



BASE RESOURCES LTD

Right sector. Right project. Right time.

Statements



Forward Looking Statements

Certain statements made during or in connection with this presentation contain or comprise forward looking statements regarding the capital cost, production and financial performance of the Kwale Project. Although Base believes the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in product prices and exchange rates and business and operational risk management. Base undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Attribution Statement

Information in this presentation that relates to a JORC compliant mineral resource carried out in 2001 at the Kwale Project is based on information and opinion compiled by Dr Alwyn Annels. Dr Annels is a Fellow of the UK Institute of Materials, Minerals and Mining and is a Competent Person for the purposes of the JORC Code. Dr Annels was at that time, an employee of SRK (UK) Limited and consents to the inclusion in the announcement of the information based on his work in the form and context in which it appears on the basis that the resources have not changed since his 2001 information.

SRK has also consented to the publication of this attribution statement on the basis that the resources and modifying factors have not changed since its last review for Lenders in 2006/2007 which used essentially the same resources as were reviewed in 2001.

Base Resources Limited



A snapshot.

- West Perth based.
- ASX listed with code **BSE**.
- An \$8 million capital raising in June at \$0.09 per share.
- A quality share register.

<i>Substantial Shareholders</i>	<i>Interest</i>
Asian Investment Management Services Ltd	19.97%
RMB Resources Ltd	17.15%
Seaspin Pty Ltd	8.57%
Polaris Capital Ltd	5.02%
Alwaha Fund Ltd	5.02%
<i>Total interest of Substantial Shareholders</i>	<i>55.72%</i>
<i>Total interest of top 10 shareholders</i>	<i>73.78%</i>

- At \$0.18 per share and market capitalisation of \$23 million.....still a little under recognised.

The Kwale Opportunity



A “World Class” advanced project well positioned to capitalise on a forecast sustained opportunity in the mineral sands market.

Right sector.

- “Late take-off” minerals with demand driven by urbanisation and wealth.
- A forecast emergence of supply shortfall by 2013.
- Creating upward pressure on prices to motivate sufficient supply.

Right project.

- Large scale, robust and highly competitive with a quality product suite.
- Well supported by existing infrastructure.
- Motivated Government of Kenya that is prepared to play its role.

Right time.

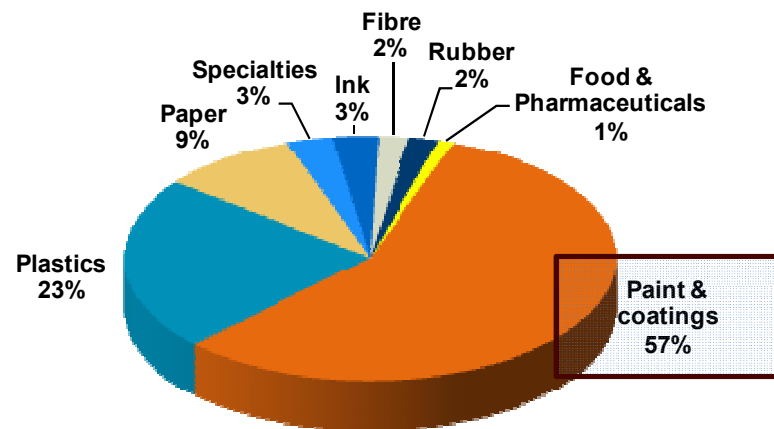
- 15 years and US\$60 million invested – fully permitted, studied and can be in production in 2013.
- Increasing equity markets recognition of the sector’s potential.
- Pigment industry strategic “musical chairs” in response to impending shortfall.

Mineral Sands.....

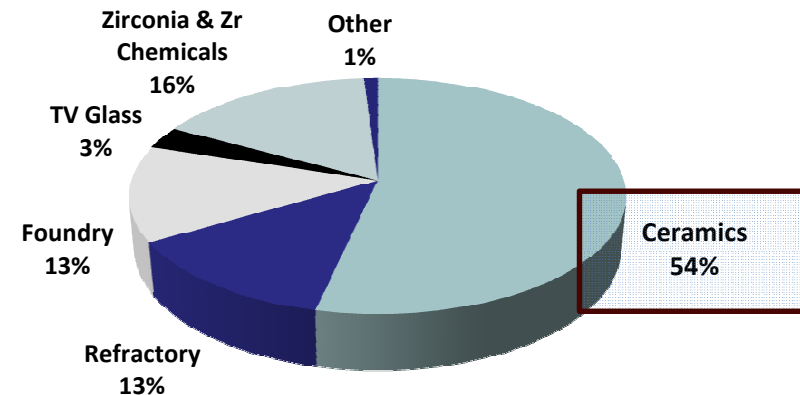


Ilmenite, rutile and zircon are essentially “lifestyle products” by virtue of their dominant end-uses.

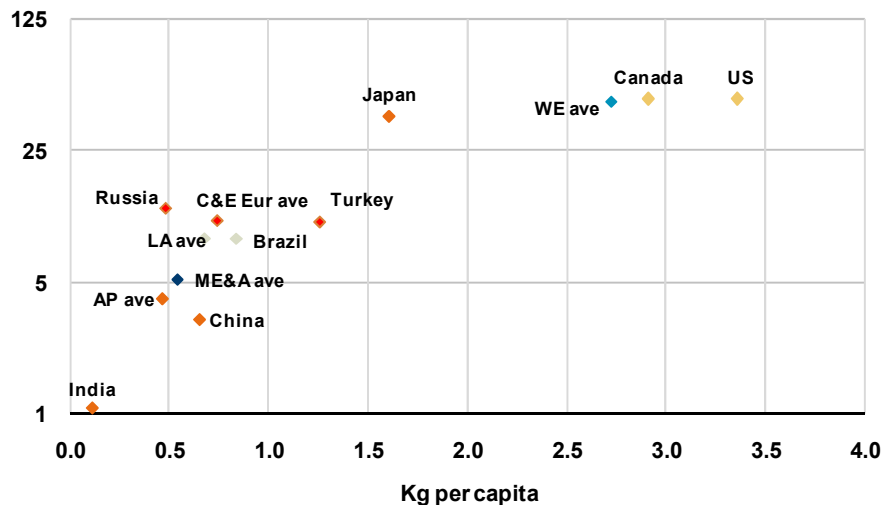
TiO₂ pigment Consumption (2009)



Zircon Consumption (2009)



GDP US\$'000 per capita



- Consumption intensifies with income levels.
- China is the new driver of world demand growth.

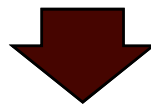
.....a supply side story.



TZMI forecast supply deficits in all 3 products from around 2013 when Kwale can come into production.

Why?

- Projected demand growth at around 3% per annum is the continuation of a long term trend.....with China now the engine.
- Depletion of existing supply is the driver of the forecast deficits.
- Historical prices have not induced the development of sufficient new sources.....has to change.
- Identified likely new production still insufficient long term.



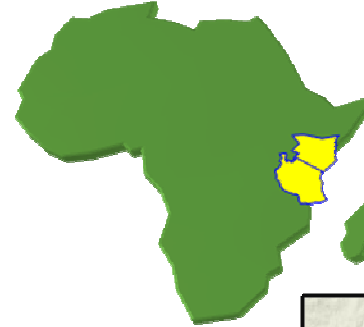
“In terms of zircon, we are unable, as the largest zircon supplier in the industry, to meet customer requirements in full.and we know they are unable to have these requirements met from other sources”.

David Robb (Iluka MD) – Aug 2010

Enter Kwale.....



The Kwale Project is focused on the Central and South dunes only. Vast additional resources provide a range expansion options.

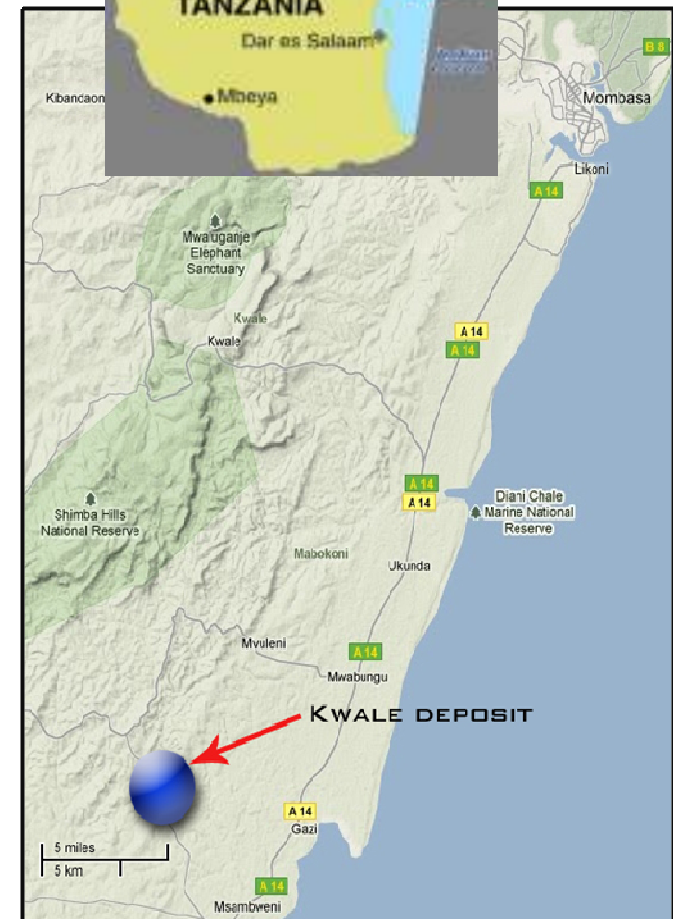


Kwale Project.

<i>Dune</i>	<i>Classification</i>	<i>tonnes x 10⁶</i>	<i>THM (%)</i>	<i>Ilmenite (%)</i>	<i>Rutile (%)</i>	<i>Zircon (%)</i>	<i>tonnes HMC x 10⁶</i>
Central	Measured	38.51	6.79	3.95	0.90	0.50	2.61
Central	Indicated	30.24	4.54	2.47	0.63	0.32	1.37
South	Indicated	70.1	3.5	1.4	0.4	0.2	2.45
North**	Indicated	116.0	2.1	1.0	0.2	0.1	2.44
All	Total	255.0	3.48	1.73	0.41	0.21	8.87

Extension Projects.

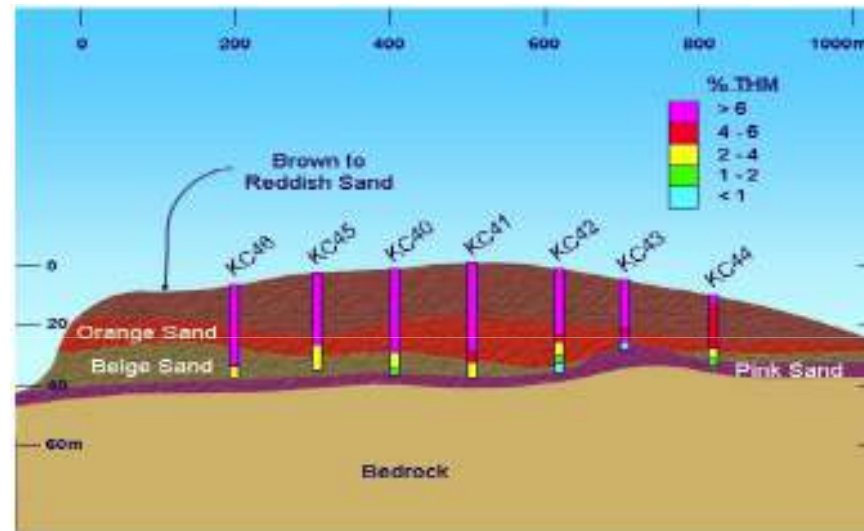
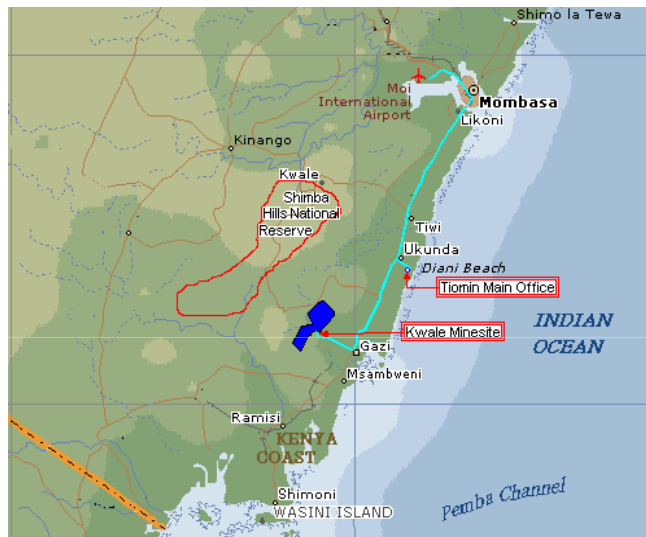
<i>Dune</i>	<i>Classification</i>	<i>tonnes x 10⁶</i>	<i>THM (%)</i>	<i>tonnes HMC x 10⁶</i>
Kilifi	Indicated	809.7	3.20	25.9
Kilifi	Inferred	148.4	3.40	5.0
Mambrui	Indicated	301.4	5.10	15.4
Mambrui	Inferred	129.3	4.80	6.2
All	Total	1,338.8	3.80	52.5



...a relatively simple project technically.....



The DFS supports a straight forward conventional process. Two pilot plant operations have reduced risk and demonstrate a high quality product suite.

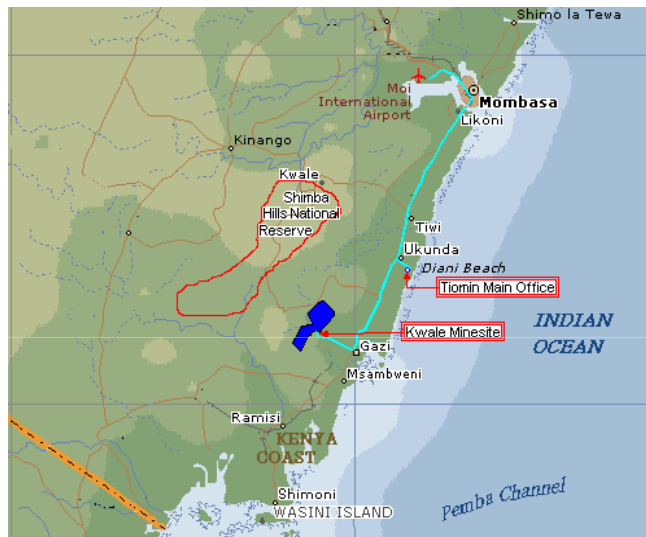


- Dunes are effectively a naturally occurring stockpile.
- Amenable to a low-cost continuous mining technique.
 - Bucket wheel excavator contemplated in DFS.
- Processing is via conventional mineral sands separation techniques. Slimes handling is the principal challenge.
- Products are highly saleable, with rutile and zircon of “premium” quality.

.....ideally located.



50 kms from a 1st world port and well supported by existing physical and social infrastructure.



Competitive positioning



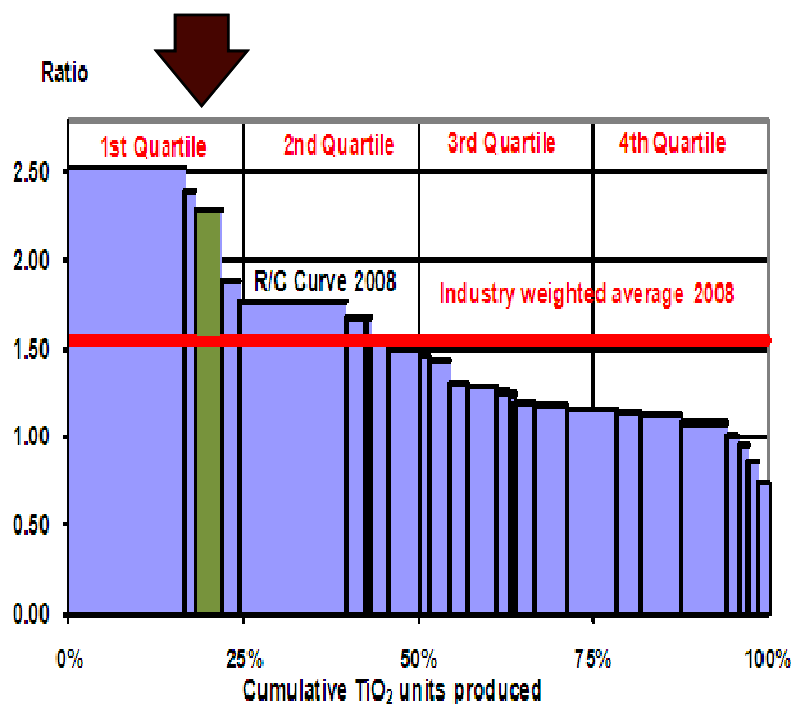
“World class” project in top quartile of producers on Revenue:Cash Costs.

A project of scale

US\$180 million development capex.

US\$577 million post tax operating cashflow.

NPV₁₀ of US\$136 million.



* Based on DFS as reviewed and published TZMI price forecasts

Keys drivers are:

- Relatively strong grade - 4.6% TVHM
- High value mineral assemblage

	By volume	By revenue
Zircon	9%	33%
Rutile	18%	40%
Ilmenite	73%	27%

- Scale *(Average annual production)*

	First 6 years	Last 5 years
Zircon	36kt	25kt
Rutile	80kt	52kt
Ilmenite	330kt	190kt

- Very low stripping ratio – <0.1:1

The current state of play



Permitted, supported by government and prior impediments to development resolved. DFS update and US\$200m financing to go....

Project.

- All material licences and permits required for development are in place.
- Full DFS completed and last updated in 2006 – extensively audited and previously banked.
- Environmental Impact Assessment completed and approved.

Government.

- Seeking to develop a mining industry with Australia as the model.
- Recognises Kwale as a project of national significance.
- Sees the opportunity to establish a model for effective mining investment in Kenya.

Community.

- NGO activity and land title disputes previously slowed and derailed development.
- Farmers have now been resettled, compensated and the SML is clear.
- Project now enjoys broad and active community support (tinged with a little impatience).

Development financing



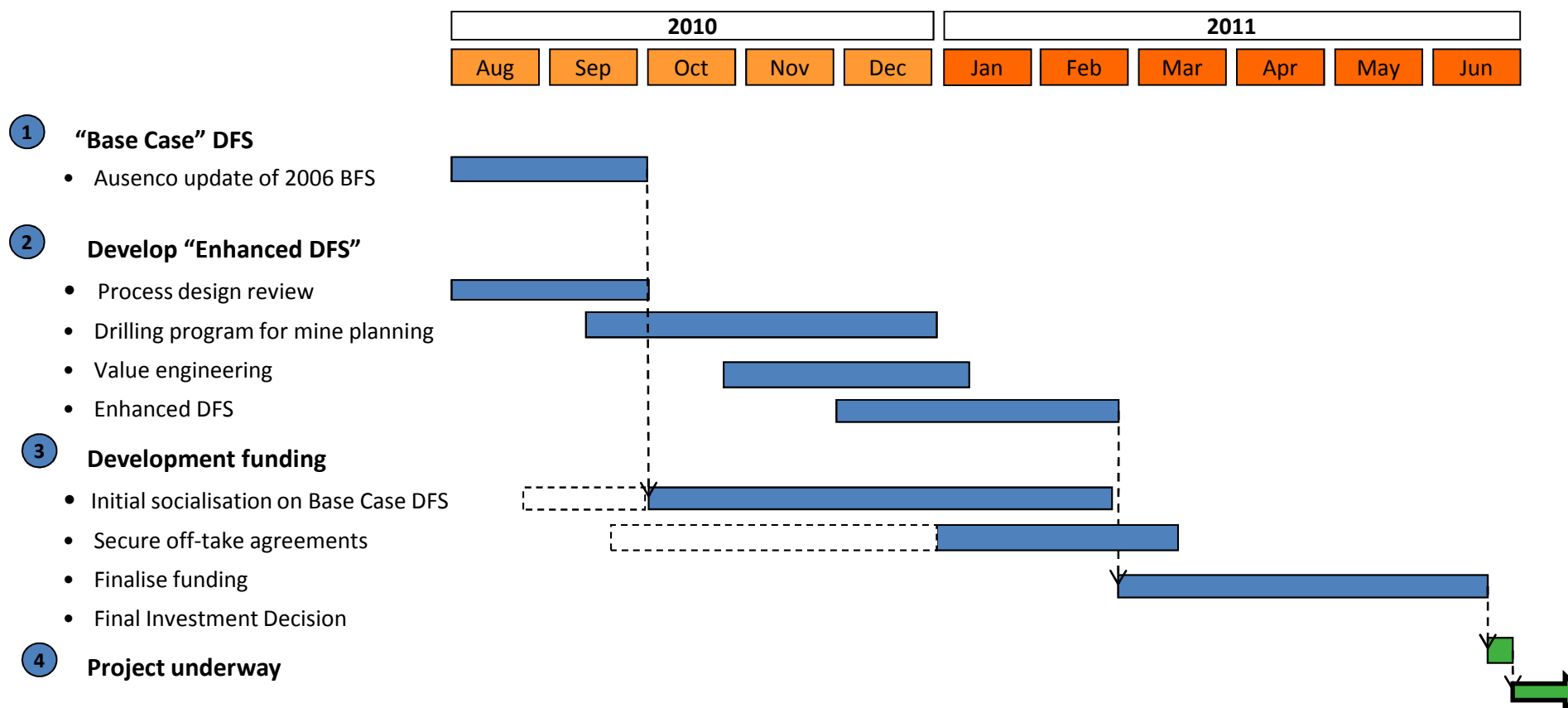
Three finance streams are under review - prospects are encouraging. Final funding expected to comprise a blend to optimise equity value.

INDUSTRY	DEBT	EQUITY
<i>Mineral sands market fundamentals driving strategic imperative for consumers to secure supply.</i> 	<i>US\$150 million debt financing secured by Tiomin in 2006.</i> 	<i>Increasing equity market interest in the sector with mineral sands producers experiencing positive re-ratings.</i> 
• JV presents opportunity to monetise project value. • Previous Jinchuan agreement at US\$200m for 70%: • implies US\$85 million for carried interest. • terminated in Oct 2009. • Discussions are underway.	• Syndicate comprised of Standard Chartered, WestLB, Cat Finance and African Development Bank. • EFIC provided political risk insurance. • Outlook for mineral sands has improved dramatically but credit markets have tightened.	• Iluka up 70% in 6 months. • Increase in broker sector analysis. • The March 2010 US\$270m raising by Kenmare Resources plc for the Moma project indicates international appetite.

A busy 12 months ahead.....



Base is working towards the rapid development of the Kwale Project with a plan for first production in early 2013.



www.baseresources.com.au



Right sector.
Right project.
Right time.

