

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

BASE RESOURCES LIMITED

ABN

88 125 546 910

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 55,113,705 Shares to be issued pursuant to the pro rata renounceable rights issue announced by Base Resources Limited (Base) to ASX on 1 August 2011 (Rights Issue), as described in the prospectus dated 1 August 2011 (Prospectus) and based on the number of Shares on issue at the date of this Appendix 3B |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares, as more fully described in Section 6 of the Prospectus |

+ See chapter 19 for defined terms.

4	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes, Shares will rank equally in all respects with existing Shares from the date of issue					
5	Issue price or consideration	\$0.55 per Share					
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The funds raised from the Rights Issue are intended to be applied primarily towards funding the equity component of the development of Base's Kwale Mineral Sands Project in Kenya, as more fully described in Section 5.1 of the Prospectus					
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	19 September 2011					
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>220,454,819 (total number of Shares on issue immediately following completion of the Rights Issue, assuming that no other issues of Shares occur before that time and subject to the number of acceptances of offers made under the Prospectus)</td><td>Fully paid ordinary shares</td></tr></table>	Number	⁺ Class	220,454,819 (total number of Shares on issue immediately following completion of the Rights Issue, assuming that no other issues of Shares occur before that time and subject to the number of acceptances of offers made under the Prospectus)	Fully paid ordinary shares	
Number	⁺ Class						
220,454,819 (total number of Shares on issue immediately following completion of the Rights Issue, assuming that no other issues of Shares occur before that time and subject to the number of acceptances of offers made under the Prospectus)	Fully paid ordinary shares						

⁺ See chapter 19 for defined terms.

	Number	+Class
9	8,500,000	Options (exercisable at \$0.25, on or before 9 July 2015)
	8,500,000	Options (exercisable at \$0.09, on or before 9 July 2015)
	1,000,000	Options (exercisable at \$0.25, on or before 30 July 2015)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	Unchanged	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	1 new Share for every 3 Shares held on the record date
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	5.00pm (Perth time), 10 August 2011
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements to Shares will be rounded up to the nearest whole number of Shares
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Subject to certain limited exceptions, all countries in which Base has security holders except Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	5.00pm (Perth time), 14 September 2011
20	Names of any underwriters	RFC Corporate Finance Ltd (conditionally underwritten for \$12.5 million of the shortfall under the Rights Issue (if any), as more fully described in Section 8.5 of the Prospectus)

+ See chapter 19 for defined terms.

21	Amount of any underwriting fee or commission	4% of the underwritten amount (being 4% of \$12.5 million) and 1% of the gross proceeds of the Rights Issue, as more fully described in Section 8.5 of the Prospectus
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	11 August 2011
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	2 August 2011
28	Date rights trading will begin (if applicable)	4 August 2011
29	Date rights trading will end (if applicable)	7 September 2011
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Appropriate instructions are to be provided to the shareholder's stockbroker (as set out in the Entitlement and Acceptance Form accompanying the Prospectus (E&A Form)), along with any other information that is requested by the stockbroker. Refer to Section 4 of the Prospectus for further details
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<p>To sell part of their entitlements, appropriate instructions are to be provided to the shareholder's stockbroker (as set out in the E&A Form), along with any other information that is requested by the stockbroker</p> <p>To accept for the balance, shareholders should either complete and return the E&A Form with payment or pay via BPay pursuant to the instructions set out in the E&A Form</p>

	Refer to Section 4 of the Prospectus for further details
32 How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	<p>A standard Renunciation and Transfer Form should be completed by issuer sponsored holders and the transferee, and then lodged with Base's share registry. This should be sent together with the E&A Form and accompanying payment, in accordance with the instructions on the E&A Form</p> <p>CHES holders should contact the CHES controlling participant, normally their broker</p> <p>Refer to Section 4 of the Prospectus for further details</p>
33 ⁺ Despatch date	19 September 2011

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.


Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
(Director)

Date 1 August 2011

Print name: Winton Willesee
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+ See chapter 19 for defined terms.