



Notice of Annual General Meeting 2019

Time: 10.30am (Perth time)

Date: Friday, 22 November 2019

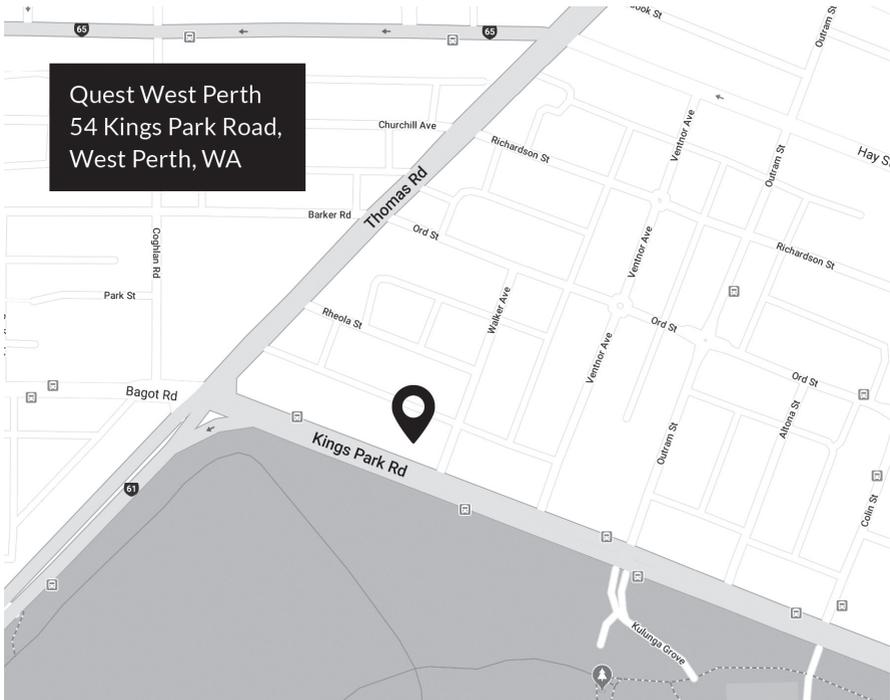
Place: Quest West Perth
54 Kings Park Road
West Perth, Western Australia

This is an important document. Please read it carefully and in its entirety. If you do not understand it or are in doubt as to how you should vote, you should consult your professional advisers.

If you are unable to attend the Annual General Meeting, please complete the enclosed Proxy Form and return it in accordance with the instructions set out on that form.

The Annual Report is available for viewing at baseresources.com.au

Base Resources Limited (**Company**) gives notice that its Annual General Meeting of members will be held on Friday, 22 November 2019 at 10.30am (Perth time) at:



The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms and abbreviations used in this Notice (including in the Explanatory Memorandum and the Proxy Form) are defined in the **Schedule** (or elsewhere in the body of this Notice).

Items of Business

Accounts and Reports

To receive and consider the financial report of the Company, the Directors' report and the auditor's report for the year ended 30 June 2019.

Item 1 – Adoption of the Remuneration Report

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That the Remuneration Report, which forms part of the Directors' report for the financial year ended 30 June 2019, be adopted."

Note: In accordance with section 250R(3) of the Corporations Act, the vote on Item 1 is advisory only and does not bind the Directors or the Company. A voting prohibition statement for Item 1 is set out below.

Item 2 – Re-election of Mr Malcolm Macpherson as a Director

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Mr Malcolm Macpherson, who retires in accordance with rule 3.6 of the Company's constitution, be re-elected as a Director of the Company."

Item 3 – Re-election of Mr Colin Bwye as a Director

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Mr Colin Bwye, who retires in accordance with rule 3.6 of the Company's constitution, be re-elected as a Director of the Company."

Item 4 – Approval of the grant of Performance Rights to Mr Tim Carstens

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, members approve the grant of 2,913,027 Performance Rights by the Company to Mr Tim Carstens and the acquisition of Shares by Mr Carstens upon the vesting and exercise of any such Performance Rights, in accordance with the Base Resources Long Term Incentive Plan and otherwise in accordance with the terms and conditions summarised in the Explanatory Memorandum accompanying this Notice."

Note: A voting prohibition statement and voting exclusion statement for Item 4 are set out below.

Item 5 – Approval of the grant of Performance Rights to Mr Colin Bwye

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, members approve the grant of 2,913,027 Performance Rights by the Company to Mr Colin Bwye and the acquisition of Shares by Mr Bwye upon the vesting and exercise of any such Performance Rights, in accordance with the Base Resources Long Term Incentive Plan and otherwise in accordance with the terms and conditions summarised in the Explanatory Memorandum accompanying this Notice."

Note: A voting prohibition statement and voting exclusion statement for Item 5 are set out below.

Other business

To consider any other business brought forward in accordance with the Company's constitution or the law.

Chair's voting intention

The Chair of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in **favour** of all Items.

Voting prohibitions and exclusions

See the Notes to the Explanatory Memorandum for further details regarding voting prohibitions and exclusions applicable to key management personnel, as well as relevant considerations when appointing the Chair or key management personnel as your proxy.

Item 1: The Company will disregard any votes cast (in any capacity) on Item 1 by or on behalf of a member of the Company's key management personnel named in the remuneration report or any of their closely related parties (such as close family members and any controlled companies), unless the vote is cast:

- by a person as proxy for a person entitled to vote on Item 1 in accordance with a direction on the proxy appointment; or
- by the Chair of the Meeting as proxy for a person entitled to vote on Item 1 and the proxy appointment expressly authorises the Chair of the Meeting to exercise the proxy even though the resolution is connected directly or indirectly with remuneration of a member of the Company's key management personnel.

Items 4 and 5: The Company will disregard any votes cast:

- in favour of Items 4 or 5 by, or on behalf of, Mr Tim Carstens and Mr Colin Bwye (being the only Directors eligible to participate in the Base Resources Long Term Incentive Plan) or their respective associates; or
- on Items 4 or 5 by a member of key management personnel of the Company's consolidated group or their closely related parties acting as a proxy,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the proxy appointment, or by the Chair of the Meeting as proxy for a person entitled to vote and the proxy appointment expressly authorises the Chair of the Meeting to vote undirected proxies as the Chair sees fit and exercise the proxy even though the resolution is connected directly or indirectly with remuneration of a member of key management personnel.

Dated 18 October 2019, by order of the Board.



Chadwick Poletti
Company Secretary

Explanatory Memorandum

This Explanatory Memorandum has been prepared to provide members with information about the items of business to be considered at the Annual General Meeting.

This Explanatory Memorandum is important and should be read carefully, in its entirety, by all members.

Accounts and Reports

The annual financial report, Directors' report and auditor's report for the Company for the year ended 30 June 2019 will be laid before the Annual General Meeting.

There is no requirement for members to approve these reports. However, the Chair will allow a reasonable opportunity for members to ask questions or make comments about those reports and the management of the Company. Members will also be given a reasonable opportunity to ask the Company's auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

In addition to taking questions at the Annual General Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about the:

- preparation and content of the auditor's report;
- conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the date of the Annual General Meeting to the Company Secretary (that is, by 5.00pm (Perth time) on 15 November 2019).

Item 1 – Adoption of the Remuneration Report

Overview

Pursuant to the *Corporations Act*, the Directors have included a Remuneration Report in their Directors' report for the year ended 30 June 2019. Section 250R(2) of the *Corporations Act* requires that the Remuneration Report be put to the vote at the Annual General Meeting.

The Remuneration Report that forms part of the Directors' report for the year ended 30 June 2019 is set out in the Company's 2019 Annual Report. Members can view the Annual Report on the Company's website: www.baseresources.com.au and on ASX's website: www.asx.com.au.

Section 250R(3) of the *Corporations Act* provides that the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. Of itself, a failure of members to vote in favour of Item 1 will not require the Directors to alter any of the arrangements contemplated by the Remuneration Report, but the Board will take the outcome of the vote very seriously when considering the Company's future remuneration policy. However, the *Corporations Act* requires that, if a company's remuneration report receives an "against" vote of 25% or more at two consecutive annual general meetings, a resolution must be put at the later of the two annual general meetings that another meeting be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of that resolution must stand for re-election.

In summary, members will be entitled to vote on whether a general meeting to re-elect the Board should be held if the Remuneration Report receives “two strikes”.

By way of summary, the Remuneration Report:

- explains the Company’s remuneration policy and the process for determining the remuneration of the Directors and executive officers;
- addresses the relationship between the Company’s remuneration policy and the Company’s performance; and
- sets out remuneration details for each Director and each of the Company’s executives and group executives named in the Remuneration Report for the financial year ended 30 June 2019.

The Company’s Remuneration Report did not receive an “against” vote of 25% or more at the Company’s previous annual general meeting held on 23 November 2018.

There will be a reasonable opportunity for members to comment on and ask questions about the Remuneration Report at the Annual General Meeting.

If you choose to appoint a proxy for the Meeting, you are encouraged to direct your proxy how to vote on Item 1 by marking either “For”, “Against” or “Abstain” on the Proxy Form.

No Directors’ recommendation on Item 1

Because Item 1 deals with remuneration of the Company’s key management personnel, and in light of the provisions in the *Corporations Act* relating to voting by key management personnel and their closely related parties on such remuneration related resolutions, the Directors do not make a recommendation to members about how to vote on Item 1.

Item 2 – Re-election of Mr Malcolm Macpherson as a Director

Age 74, B.Sc. FAusIMM, FTSE

Mr Malcolm Macpherson was appointed as a Director by the Board on 25 July 2013 and was last re-elected by members at the Company's 2016 annual general meeting. In accordance with rule 3.6 of the Company's constitution, Mr Macpherson automatically retires at the Annual General Meeting and being eligible, offers himself for re-election.

Mr Macpherson is an accomplished business leader, with decades of experience in the global mining industry at executive management and board level. Mr Macpherson spent 25 years from 1974 at Iluka Resources, the world's largest mineral sands company, rising from mine manager to Managing Director and Chief Executive Officer. He has previously held the position of Chair with Azumah Resources Limited and Western Power Corporation and been a director of Portman Mining Limited and Minara Resources Limited. Mr Macpherson has also been the Senior Vice President of the Minerals Council of Australia, President of the Western Australian Chamber of Minerals & Energy, and a member of the Senate at Murdoch University. Mr Macpherson is Chair of the Risk Committee, is a member of the Remuneration & Nomination Committee and is a member of the Audit Committee.

Mr Macpherson has no other current public company directorships.

If re-elected, Mr Macpherson will continue to qualify as an independent director in accordance with the definition of independence adopted in the Company's Board Charter.

Directors' recommendation on Item 2

Consistent with the recommendation of the Remuneration & Nomination Committee whose role it is to consider a Director's suitability for re-election, the Directors, other than Mr Macpherson whose re-election is the subject of Item 2, are of the view that the Board has greatly benefited and will continue to benefit from the skills, knowledge and experience that Mr Macpherson brings to the Board, particularly his deep mineral sands experience, and recommend the re-election of Mr Macpherson as a Director.

Item 3 – Re-election of Mr Colin Bwye as a Director

Age 55, BEng (Hons)

Mr Colin Bwye was appointed as a Director by the Board on 12 July 2010, and was last re-elected by members at the Company's 2016 annual general meeting. In accordance with rule 3.6 of the Company's constitution, Mr Bwye automatically retires at the Annual General Meeting and being eligible, offers himself for re-election.

Mr Bwye has over 25 years' experience in the mineral sands sector having commenced his professional career with RGC Mineral Sands (since consolidated into Iluka Resources) as a plant metallurgist in 1988. He undertook a number of technical, production and mining roles within RGC and then, after a period of time consulting to the industry, joined Doral Mineral Industries, a subsidiary of Iwatani Corporation of Japan. Here he was a leader in the development and operation of the Dardanup mineral sands mine in Western Australia before taking on the role of Managing Director and becoming accountable for the fused materials (zirconia and alumina) processing facilities as well as the mineral sands operation. In 2010, Mr Bwye joined Base Resources as Executive Director – Operations and Development. Mr Bwye has an extensive knowledge of all aspects of the mineral sands industry, including downstream processing and marketing of mineral sands products. He was born in Kenya and lived there prior to migrating to Australia in 1987 and so brings a deep understanding of the country and its culture.

Mr Bwye has no other current public company directorships.

As an executive of the Company, if re-elected, Mr Bwye will not qualify as an independent director in accordance with the definition of independence adopted in the Company's Board Charter.

Directors' recommendation on Item 3

Consistent with the recommendation of the Remuneration & Nomination Committee whose role it is to consider a Director's suitability for re-election, the Directors, other than Mr Bwye whose re-election is the subject of Item 3, are of the view that the Board has benefited and will continue to benefit from the skills, knowledge and experience that Mr Bwye has brought to the Company and the Board and recommend the re-election of Mr Bwye as a Director.

Items 4 and 5 – Approval of grant of Performance Rights to Mr Tim Carstens and Mr Colin Bwye under the Base Resources Long Term Incentive Plan

Member approval is sought for the grant of:

- a. 2,913,027 Performance Rights to Mr Carstens (and the acquisition of Shares by Mr Carstens upon the vesting and exercise of any such Performance Rights) (the subject of Item 4); and
- b. 2,913,027 Performance Rights to Mr Bwye (and the acquisition of Shares by Mr Bwye upon the vesting and exercise of any such Performance Rights) (the subject of Item 5),

under the Base Resources Long Term Incentive Plan, which, following a recent review, was updated and approved by the Company's Board on 23 August 2019 (**Plan**). Approval is sought for the purposes of ASX Listing Rule 10.14 and for all other purposes. References to "**the Plan**" in this Explanatory Memorandum are to the Base Resources Long Term Incentive Plan as approved by the Company's Board on 23 August 2019, which, for the avoidance of doubt, incorporates all updates since it was first approved at the Company's 2012 annual general meeting.

The Plan is designed to attract executives and maintain a stable leadership team and explicitly align the interests of the Company's leadership team with that of members. The Plan primarily seeks to grant eligible employees the opportunity to share in the growth and value of the Company's business over the longer term by giving these employees an opportunity to be allocated Shares in the future, depending on the Company's corporate performance.

Generally, the Plan operates on the basis of a series of cycles (**Plan Cycle**). Each Plan Cycle commences annually on 1 October and consists of a three-year period (**Performance Period**), after which the Performance Rights will vest subject to their terms of issue (including achievement of specified Performance Criteria).

The Plan was first approved by members at the Company's 2012 annual general meeting and was subsequently re-approved, in an updated form, by members at the 2015 and 2018 annual general meetings.

The Performance Rights proposed to be granted to Mr Carstens (the subject of Item 4) and Mr Bwye (the subject of Item 5) are in respect of the 2019 Plan Cycle commencing on 1 October 2019 and will be issued in accordance with the terms of the Plan and as otherwise specified in this Explanatory Memorandum. A summary of the general terms and conditions of the Plan that will apply to the Performance Rights to be granted to Mr Carstens and Mr Bwye was set out in schedule 2 of the Company's 2018 notice of annual general meeting, which is available from www.asx.com.au. The Plan is, in all material respects, the same as the plan approved by members at the Company's 2018 annual general meeting. The terms of the Performance Rights proposed to be granted to Mr Carstens (the subject of Item 4) and Mr Bwye (the subject of Item 5) are consistent with the terms of issue of Performance Rights offered to other eligible employees of the Company under the 2019 Plan Cycle. The specific Performance Criteria (as defined below) that will apply to the Performance Rights to be granted to Mr Carstens and Mr Bwye are described below.

Performance Rights and applicable Performance Criteria

A Performance Right as provided for by the Plan, is a right to be allocated a Share upon exercise and payment of the applicable exercise price (if any), subject to meeting any specified performance criteria and performance hurdles (**Performance Criteria**).

The Performance Rights that are proposed to be granted to Mr Carstens and Mr Bwye and which are the subject of Items 4 and 5 will have a nil exercise price and an expiry date of 30 September 2027. The Board further determined that the Performance Criteria described below will apply to grants of Performance Rights to Mr Carstens and Mr Bwye:

- a. 50% of the Performance Rights will be subject to a total shareholder return (TSR) hurdle, which ranks the TSR performance of the Company against a comparative group of companies (**Relative TSR Performance Rights**); and
- b. 50% of the Performance Rights will be subject to achievement of the Company's specific internal TSR targets over the three-year Performance Period (**Absolute TSR Performance Rights**).

Broadly, TSR is the return to shareholders over a period calculated by reference to capital value growth and dividends and distributions on the relevant shares.

Testing of the Performance Criteria will be conducted as at the last day of the Performance Period. To the extent that the Performance Criteria are not satisfied over the Performance Period, the Performance Rights are automatically forfeited.

Relative TSR Performance Rights

The TSR of the Company will be compared to the TSR of each member of a selected comparative group of companies (**TSR Comparator Group**) for the purposes of determining the rank of the Company within that comparator group. The percentage TSR is converted to a percentile ranking, which is used to determine the proportion of the Relative TSR Performance Rights that will vest:

| TSR of the Company relative to TSRs of TSR Comparator Group | % of Relative TSR Performance Rights that vest |
|--|---|
| Less than 45th percentile | Nil |
| 45th to less than 50th percentile | 25% (Threshold performance) |
| 50th percentile | 50% (Target performance) |
| Between 50th and 75th percentile | Pro-rata between 50% and 100% vesting |
| 75th percentile and above | 100% (Stretch performance) |

Notwithstanding the above, the Board has absolute discretion to determine that no Relative TSR Performance Rights vest if the Company's TSR is negative (despite the Company's relative placing within the TSR Comparator Group).

Absolute TSR Performance Rights

The proportion of Absolute TSR Performance Rights which vest will be determined on the basis of the following scale:

| The Company's 3-year TSR | % of Absolute TSR Performance Rights that vest |
|--|---|
| Less than 40.5% | Nil |
| 40.5% (12% compound annual growth rate) | 25% (Threshold performance) |
| Between 40.5% and 56% | Pro rata between 25% and 50% |
| 56% (16% compound annual growth rate) | 50% (Target performance) |
| >56% and <73% | Pro rata between 50% and 100% |
| 73% or greater (20% compound annual growth rate or more) | 100% |

Further details of the Performance Rights can also be found in the Company's 2019 Annual Report.

Reasons member approval is being sought

ASX Listing Rules

Specific approvals for Mr Carstens' and Mr Bwye's respective grants under the Plan are required in accordance with the ASX Listing Rules, which provide that the Company must not, without member approval, issue securities under an employee incentive scheme to a director or an associate of a director.

For the purposes of ASX Listing Rule 10.14 and for all other purposes, member approval is being sought so that Mr Carstens and Mr Bwye can be granted Performance Rights under the Plan and that Shares can be allocated (by way of newly issued Shares or the acquisition of existing Shares on-market) upon vesting of those Performance Rights, and subsequent exercise, in accordance with the Plan.

Approval under ASX Listing Rule 10.14 is an exception to the prohibition on a Company issuing shares to related parties without member approval under ASX Listing Rule 10.11, and is an exception to the Company's 15% placement capacity in ASX Listing Rule 7.1. If approval is given under ASX Listing Rule 10.14, further approval under ASX Listing Rule 7.1 is not required.

Chapter 2E of the *Corporations Act*

Chapter 2E of the *Corporations Act* also regulates the provision of "financial benefits" to "related parties" by a public company. For the purposes of Chapter 2E, Mr Carstens and Mr Bwye, being Directors, are "related parties" of the Company and the grant of Performance Rights pursuant to the Plan will constitute the giving of "financial benefits".

The Board (other than Mr Carstens and Mr Bwye, because of their interest in Items 4 and 5, respectively) considers that the grant of Performance Rights to Mr Carstens and Mr Bwye is an appropriate and reasonable component of their respective remuneration, and that the financial benefit represented by the grant of the Performance Rights falls within the "reasonable remuneration" exception in section 211 of the *Corporations Act*. For this reason, it is not necessary to seek specific member approval of Items 4 and 5 for the purposes of Chapter 2E of the *Corporations Act*.

Specific information required by ASX Listing Rule 10.15

In accordance with ASX Listing Rule 10.15, the following information is provided in relation to Items 4 and 5.

- a. Mr Carstens and Mr Bwye are Directors.
- b. The maximum number of securities to be issued by the Company is:
 - i. (Item 4) 2,913,027 Performance Rights which, subject to vesting and subsequent exercise, will result in the allocation to Mr Carstens of 2,913,027 Shares; and
 - ii. (Item 5) 2,913,027 Performance Rights which, subject to vesting and subsequent exercise, will result in the allocation to Mr Bwye of 2,913,027 Shares.
- c. The Performance Rights will be granted to Mr Carstens and Mr Bwye for nil cash consideration and Mr Carstens and Mr Bwye will not be required to pay any amount on vesting, or any subsequent exercise following vesting, of the Performance Rights.

- d. The Performance Rights will be issued in accordance with the terms of the Plan (a summary of which was set out in the Company's 2018 notice of annual general meeting). The key terms of the Performance Rights (including applicable Performance Criteria) are also summarised above.
- e. Since 23 November 2018 (the date the Plan was last approved by members):
 - i. Mr Carstens has been issued 2,806,452 Performance Rights under the Plan. These grants were approved by members at the Company's 2018 annual general meeting and the Performance Rights were issued for nil cash consideration. These Performance Rights remain on foot and subject to vesting in accordance with their terms of issue (which will be tested as at the end of their 3 year Performance Period, being 30 September 2021).
 - ii. Mr Bwye has been issued 2,806,452 Performance Rights under the Plan. These grants were approved by members at the Company's 2018 annual general meeting and the Performance Rights were issued for nil cash consideration. These Performance Rights remain on foot and subject to vesting in accordance with their terms of issue (which will be tested as at the end of their 3 year Performance Period, being 30 September 2021).
 - iii. No other person of the kind referred to in ASX Listing Rule 10.14 has been issued securities under the Plan since it was last approved by members at the Company's 2018 annual general meeting.
- f. Mr Carstens and Mr Bwye are the only persons of the kind referred to in ASX Listing Rule 10.14 who are entitled to participate in the Plan. Any future grants to Directors under the Plan will remain subject to member approval under ASX Listing Rule 10.14.
- g. No loans will be advanced to Mr Carstens or Mr Bwye in respect of the acquisition of the Performance Rights.
- h. Should Items 4 and/or 5 be approved by members, the relevant Performance Rights will be granted to Mr Carstens and/or Mr Bwye, respectively, as soon as possible after the date of the Annual General Meeting and in any event within 12 months of the date of the Annual General Meeting.

Directors' recommendation on Items 4 and 5

Subject to below, the Directors recommend that members vote in **favour** of Items 4 and 5.

Mr Carstens and Mr Bwye do not make a recommendation in relation to Item 4 and Item 5 given their respective interest in the outcome of Items 4 and 5.

Schedule:

Terms and abbreviations

| Definition | Meaning |
|-----------------------------------|---|
| Annual General Meeting or Meeting | The annual general meeting of the Company notified to members by this Notice. |
| ASX | ASX Limited (ABN 98 008 624 691) or the financial market conducted by it (the Australian Securities Exchange), as the context requires. |
| ASX Listing Rules | The official listing rules of ASX, as from time to time amended or waived in their application to a party. |
| Board | The board of Directors. |
| Chair | The Chair of the Annual General Meeting appointed in accordance with the Company's constitution. |
| closely related party | Closely related party of a member of the key management personnel means: <ul style="list-style-type: none">• a spouse or child of the member;• a child of the member's spouse;• a dependant of the member or of the member's spouse;• anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;• a company that the member controls; or• a person prescribed by the Corporations Regulations 2001 (Cth). |
| Company | Base Resources Limited (ABN 88 125 546 910). |
| <i>Corporations Act</i> | <i>Corporations Act 2001 (Cth).</i> |
| Director | A director of the Company. |

| Definition | Meaning |
|---------------------------------|---|
| Explanatory Memorandum | The explanatory memorandum enclosed with and forming part of this Notice. |
| Items | The items of business referred to in this Notice, and Item means any of the items of business referred to in this Notice (as the context requires). |
| key management personnel or KMP | Has the same meaning as in the accounting standards. The term broadly includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Director. |
| Notice | This notice of Annual General Meeting incorporating the Explanatory Memorandum and the Proxy Form. |
| Performance Rights | Performance rights issued in accordance with the Rules of the Company's Long Term Incentive Plan, as applies from time to time. |
| Proxy Form | The proxy form enclosed with and forming part of this Notice. |
| Remuneration Report | Has the meaning given to this term by the <i>Corporations Act</i> . |
| Shares | Fully paid ordinary shares in the Company. |

Notes

These Notes form part of the Notice of Annual General Meeting.

Right to vote

The Directors have determined that, for the purpose of voting at the Meeting, the members entitled to vote are those persons who are registered holders of Shares at 4.00pm (Perth time) on 20 November 2019.

Chair's voting intention

The Chair of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in favour of all Items.

Voting prohibitions application to KMP

KMP and their closely related parties are prohibited under the *Corporations Act* from voting in a manner contrary to the voting exclusions for Items 1, 4 and 5 described in the section "Voting Prohibitions and Exclusions" in the Notice.

Appointment of proxies

Each member entitled to vote at the Meeting may appoint a proxy to attend and vote at the Meeting. A proxy need not be a member and can be an individual or a body corporate. A member entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

A body corporate appointed as a member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The appointment must comply with section 250D of the *Corporations Act*. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Sections 250BB and 250BC of the *Corporations Act* apply to voting by proxy. Members and their proxies should be aware of these provisions of the *Corporations Act*. Generally, these sections provide that:

- a. if proxy holders vote, they must cast all directed proxies as directed; and
- b. any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

If the proxy has two or more appointments that specify different ways to vote on an Item, the proxy must not vote on a show of hands.

Proxies on Items 1, 4 and 5

If you appoint the Chair as your proxy (or the Chair is appointed by default) and you do not complete any of the boxes "For", "Against" or "Abstain" opposite Items 1, 4 or 5 on the Proxy Form, **you will be expressly authorising** the Chair to vote on the relevant Item in accordance with the Chair's stated voting intention, even though the Item is connected directly or indirectly with remuneration of a member of KMP. The Chair intends to vote (where appropriately authorised) all available undirected proxies **in favour** of all Items.

If you appoint the Chair as your proxy and wish to direct him how to vote, you can do so by marking the boxes for the relevant Item (ie by directing him to vote "For", "Against" or "Abstain").

If you appoint a member of KMP (other than the Chair) or any closely related party of a member of KMP as your proxy, you must direct that person how to vote on Items 1, 4 or 5 if you want your Shares to be voted on those Items. If you appoint a member of KMP or any closely related party of a member of KMP and you do not direct them how to vote on Items 1, 4 or 5, such a person will not cast your votes on the that Item and your votes will not be counted in calculating the required majority if a poll is called on that Item.

Lodgement of proxy documents

For an appointment of a proxy for the Meeting to be effective:

- a. the proxy's appointment; and
 - b. if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it,
- must be received by the Company at least 48 hours before the start of the Meeting. Proxy appointments received after this time will be invalid for the Meeting.

The following methods are specified for the purposes of receipt of proxies:

Online

investorvote.com.au

By mobile

Scan the QR Code on your proxy form and follow the prompts

Custodian voting

Intermediary Online subscribers only
(custodians) intermediaryonline.com

By mail

Computershare Investor
Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001, Australia

By fax

1800 783 447 (in Australia)
+61 3 9473 2555 (outside Australia)

Bodies corporate

A body corporate, which is a member, may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment must comply with section 250D of the *Corporations Act*. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

United Kingdom (CREST voting instruction)

Depository Interest holders in CREST (**DI Holders**) may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (**CREST Voting Instruction**) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available at www.euroclear.com/CREST).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (Computershare UK) no later than 15 November 2019 at 10.30am (GMT). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. DI Holders in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the DI Holder concerned to take (or, if the DI Holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time.

DI Holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Form of instruction

DI Holders are invited to attend the Meeting but are not entitled to vote at the Meeting. In order to have votes cast at the Meeting on their behalf, DI Holders must complete, sign and return the Forms of Instruction sent to them together with this Notice to the Company's agent, Computershare UK, by no later than 15 November 2019 at 10.30am (GMT).



Base Resources Limited
Notice of Annual General Meeting 2019

50 Kings Park Rd
West Perth WA 6005

+61 8 9413 7400
baseresources.com.au

ABN 88 125 546 910



**BASE
RESOURCES**

ABN 88 125 546 910

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.30am (Perth time) Wednesday, 20 November 2019.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 132973

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Base Resources Limited hereby appoint

the Chair of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Base Resources Limited to be held at Quest West Perth, 54 Kings Park Road, West Perth, Western Australia on Friday, 22 November 2019 at 10.30am (Perth time) and at any adjournment or postponement of that meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Items 1, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

Important Note: If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Items 1, 4 and 5 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

| | For | Against | Abstain |
|--|--------------------------|--------------------------|--------------------------|
| 1 Adoption of the Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Re-election of Mr Malcolm Macpherson as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Re-election of Mr Colin Bwye as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Approval of the grant of Performance Rights to Mr Tim Carstens | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Approval of the grant of Performance Rights to Mr Colin Bwye | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any item, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

