

ASX and Media Release

30 March 2011

## **WESTLB AG, LONDON BRANCH APPOINTED MANDATED LEAD ARRANGER FOR US\$150 MILLION SENIOR DEBT FACILITY**

**Base Resources Limited (ASX:BSE)** ("Base") is pleased to announce the appointment of WestLB AG, London Branch ("WestLB") as the mandated lead arranger for a US\$150 million syndicated project finance facility.

This facility, combined with an equity capital raising to be undertaken once formal credit approval is received, will provide the funding required for the development of the Kwale Project.

WestLB has received in-principle confirmation of the proposed terms of syndicate participation from a number of other lenders, with combined indicative commitment levels exceeding the US\$150 million required to complete the facility.

The key terms of the facility as agreed with WestLB are:

- A term of 6 years for a US\$80 million tranche and 8 years on the remaining US\$70 million.
- Interest to be at a margin of 4.5% above LIBOR pre-project completion and 4.0% post-project completion (plus a premium for political risk insurance).
- A 2.5% upfront fee payable in various stages with the first being 60 days following the receipt of credit approval.

Base will complete its enhanced definitive feasibility study for the Kwale project by the end of April 2011. SRK Consulting has been appointed as the Independent Engineer for the banking syndicate and it is expected that the SRK review will be completed by the end of May 2011.

Formal credit approvals for the facility are expected to be received during June and documentation during July 2011. Closing and funding will be subject to conditions precedent typical of project finance facilities.

The majority of lenders from whom indicative commitments have been received, SRK and the legal teams have substantial prior experience with the Kwale Project, having previously been involved in the establishment of a similar facility in 2006 for the prior owners, Tiomin Resources Inc., which was not ultimately drawn down. This pre-existing familiarity allows for a more rapid and efficient process than is usual, as well as giving a greater level of confidence in the implementation of the new facility through WestLB.

The planned completion of financing activities by the end of August 2011 will see the commencement of construction at Kwale in September 2011 and first production in the 3rd quarter of 2013.

ENDS

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**Corporate Details:**

**Board of Directors:**

Andrew King	Non Executive Chairman
Tim Carstens	Managing Director
Colin Bwye	Executive Director
Sam Willis	Non Executive Director
Winton Willesee	Non Executive Director/ Company Secretary

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## About Base Resources

**Base Resources Limited** (ASX:BSE) is developing the world-class Kwale Mineral Sands Project in Kenya, East Africa. Kwale is an advanced and highly competitive project in a sector with a significant forecast supply shortfall widely expected to emerge in the medium term.

The Kwale Project represents an advanced development opportunity with all material project approvals, permits and licenses required for development currently in place and a full definitive feasibility study (DFS) having been completed, representing an investment of in excess of US\$60 million by the previous owners.

The Project enjoys a high level of support from the Government of Kenya as well as the local community and, located just 50km from Mombasa, Kenya's principal port facility, is well serviced by existing physical infrastructure.

Importantly, two pilot plant operations at Kwale provide confidence in processing behaviour and indicate a suite of readily marketable products. The Project's high value mineral assemblage and low stripping ratio result in a projected revenue to cash cost ratio that would place Kwale in the top quartile of world producers.

An updated and enhanced DFS is underway and will be completed in the June quarter of 2011 with a view to completing off-take and financing arrangements in the 3rd quarter of 2011. A realistic development time line should see the Kwale Project in production in 2013.

Base Resources also has a portfolio of early stage exploration projects in Western Australia's Mid West region, with established targets for iron ore, gold, base metals and uranium. The Company continues to progress the granting of the tenements, the evaluation of their potential and the consideration of the various development alternatives to maximize realized value.

The Board of Base Resources brings together a diverse skill set and considerable experience in all aspects of exploration and development, operations, finance, corporate development and capital markets - together with a commitment to unlock value for its shareholders from the Company's growing and diverse portfolio of assets in both Africa and Australia.