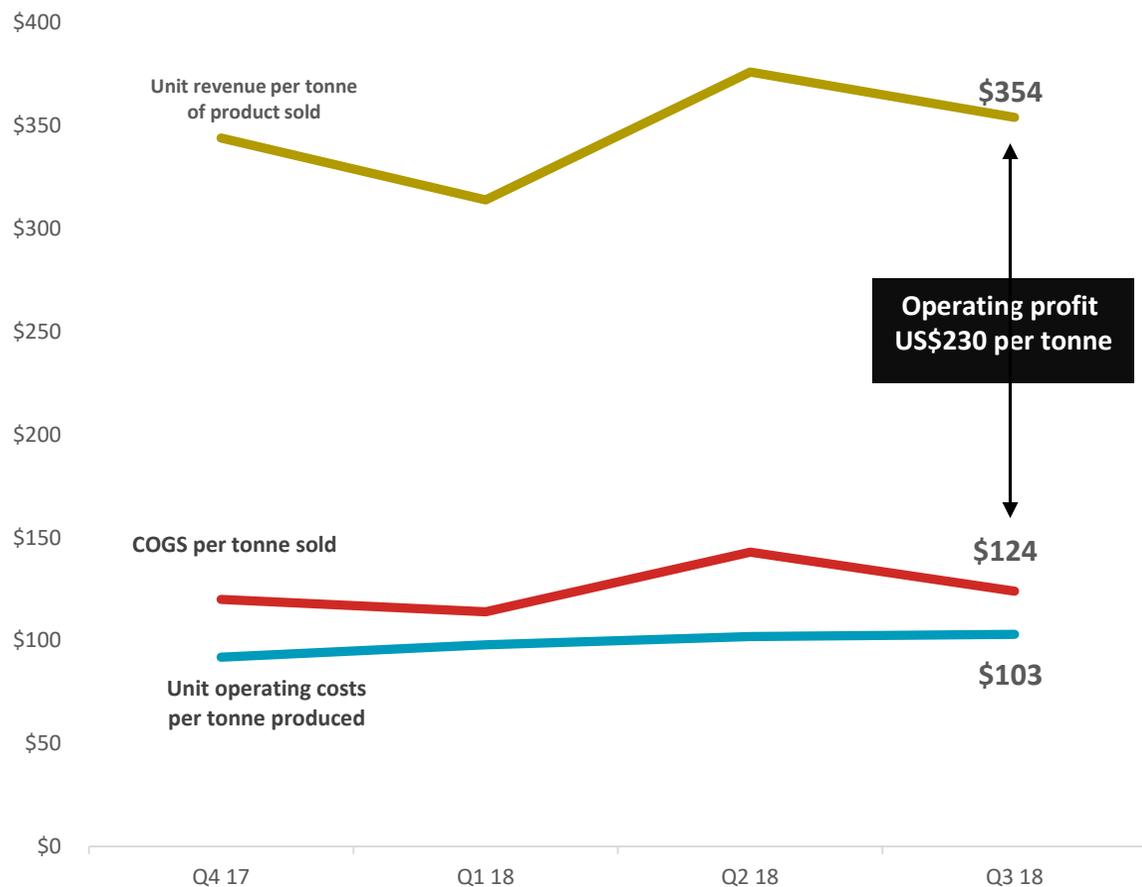


Commentary

- ▶ MSP availability of 97% exceeding budget of 95%
- ▶ MSP feed rate steady at 91tph
- ▶ All recoveries were at, or above, design levels:
 - Ilmenite 101%
 - Rutile 99%
 - Zircon 79%
- ▶ FY19 production guidance affirmed:
 - Rutile – 88 to 93kt
 - Ilmenite – 420 to 450kt
 - Zircon – 32 to 37kt

Costs continue to be tightly managed

Unit costs and revenue per tonne

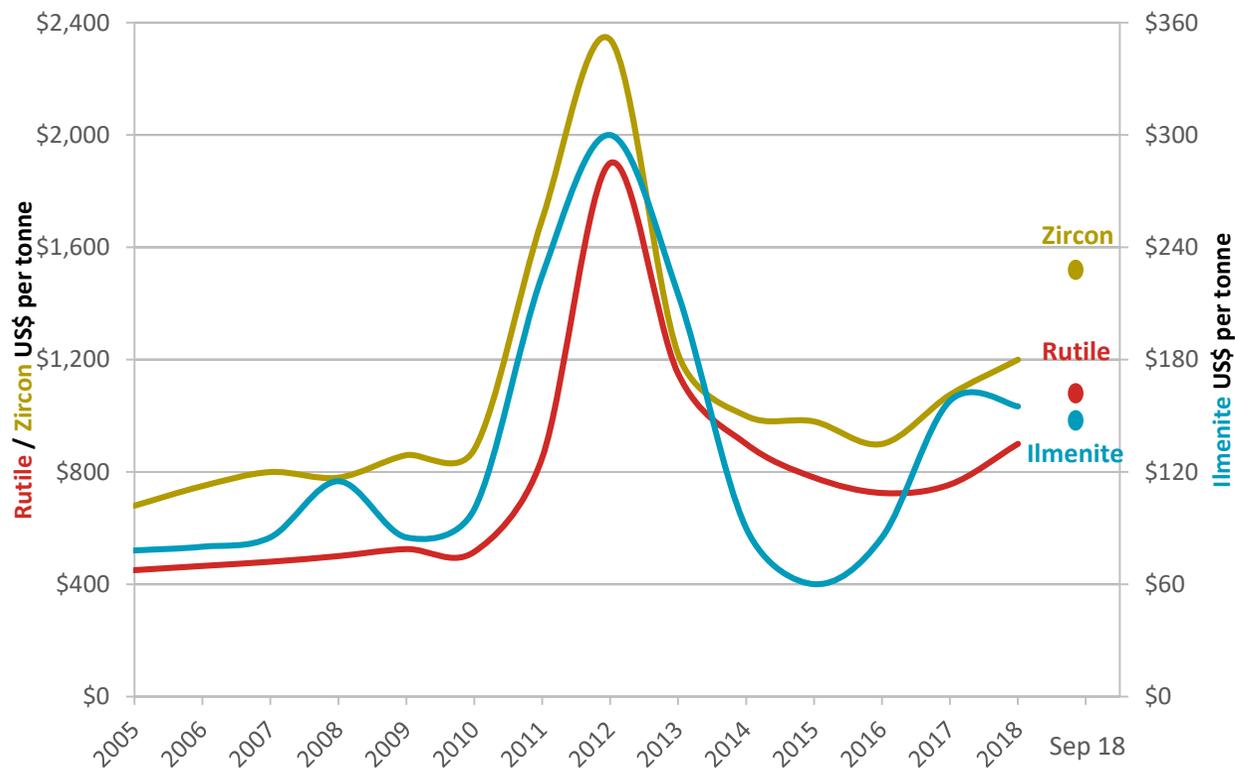


Commentary

- ▶ Total operating costs were marginally higher than last quarter due to increased tonnes mined
- ▶ Operating cost per tonne produced steady at US\$103/t due to increased production volumes offsetting higher total costs
- ▶ COGS lower than prior quarter due to an increase in finished product and HMC stocks
- ▶ Average revenue per tonne of US\$354, lower than prior quarter US\$376
 - lower volume of bulk rutile sales - 23.6kt vs 25.6kt last quarter
 - higher zircon prices
 - weaker ilmenite prices
- ▶ Revenue to cost of goods sold ratio increased to 2.8 for the quarter

Continued strengthening of rutile and zircon prices

Historical Product Prices

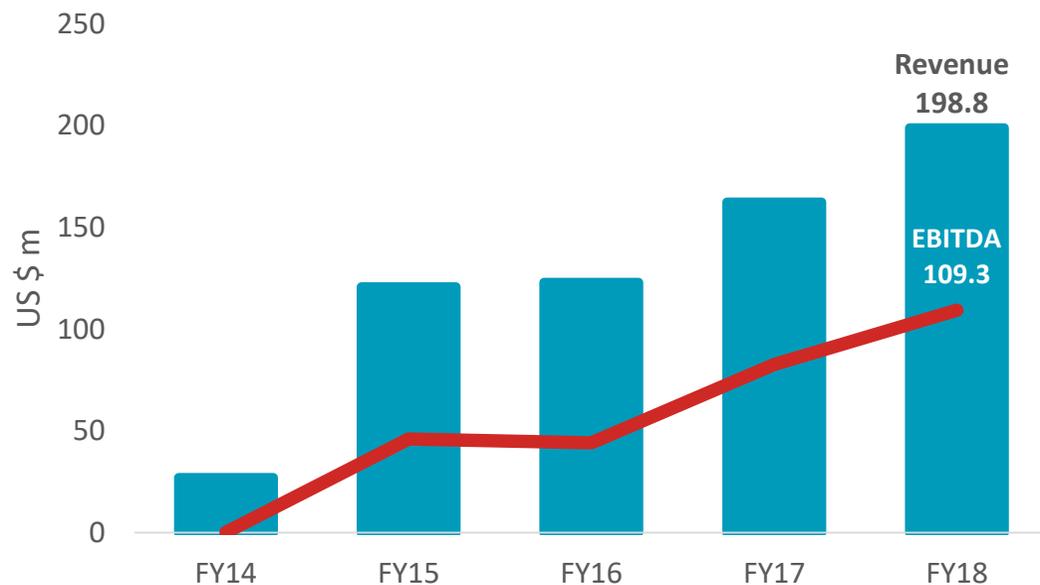


Commentary

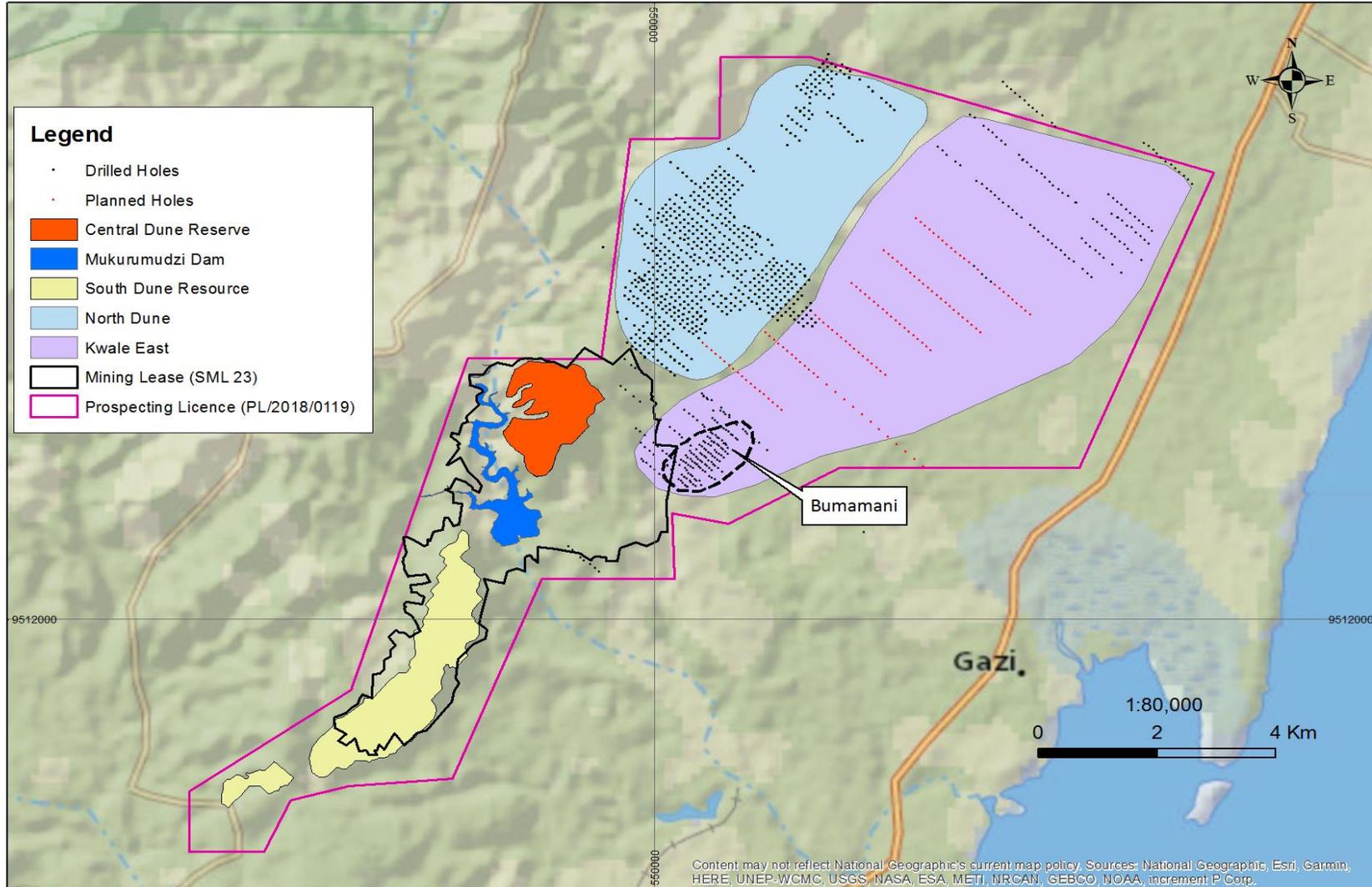
- ▶ Global TiO₂ pigment industry remained firm
- ▶ China pigment producers hampered by environmental shutdowns and US trade tensions
- ▶ Ilmenite pricing remains steady in China, but exchange rate movements have lowered the USD price received
- ▶ Supply constraints and demand strength support upward rutile pricing
- ▶ Zircon demand remains strong – pricing stabilising

* Source: TZMI and Company data

Strong earnings growth



In pursuit of mine life extensions



A sound financial platform

► Solid equity base (ASX & AIM: BSE)

- A\$303m market capitalisation @ A\$0.26

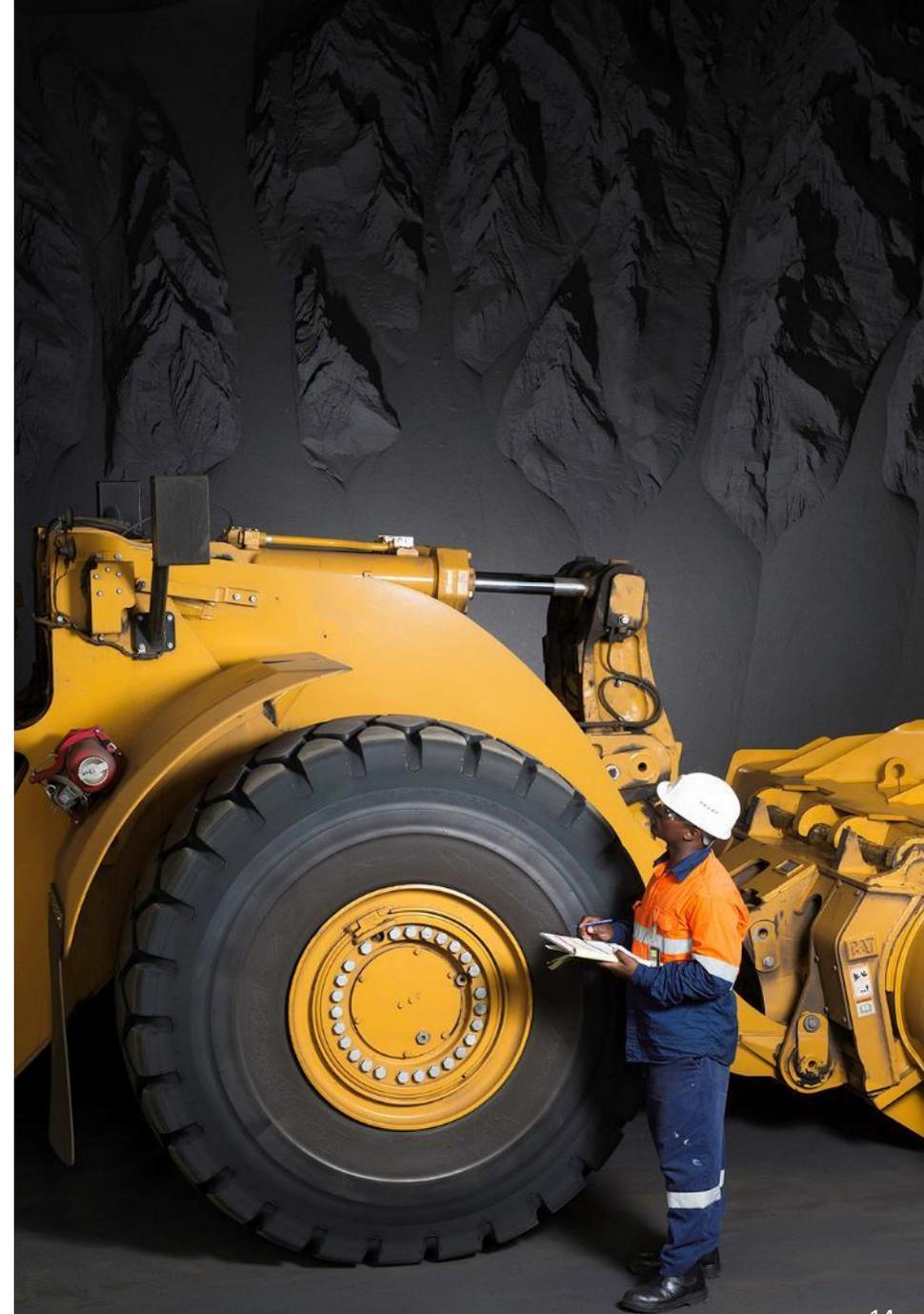
Substantial Shareholders	Interest
Pacific Road Capital	20.8%
Sustainable Capital	16.9%
Regal Funds Management	10.5%
Wellington Management	6.2%
UBS Group	5.26%

► Rapidly reducing debt

- US\$23.8m in net debt at 30 September 2018 and expected to be less than US\$5m by the end of 2018
- US\$62.8m paid down in last 12 months

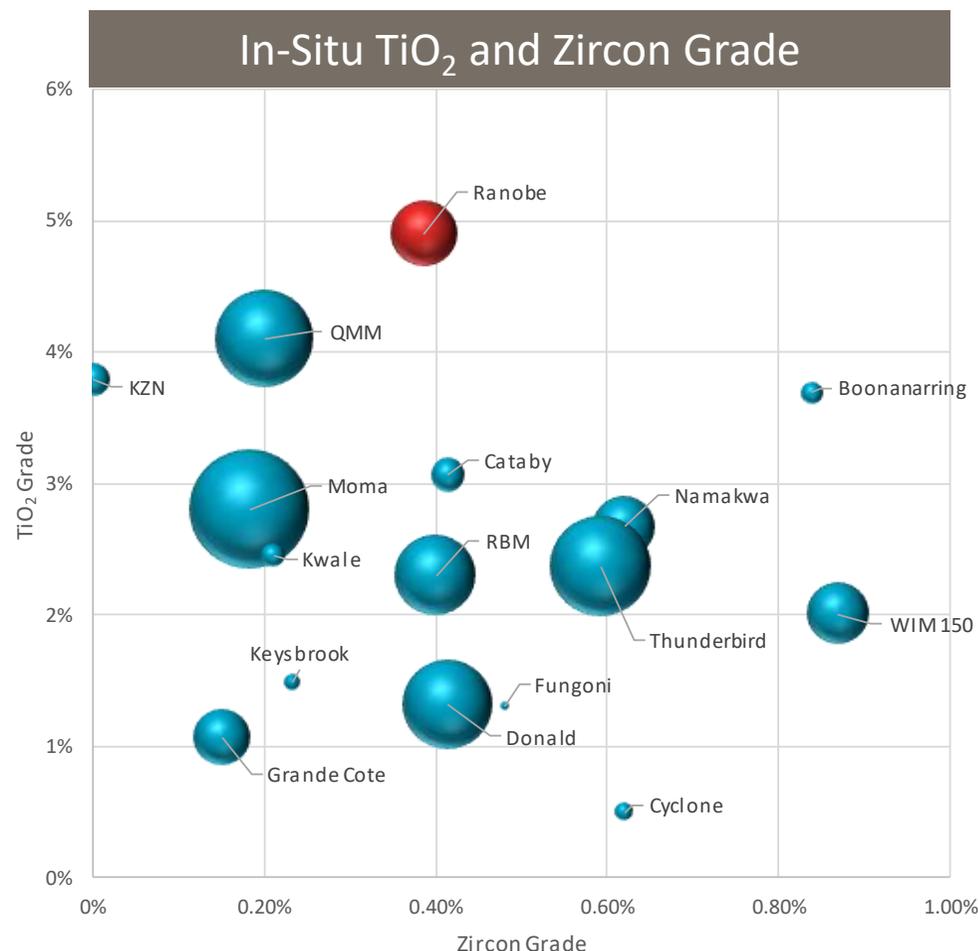
► Kwale Project Debt Facility retired

- Kwale Project Debt Facility repaid 20 months ahead of schedule



Why the Toliara Project?

- ▶ **Large high grade Resource** of 857mt, with 612mt in the Measured and Indicated categories, sufficient to support a 40+ year mine life at a scale similar to Kwale (see Appendix)
- ▶ Significant **resource expansion** potential
- ▶ Scope for **operational scale-up** over time
- ▶ **Simple mineralogy** and technically straight forward processing
- ▶ Expected **high-1st quartile Revenue to Cash Cost** ratio
- ▶ The **stage of development**
- ▶ A high level of **government support** as a project of national significance
- ▶ A project **Base can execute well** and should generate significant shareholder returns

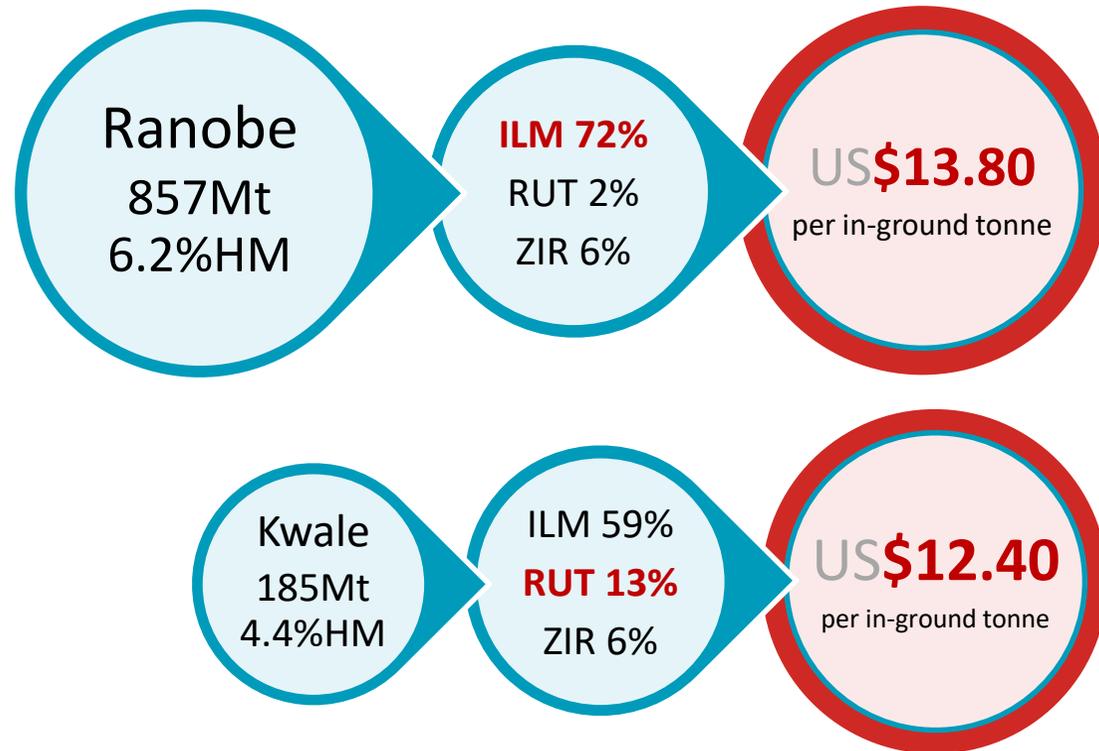


Note:

- All projects shown on the basis of last reported Measured & Indicated Mineral Resources estimate up to 19 December 2017 (being the date of agreement to acquire the Toliara Project).
- TiO₂ grade represents the in-ground grade of titanium minerals (ilmenite, leucoxene and rutile). Zircon represents the in-ground grade of zircon
- Size of bubble represents the VHM contained (ilmenite, leucoxene, rutile and zircon). For scale Cataby contains 8Mt of VHM, RBM contains 49Mt of VHM and Moma contains 108Mt of VHM
- Hard rock deposits are excluded from the analysis

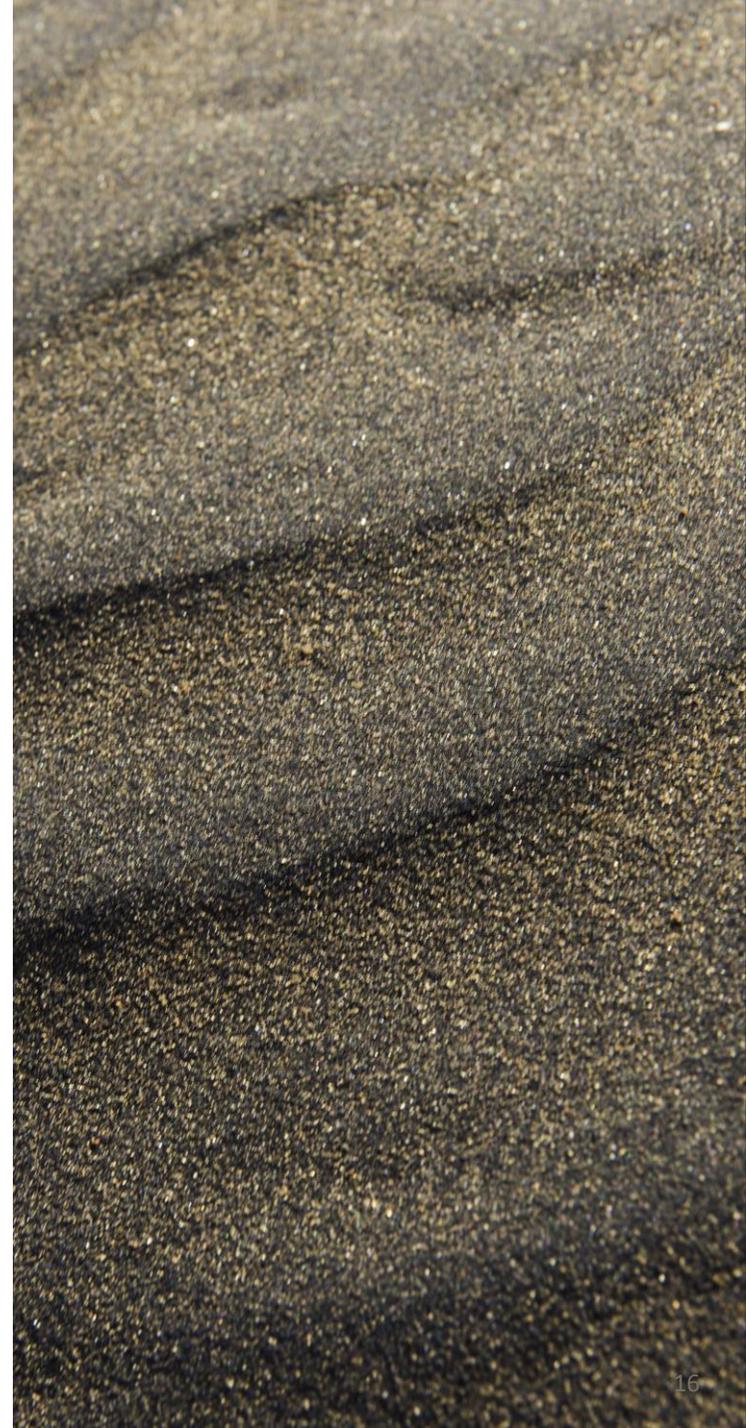
Source: RFC Ambrian research

Grade and assemblage produce in-ground value similar to Kwale



Notes:

- (1) Kwale Central and South Dune Mineral Resource estimate as at commencement of operations taking into account subsequent resource updates. Refer to the Appendix for Kwale Mineral Resource information.
- (2) Calculated on in-ground contained mineral in M&I Resource categories and based on approximate spot prices of: Ilmenite US\$170/t, Rutile US\$900/t and Zircon US\$1,200/t



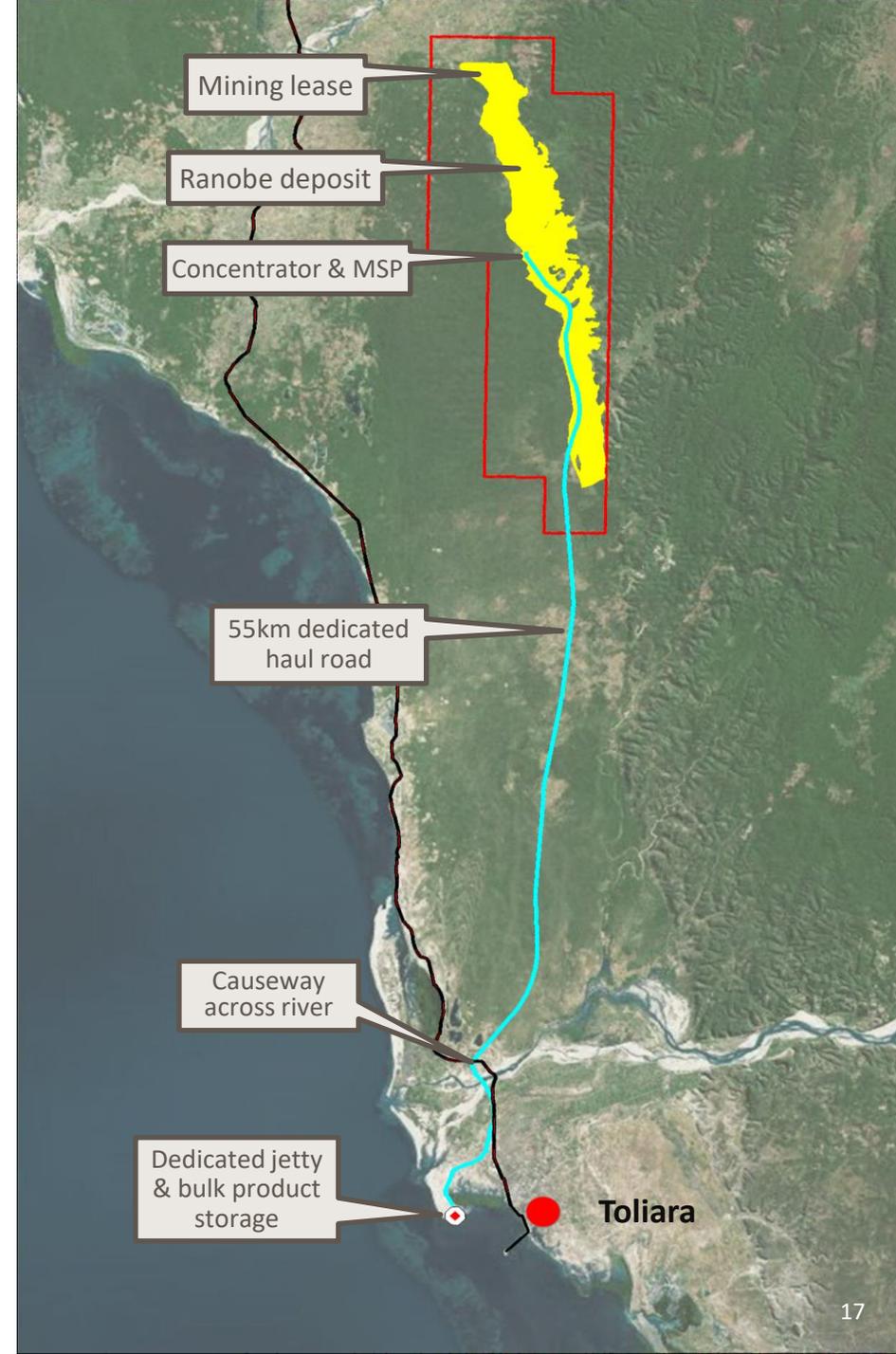
Toliara PFS on track

Progressed in Q3

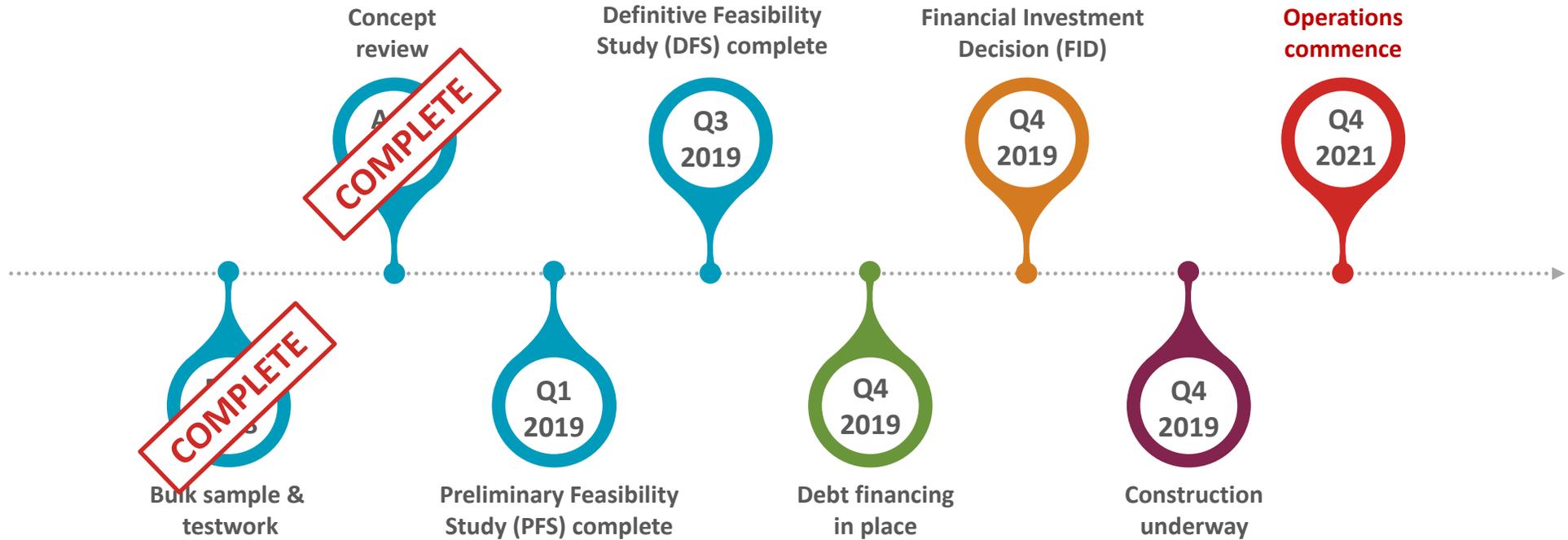
- ▶ A range of mining, processing and infrastructure options were evaluated and the preferred development options selected
- ▶ 100 tonne bulk sample processed by Mineral Technologies - completing the wet concentrator plant test work
- ▶ Completion of the first 3,541 metres of the infill and resource definition drill program
- ▶ Development of environmental and social management plans have commenced
- ▶ Land identification completed for land acquisition and compensation committee established
- ▶ US\$2.2m expenditure on the Toliara Project in the quarter

Q4 focus

- ▶ Mineral separation plant test work for flowsheet design
- ▶ Generating marketing samples from MSP test work
- ▶ Update Ranobe deposit mineralogy
- ▶ Continue drilling program, as land access allows

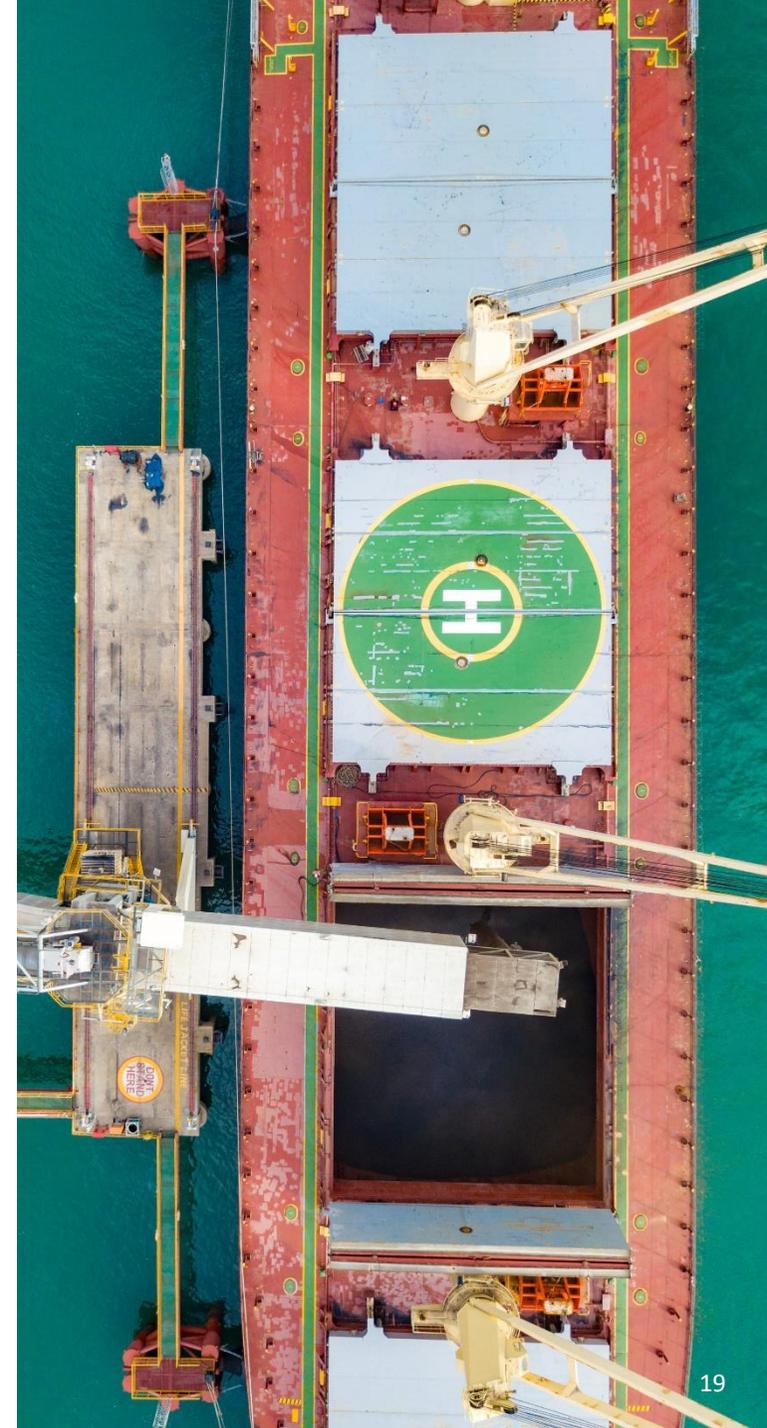


A path to production in 2021



Broadening Base

- 1 Team with a track record of delivery
- 2 Consistent, high cashflow Kwale Operations, with extension potential
- 3 A sound financial platform from which to grow the business
- 4 Improving markets are supporting a need for new supply
- 5 An advanced, quality Toliara Project
- 6 Creating a unique mineral sands company





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Appendices

Mineral sands products widely used

Ilmenite and Rutile

TiO₂ pigment

Titanium metal production

90% pigments

10%

Paint

Plastics

Paper

Aerospace



Zircon

Zircon sand

50%

50%

Ceramics

Chemicals

Refractories and Foundries



Kwale Ore Reserves and Mineral Resources at 30 June 2018

Category	Material	In Situ HM	HM	SL	OS	HM Assemblage		
						ILM	RUT	ZIR
	(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)
Mineral Resources¹								
Measured	94	3.2	3.4	25	1	59	14	6
Indicated	40	1.1	2.7	26	6	53	13	6
Inferred	0.2	0.003	1.3	27	7	54	15	7
Total	134	4.2	3.1	25	2	57	13	6
Ore Reserves								
Proved	52	1.8	3.5	26	1	68	16	7
Probable	28	1.3	4.6	26	4	39	10	4
Total	80	3.1	3.9	26	2	56	13	6

Notes:

- 1) Mineral Resources estimated at a 1% HM cut-off grade.
- 2) Table subject to rounding differences.
- 3) All Ore Reserves are contained within the Mineral Resources.

JORC Statement

For further detailed information on the Kwale Deposit Mineral Resources and Ore Reserves, refer to Base Resources' ASX market announcements of 8 October 2018 "2018 Mineral Resources and Ore Reserves Statement" and 9 October 2017 "2017 Kwale Mineral Resources and Ore Reserves Statement" each available at <https://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 these ASX market announcements and all material assumptions and technical parameters underpinning the estimates in these ASX market announcements continue to apply and have not materially changed.

Ranobe Mineral Resources

Ranobe deposit	Material	HM	HM	SL	OS	HM Assemblage		
Resource Category	Mt	Mt	%	%	%	Ilmenite	Rutile	Zircon
Measured	282	20.3	7.2	4	0	72	2	6
Indicated	330	20.5	6.2	4	0	72	2	6
Inferred	245	12.4	5.0	5	1	71	1	5
Total	857	53.2	6.2	4	0	72	2	6

Notes:

- 1) Mineral Resources estimated at a 3% HM cut-off grade.
- 2) Table subject to rounding differences.

JORC Statement

For further detailed information on the Ranobe Deposit Mineral Resources, refer to Base Resources' ASX market announcements of 8 October 2018 "2018 Mineral Resources and Ore Reserves Statement" and 19 December 2017 "Investor Presentation - Acquisition and Entitlement Offer" each available at <https://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 these ASX market announcements and all material assumptions and technical parameters underpinning the estimates in these ASX market announcement continue to apply and have not materially changed.