
BASE RESOURCES LIMITED**ACN 125 546 910****NOTICE OF ANNUAL GENERAL MEETING**

TIME: 10.30 am (WST)

DATE: 25 November 2010

PLACE: First Generation Tennis Club
21 Kings Park Road
WEST PERTH WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 3) 9602 4133.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.30 am (WST) on 25 November 2010 at:

First Generation Tennis Club
21 Kings Park Road
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Base Resources Limited, PO Box 928, West Perth WA BC 6872; or
- (b) facsimile to the Company on facsimile number (+61 8) 9322 8912; or
- (c) email to the Company Secretary at winton@baseresources.com.au,

so that it is received not later than 10.30am (WST) on 23 November 2010.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 10.30 am (WST) on 25 November 2010 at First Generation Tennis Club, 21 Kings Park Road, West Perth, Western Australia.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7.00pm (Sydney time) on 23 November 2010.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2010."

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – COLIN BWYE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 12.17.1 of the Constitution and for all other purposes, Colin Bwye, a Director who was appointed on 12 July 2010, retires, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – WINTON WILLESEE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 12.11 of the Constitution and for all other purposes, Winton Willesee, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 4 – APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 327B of the Corporations Act 2001 (Cth) and for all other purposes, KPMG, having been nominated by a shareholder and consented in writing to act in the capacity of auditor, be appointed as auditor of the Company."

DATED: 11 OCTOBER 2010

BY ORDER OF THE BOARD



**WINTON WILLESEE
DIRECTOR AND COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.30 am (WST) on 25 November 2010 at First Generation Tennis Club, 21 Kings Park Road, West Perth, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is on its website at www.baseresources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that, at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2010.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – COLIN BWYE

Clause 12.17.1 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Colin Bwye will retire in accordance with clause 12.17.1 of the Constitution and being eligible seeks re-election.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – WINTON WILLESEE

Clause 12.11 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except

a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 12.11 of the Constitution is eligible for re-election.

The Company currently has 5 Directors and, as Mr Colin Bwye is retiring and seeking re-election pursuant to Resolution 2, an additional Director must retire.

Winton Willesee retires by rotation and seeks re-election.

5. RESOLUTION 4 – APPOINTMENT OF AUDITOR

In the context of the changing scale and requirements of the Company and its operations in Kenya, the Company has reviewed its audit requirements and now wishes to appoint KPMG as the auditor to the Company.

By agreement with the Company, Bentleys Audit & Corporate (WA) Pty Ltd (**Bentleys**), who are the Company's current auditors, have given notice of their intention to resign as auditor of the Company (under section 329(5) of the Corporations Act) subject to receipt of the consent of the Australian Securities & Investments Commission (ASIC) and Shareholder approval of this Resolution 4 for the appointment of KPMG as auditor.

Subject to the ASIC consenting to the resignation of Bentleys, and Bentleys submitting a resignation to the Company, it is proposed that the Company appoint KPMG as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder for KPMG to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

KPMG has given its written consent to act as the Company's auditor subject to Shareholder approval of this Resolution 4.

If Resolution 4 is passed, the appointment of KPMG as the Company's auditor will take effect at the close of this Annual General Meeting.

6. ENQUIRIES

Shareholders are requested to contact the Company Secretary Winton Willesee on (+61 3) 9602 4133 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Base Resources Limited (ACN 125 546 910).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

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PROXY FORM

**APPOINTMENT OF PROXY
BASE RESOURCES LIMITED
ACN 125 546 910**

ANNUAL GENERAL MEETING

I/We

of

being a member of Base Resources Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at 10.30 am (WST), on 25 November 2010 at First Generation Tennis Club, 21 Kings Park Road, West Perth, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

Voting on Business of the Annual General Meeting

Resolution 1 – Adoption of remuneration report
Resolution 2 – Re-election of Director – Colin Bwyne
Resolution 3 – Re-election of Director – Winton Willesee
Resolution 4 – Appointment of Auditor

FOR	AGAINST	ABSTAIN
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

BASE RESOURCES LIMITED
ACN 125 546 910

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Base Resources Limited, PO Box 928, WEST PERTH WA BC 6872; or
 - (b) facsimile to the Company on facsimile number +61 8 9322 8912; or
 - (c) email to the Company Secretary at winton@baseresources.com.au,so that it is received not later than 10.30 am (WST) on 23 November 2010.

Proxy forms received later than this time will be invalid.

ANNEXURE A – NOMINATION OF AUDITOR

Azalea Family Holdings Pty Ltd
P.O. Box 3322
Broadway
Nedlands WA 6009

11 October 2010

The Board of Directors
Base Resources Limited
50 Kings Park Road
West Perth WA 6005

Dear Sirs

NOMINATION OF KPMG AS COMPANY AUDITOR

Azalea Family Holdings Pty Ltd, being a shareholder of Base Resources Limited, hereby nominates KPMG of 235 St Georges Terrace, Perth, for appointment as auditor of Base Resources Limited at its 2010 Annual General Meeting.

We consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement for the 2010 Annual General Meeting of Base Resources Limited as required by section 328B (3) of the Corporations Act 2001.

Yours sincerely



Winton Willesee
Director

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