



BASE RESOURCES LTD

Right sector. Right project. Right time.

Annual General Meeting
25 November 2010

Base Resources Limited



A snapshot.

- Secured the Kwale Project in February.
- \$8 million capital raising in July at \$0.09 per share.
- Completed the acquisition at the end of July
- A quality share register.

Substantial Shareholders

	<i>Interest</i>
RMB Resources Ltd	17.1%
Asian Investment Management Services Ltd	13.7%
Seaspin Pty Ltd	5.7%
Alwaha Fund Ltd	5.0%

Total interest of Substantial Shareholders ***41.5%***

Total interest of top 10 shareholders ***Approx 65-70%***



- At \$0.35 per share and market capitalisation of \$45 million.....starting to get some recognition.

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.
- A motivated Government of Kenya that is prepared to play its role.

Right time.

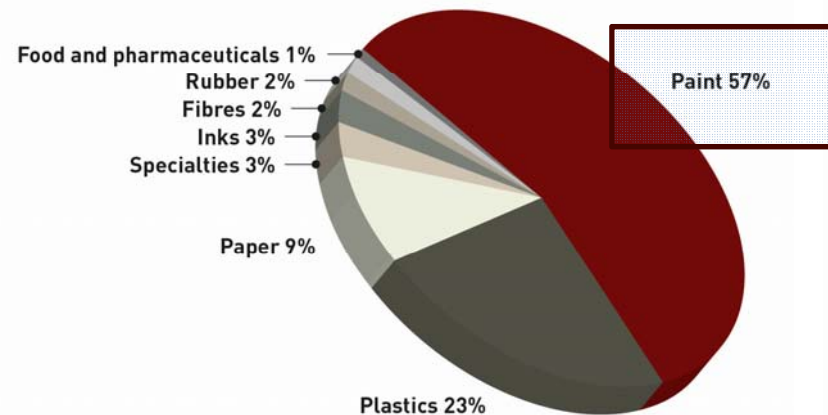
- 15 years and US\$60+ million invested – fully permitted, studied and can be in production in 2013.
- Pigment industry strategic “musical chairs” in response to impending shortfall.
- Increasing equity markets recognition of the sector’s potential.

Mineral Sands.....

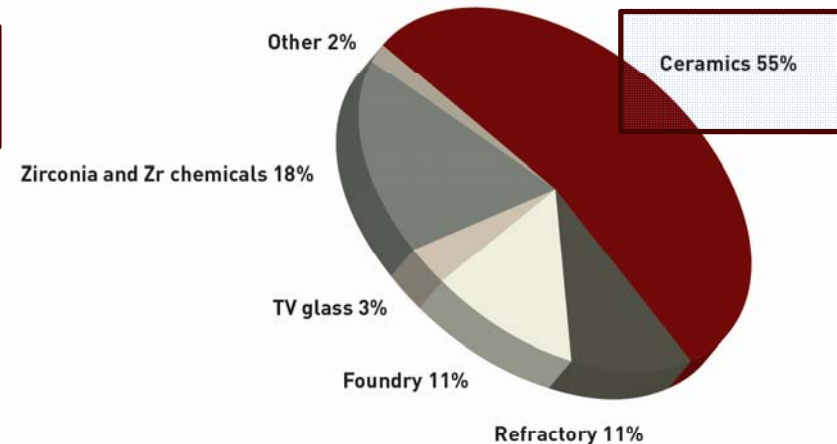


Ilmenite, rutile and zircon are essentially “lifestyle products” by virtue of their dominant end-uses.

TiO₂ PIGMENT CONSUMPTION 2009

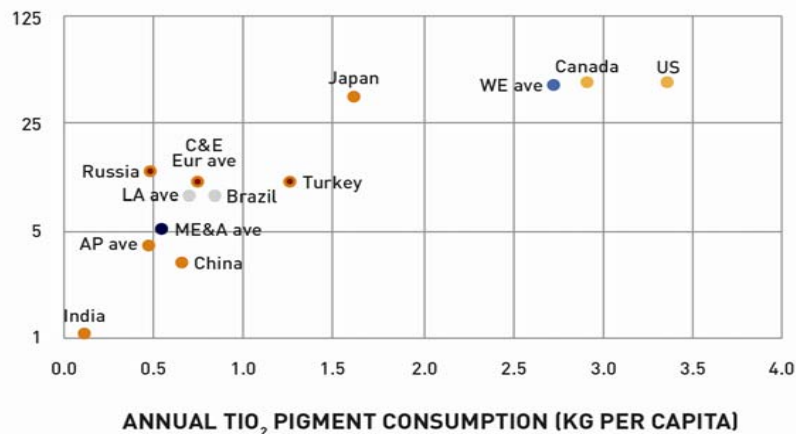


ZIRCON CONSUMPTION 2009



Source: TZMI

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 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”.

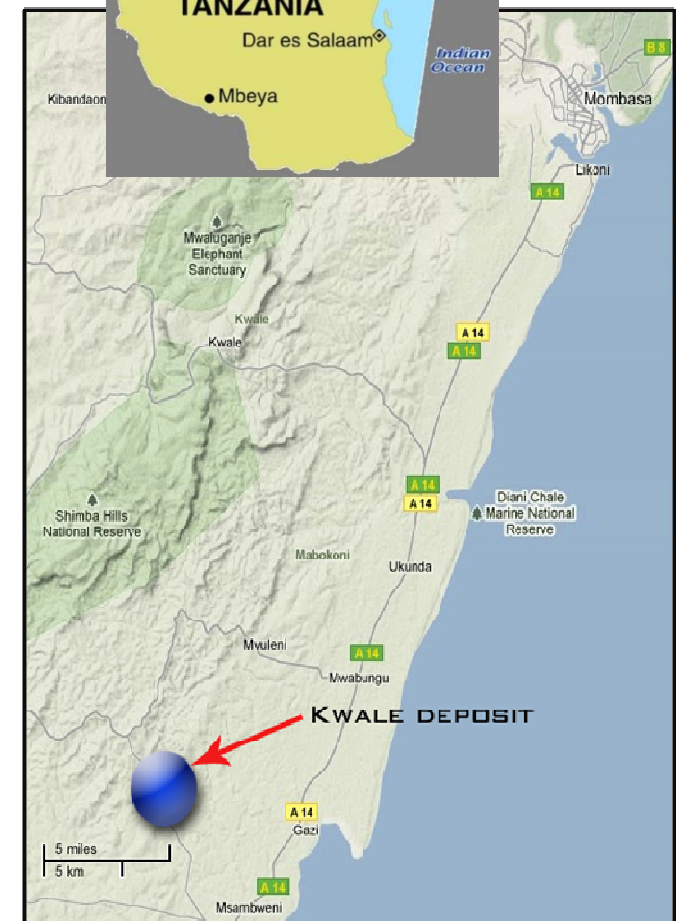
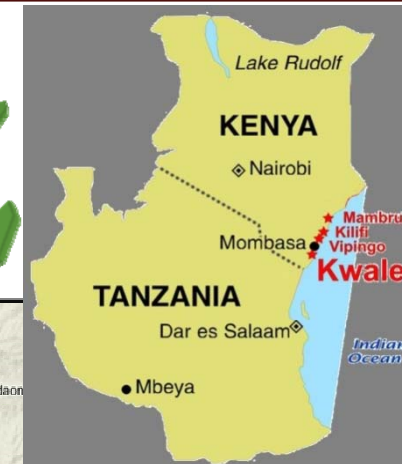
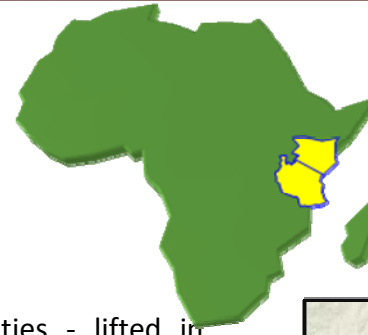
David Robb (Iluka MD) – Aug 2010

A project with history.....



Previous impediments to development have now been cleared.

- 1995–7** Project areas identified and exploration licenses secured.
- 2000** First feasibility study completed.
- 2001** Court injunction granted to landowners halted all activities - lifted in 2002.
- 2002–5** EIA approved and environmental license issued.
Environmental management plan approved.
Pilot plant constructed and design criteria confirmed for DFS.
Special Mining Lease issued.
Fiscal Investment Agreement with Government of Kenya signed.
- 2006** US\$50m in equity raised and US\$155m project debt facilities established, contractors appointed, construction commenced.
- 2007** Project halted pending resolution of resettlement and compensation disputes - all land compensation matters settled and relocation completed.
- 2008-9** Jinchuan provisionally agreed to provide US\$200m for a 70% project interest.
Terminated by Jinchuan in October 2009 for reasons undisclosed.
- 2010** In February, Base signed a heads of agreement to acquire the Kwale Project and exploration projects further to the north.
Government approval secured.
All licences and permits transferred.
Acquisition completed 30 July.

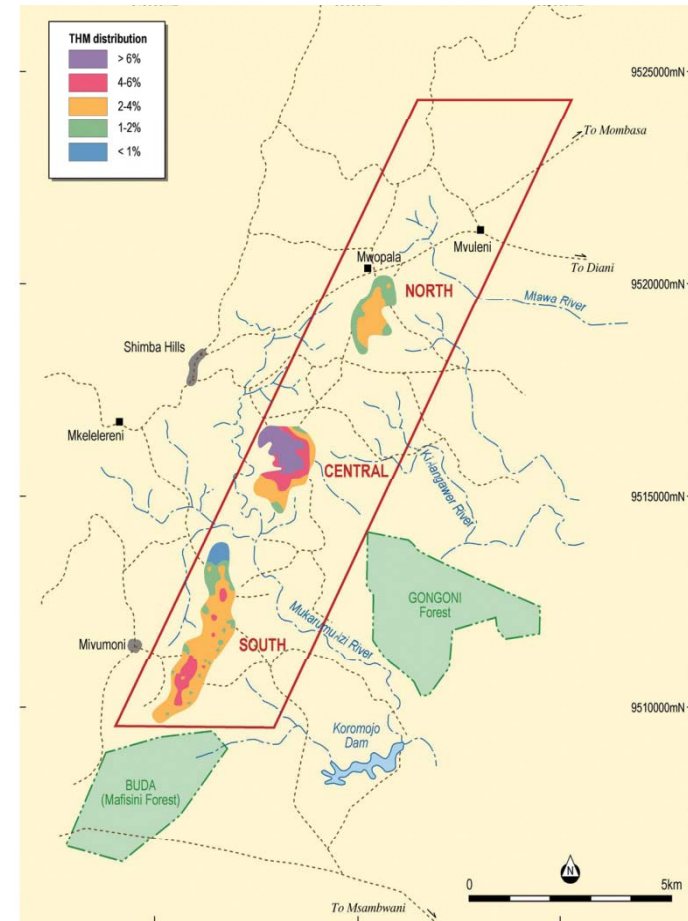


....but a quality resource base.



The “Kwale Project” is focused on the Central and South dunes only.

<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



The right project.



Kwale is large scale, technically relatively straightforward and supported by well developed physical and social infrastructure.



A quality product suite.



Two pilot plant operations and extensive test work give good definition to products.

Ilmenite

- Suitable for sulphate route TiO_2 pigment manufacture as well as both chloride and sulphate slag production.
- Relatively low grade at 48.5%.
- Impurity profile is favourable - particularly radionuclide (< 35ppm) and chromium (0.05%).

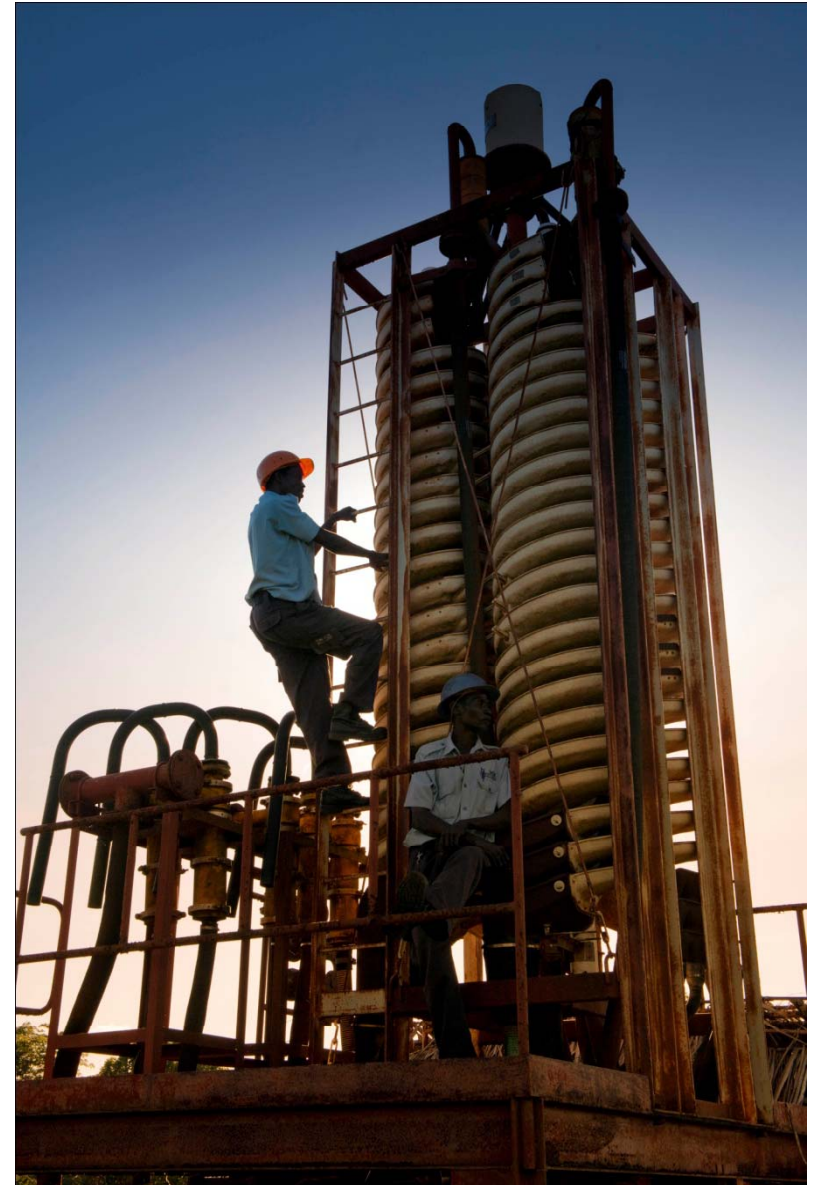
Rutile

- Meets the specification for “premium” grade, with exception of slightly higher Fe_2O_3 .
- Impurity profile is generally favourable, particularly radionuclide (~45ppm).

Zircon

- Premium quality and suitable for ceramic applications.
- Radionuclide levels (330ppm) are amongst the lowest in the industry.

All production is currently uncommitted.



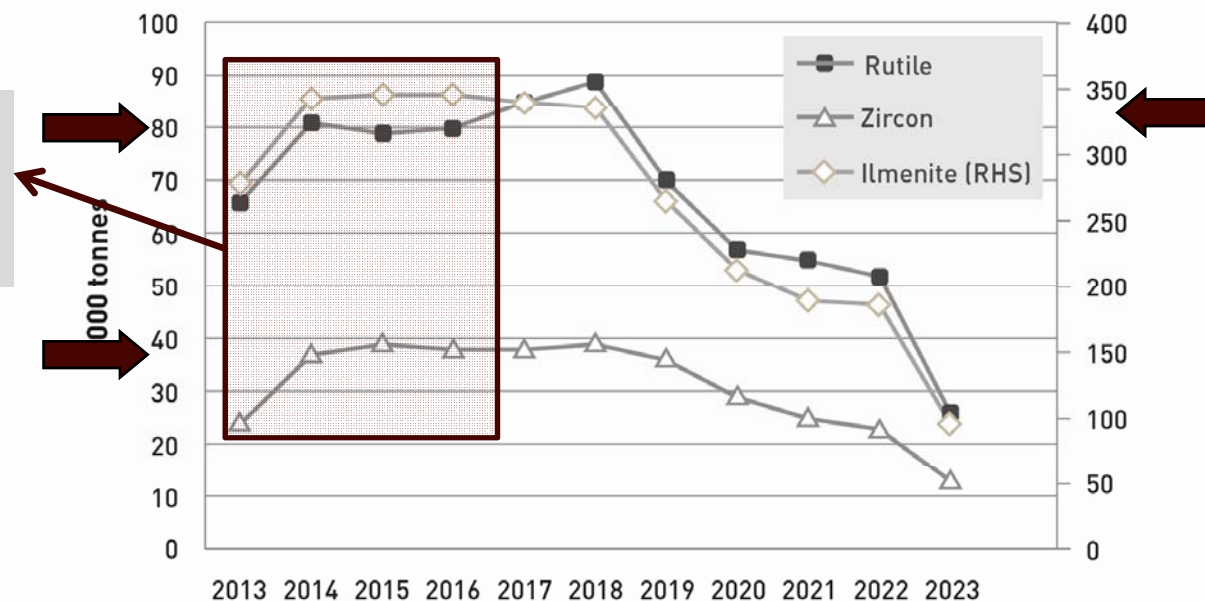
Production profile.



A globally significant producer but effectively a project of two halves over an initial 11 year mine life.

PROJECTED PRODUCTION PROFILE

Starting in the higher grade
Central Dune at an average
mining rate of around
9mtpa....

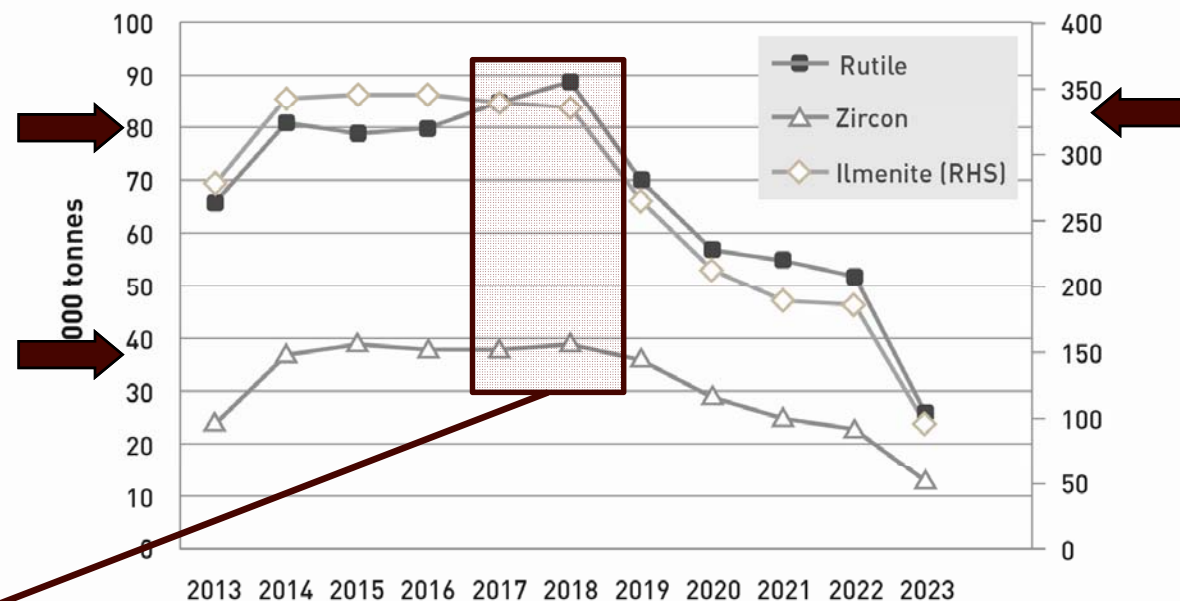


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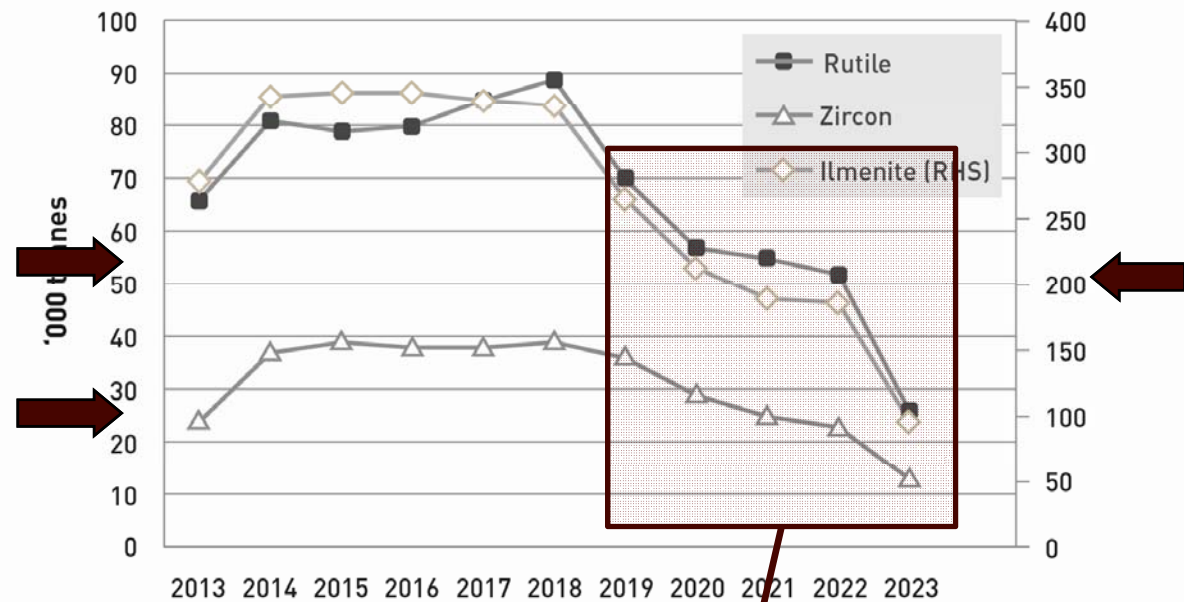
....increasing mining rate to 12.5mtpa as the grade declines....

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PROJECTED PRODUCTION PROFILE



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....increasing mining rate to 12.5mtpa as the grade declines....

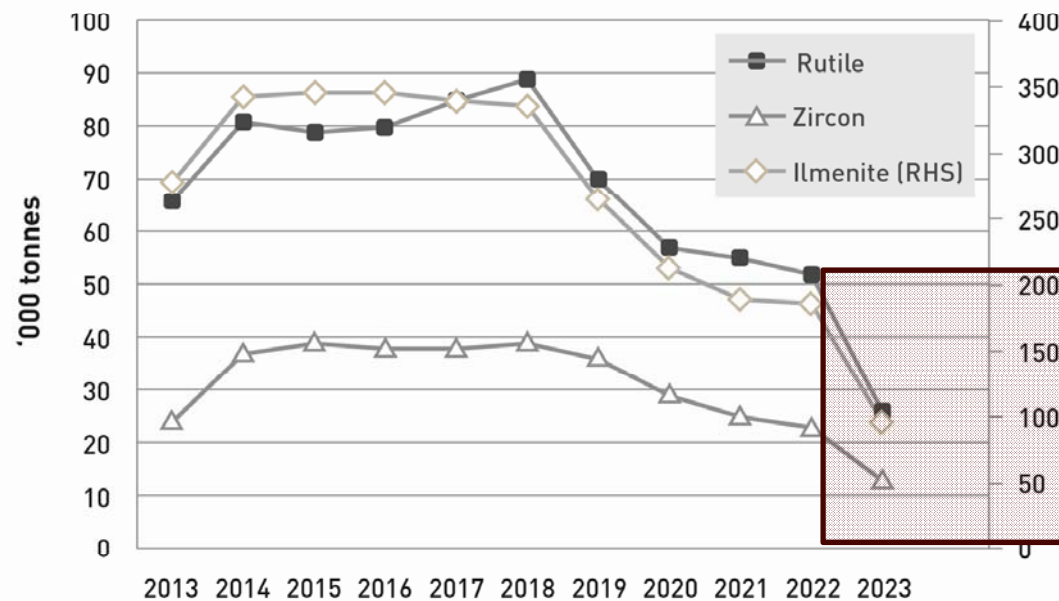
....before the move to the lower grade **South Dune** in year 7.

A key to unlock 30+ year potential.



Kwale has extension potential and provides the capital base, cash flow and model of operation to develop the Kilifi and Mambrui projects.

PROJECTED PRODUCTION PROFILE



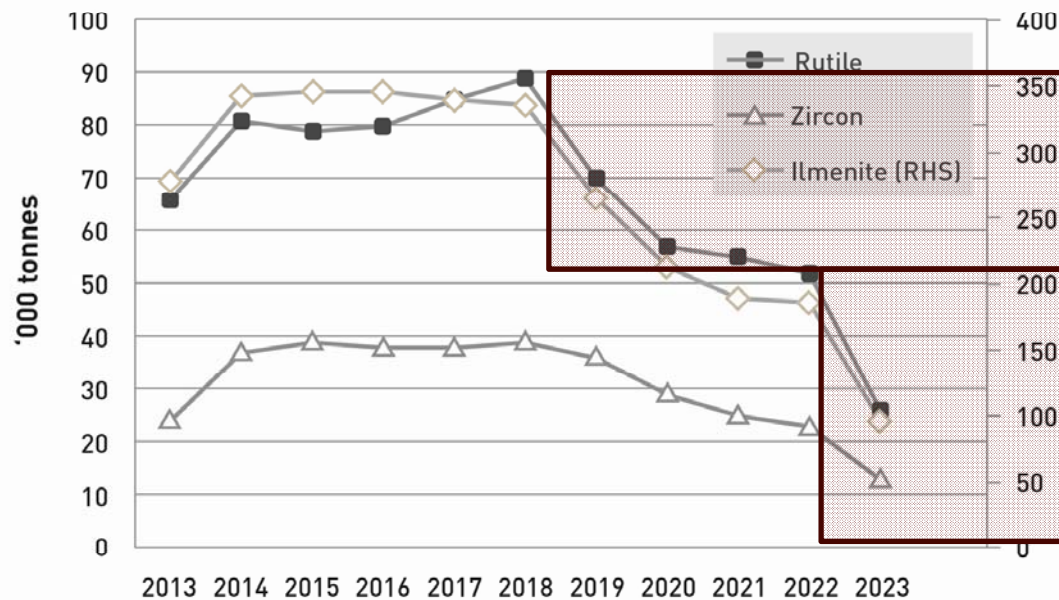
An increase in reserve tonnes may add 1-3 years.....

A key to unlock 30+ year potential.



Kwale has extension potential and provides the capital base, cash flow and model of operation to develop the Kilifi and Mambrui projects.

PROJECTED PRODUCTION PROFILE



....forecast higher prices present opportunity to introduce the North Dune to Kwale....



An increase in reserve tonnes may add 1-3 years.....

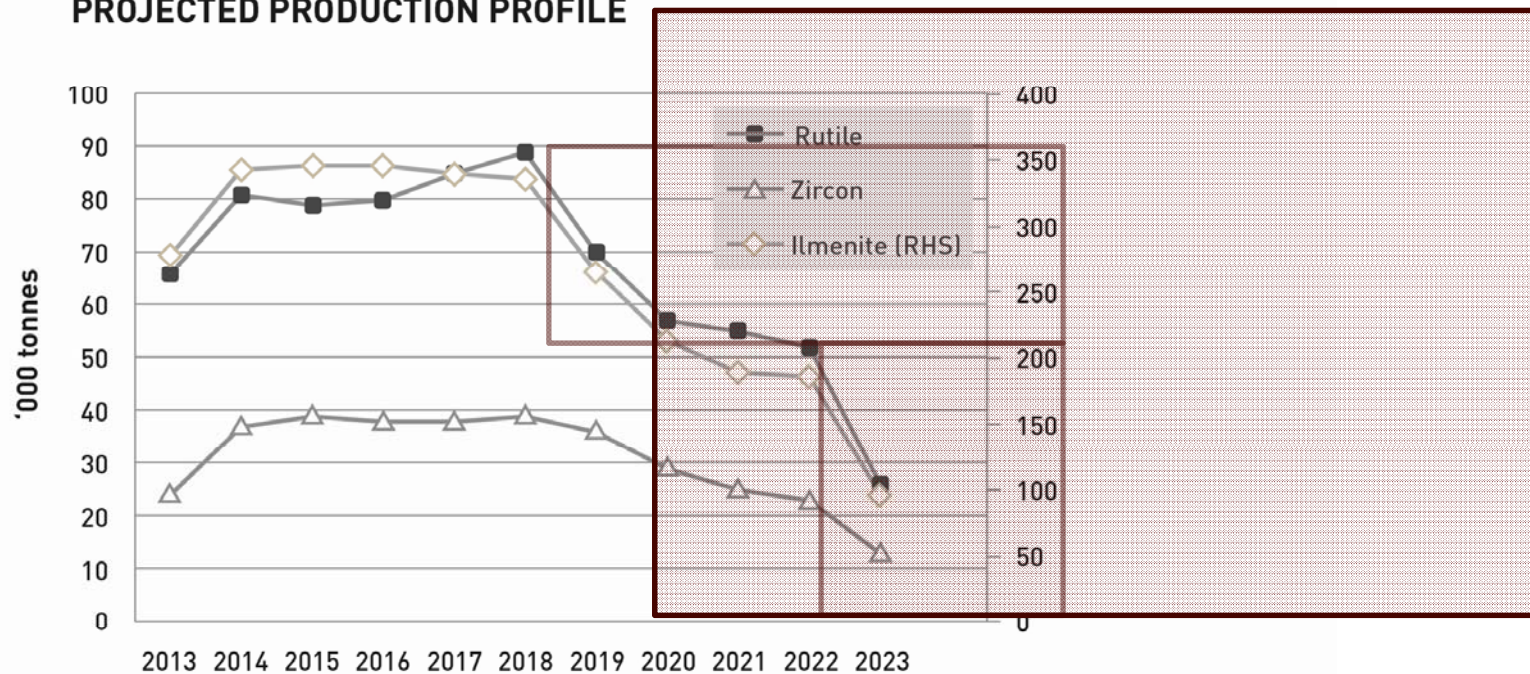
A key to unlock 30+ year potential.



Kwale has extension potential and provides the capital base, cash flow and model of operation to develop the Kilifi and Mambrui projects.



PROJECTED PRODUCTION PROFILE



...with the ultimate opportunity being the development of the Mambrui and Kilifi projects.

But what about Kenya?



While “still Africa”, Kenya is on the right path for an influx of investment.

- New constitution has been an inflection point.
- Political stability improving heading towards 2012 elections.
- Corruption is still an issue but now being tackled with some resolve.
- Government actively encouraging development:
 - Vision 2030 as a blueprint
 - Investment agreements
 - Backed by action.
- Communities will embrace proponents who engage them in a project:
 - Communicate and recognise their voice
 - Work to establish a sustained benefit.



The current state of play.



Permitted, supported by government and prior impediments to development resolved. Enhanced DFS and development 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.
- Capital cost update and Process Design Review study completed.

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).

A project of scale.



Capex Update and Process Design Review have given a clearer view of how the project is likely to emerge from the EDFs.

Capital Cost

Range

US\$225m ↔ US\$255m

- Includes some changes of approach – e.g. Owner operator of mobile fleet, grid power, procurement and costing.
- US\$20 million in additional project contingency.
- Ultimate outcome principally determined by mining method, process simplification and optimisation of costs.

A project of scale.



Capex Update and Process Design Review have given a clearer view of how the project is likely to emerge from the EDFs.

	Range	
Capital Cost	US\$225m	US\$255m
Operating cash flow	US\$735m	↔ US\$840m

- Based on latest TZMI long term price forecasts.
- Principal determinants of outcome – ore density and ore reserve conversion.



A project of scale....



Capex Update and Process Design Review have given a clearer view of how the project is likely to emerge from the EDFs.

	Range	
Capital Cost	US\$225m	US\$255m
Operating cash flow	US\$735m	US\$840m
NPV₁₀	US\$160m	↔ US\$210m
IRR	25%	↔ 29%

- Presents a compelling investment case.
- Cash flow is very much “front ended” due to production profile.

...and highly competitive.

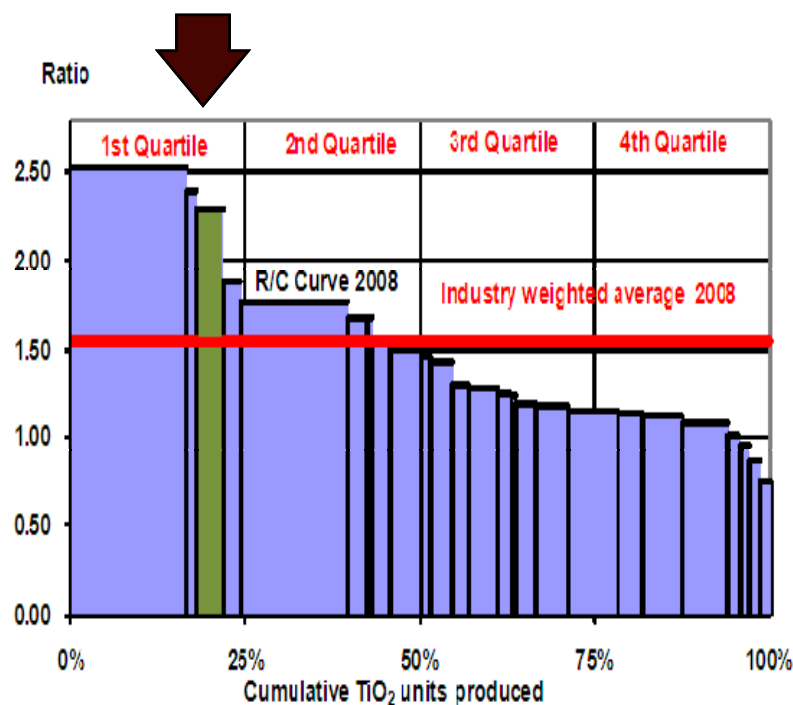


“World class” project in top quartile of producers on Revenue:Cash Costs.

Revenue:cash costs

2.8 - on basis of latest TZMI long term forecasts

2.3 - on like-for-like basis (2.7 in first 6 years)



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

Development financing.



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

INDUSTRY	DEBT	EQUITY
<p><i>Mineral sands market fundamentals driving strategic imperative for consumers to secure supply.</i></p> 	<p><i>US\$155 million debt financing secured by Tiomin in 2006.</i></p> 	<p><i>Increasing equity market interest in the sector with mineral sands producers experiencing positive re-ratings.</i></p> 
<ul style="list-style-type: none">• Seeking development funding contribution tied to ilmenite and/or rutile off-take.• Exploring several alternative structures, including:<ul style="list-style-type: none">• JV interest• Subordinated debt (with or without equity participation).• Off-take prepayment.• Discussions are underway with a number of parties.	<ul style="list-style-type: none">• Syndicate comprised of Standard Chartered, WestLB, Cat Finance and African Development Bank.<ul style="list-style-type: none">• EFIC provided political risk insurance.• US\$35 subordinated debt from Jinchuan• Outlook for mineral sands has improved dramatically but credit markets have tightened.• “Plan A” is a re-activation of the original syndicate.	<ul style="list-style-type: none">• Iluka and Kenmare share prices up 85% and 65% respectively in 7 months.• Dramatic increase in broker analysis and promotion of the sector.• High level of interest in our capital raising plans from funds and brokers – in Australia and UK.• Considering an AIM listing for early next year.

The Base Team



Strong team in place with the right mix of skills to successfully develop the Kwale Project and capitalise on the wider opportunity.

TIM CARSTENS

Managing Director.



- 15 years in the resources industry
 - North Limited
 - Iron Ore Company of Canada
 - Robe River Iron
 - St Barbara Mines Limited
 - Perilya Limited
- Held diverse senior executive roles spanning strategy, corporate development, finance and operations.
- International experience.

COLIN BWYE

Executive Director – Operations & Development.



- 20+ years experience in mineral sands sector.
- Previously managing director of Doral Mineral Industries with mineral sands, fused materials and specialty chemical operations in WA.
- Experienced in bringing mineral sands projects into production.
- Kenyan national.

RFC CORPORATE FINANCE

Corporate advisors and development capital arranger.

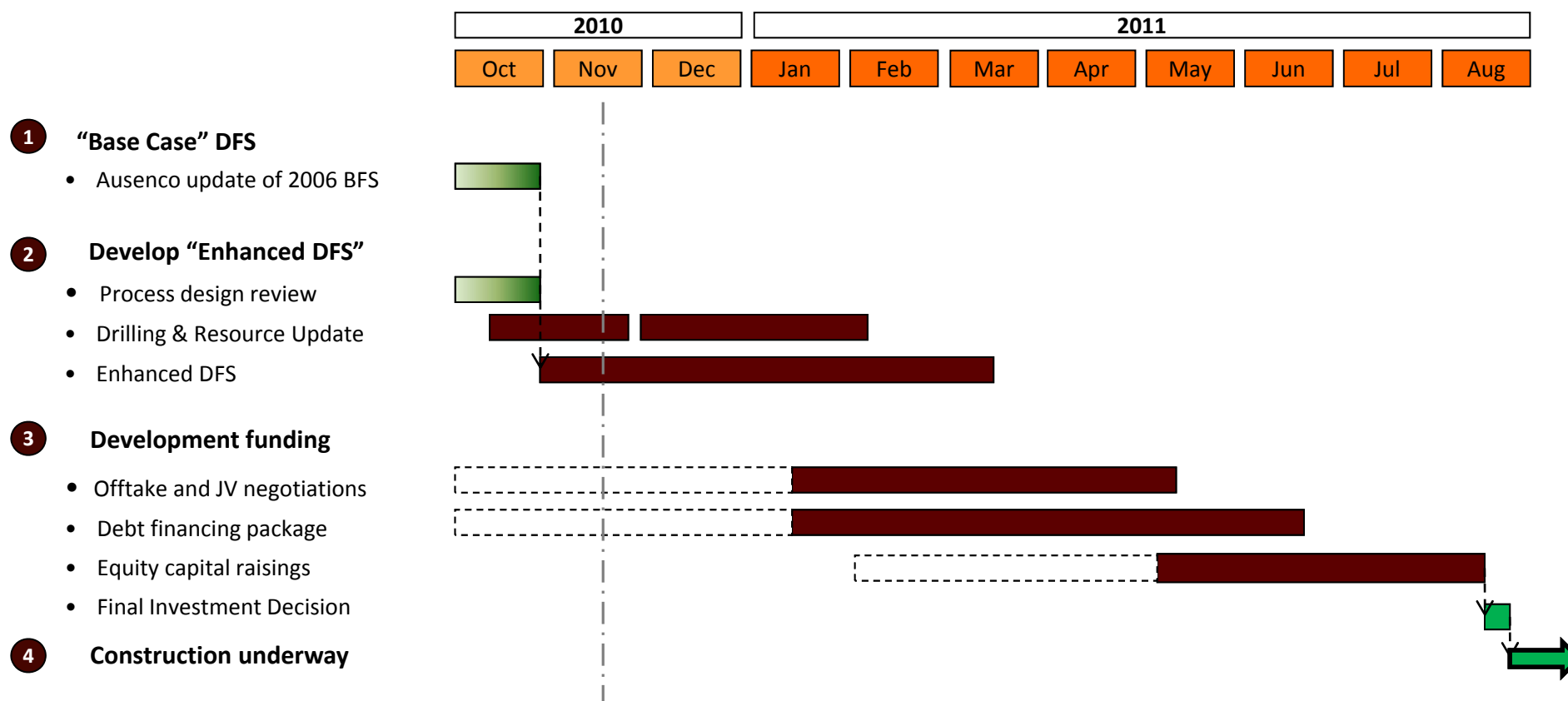


- Specialist investment and advisory firm, focussed on the resources sector with one of the largest resource sector corporate finance teams in the world.
- Significant mineral sands advisory experience.
- Only non-UK authorised nominated adviser for LSE's AIM market.
- Significant portfolio of successfully executed debt and equity raising mandates.

A busy 12 months ahead.....



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



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 presentation 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.

www.baseresources.com.au



Right sector.
Right project.
Right time.

