

BASE RESOURCES LTD

Right sector. Right project. Right time.

Africa Downunder Conference
31 August 2011

Statements



Restriction on Distribution

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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.

Competent Persons Statement

Information in this presentation that relates to Mineral Resources at the Kwale Project is based on information compiled by BSE's Manager – Geology, Scott Curruthers, who is a member of The Australasian Institute of Mining and Metallurgy. Mr Carruthers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Carruthers consents to the inclusion in this announcement of the information based on his work in the form and context in which it appears.

Information in this presentation that relates to mineral resources at the Kilfi and Mambrui Projects is based on information compiled by Snowden Mining Industry Consultants in 2005 and reviewed by Mr Terry Parker. Mr Parker is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) and is currently employed by Snowden.

Mr Parker has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Parker consents to the inclusion in this presentation of the information based on his work in the form and context in which it appears on the basis that no additional information has been obtained since the 2005 information.

Base Resources Limited.



A snapshot.

- Based in Perth, Australia.
- ASX listed with code **BSE**.
- 100% owner of the advanced Kwale mineral sands project in Kenya.
- An institutionally dominated share register.

Substantial Shareholders

	<i>Interest</i>
Passport Capital	10.8%
Platypus Asset Management	8.9%
Contango Asset Management	5.3%
Acorn Capital	5.2%

Total interest of Substantial Shareholders **30.2%**

Total interest of top 10 shareholders **approx 50%**



- Market capitalisation of approximately \$100 million at \$0.51 per share.
- Increasing broker coverage and valuations:
 - Goldman Sachs (Buy - \$0.80), RBC (Buy - \$0.90), Baillieu (Buy - \$0.98), Euroz (Buy - \$1.25)

The Kwale Opportunity.



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

Right sector.

- “Late cycle” minerals with demand driven by urbanisation and wealth.
- An emerging supply shortfall..... with few undeveloped projects able to capitalise.
- Creating upward pressure on prices and a paradigm shift along the TiO_2 and zircon supply chains.

Right project.

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

Right time.

- 15 years and US\$70+ million invested – fully permitted and all studies completed.
- Full development financing arranged and off-take arrangements well advanced.
- Project “launch” in October and first shipment in late-2013.

The right sector.



The entire mineral sands sector is experiencing a renaissance. The early attention has been on zircon but the TiO_2 story is now unfolding.

“The titanium dioxide industry has awakened....we are still very bullish on the outlook for TiO_2 producers and stocks. Furthermore, we see value across the whole chain.”

Goldman Sachs -13 April 2011

“DuPont today announced a comprehensive titanium dioxide expansion plan....to meet the increasing demand for its customers”.

DuPont - 11 May 2011

“The reactivation of mining operations at Eneabba reflects improving industry profitability as strong demand for high grade titanium dioxide and zircon products continues in supply-constrained markets”.

Iluka - 26 July 2011

“Mineral sands equity is scarce and we firmly believe that the step change in pricing through the value chain is sustainable long term. We believe that Base offers a compelling investment opportunity.”

RBC Capital Markets – 19 May 2011

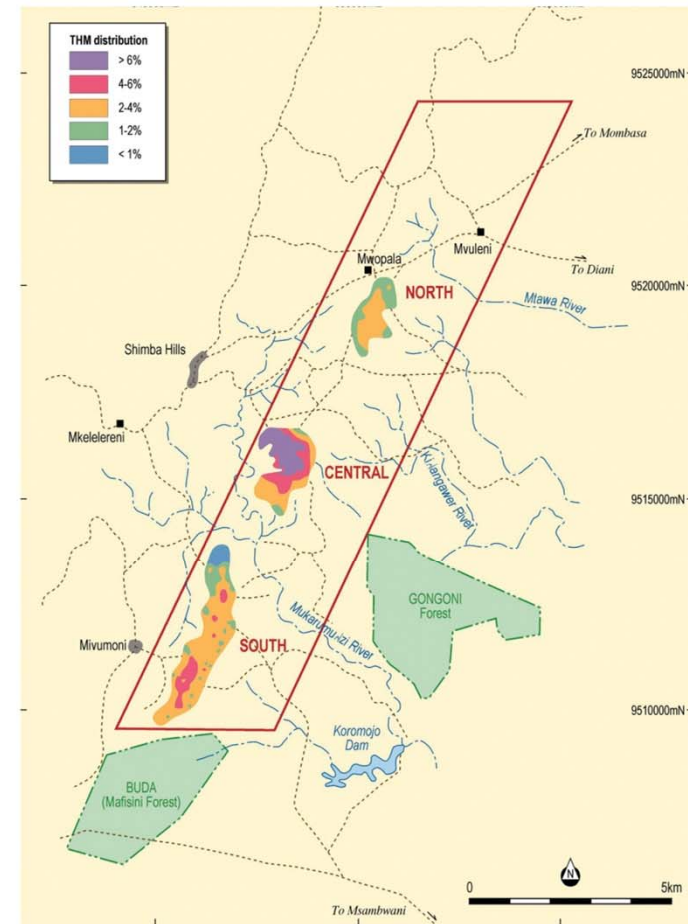
Which brings us to Kwale.....



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

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	46.21	7.06	4.01	0.93	0.43	3.26
Central	Indicated	29.94	4.56	2.47	0.61	0.26	1.37
South	Measured	40.02	3.77	1.95	0.54	0.22	1.51
South	Indicated	29.85	3.36	1.36	0.39	0.17	1.00
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



.....and beyond.



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	46.21	7.06	4.01	0.93	0.43	3.26
Central	Indicated	29.94	4.56	2.47	0.61	0.26	1.37
South	Measured	40.02	3.77	1.95	0.54	0.22	1.51
South	Indicated	29.85	3.36	1.36	0.39	0.17	1.00
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



The right project.



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

See project animation at www.baseresources.com.au

A project of scale.



With the latest TZMI price outlook, the EDFS shows Kwale to be extremely robust, producing a LOM cash surplus approaching US\$1 billion.

	Unit	Total
Capital cost (inc.contingencies)	US\$m	256
NPV (at a discount rate of 10%)	US\$m	395
IRR	%	41.8
Capital Payback Period	Months	23
LOM Operating Costs	US\$/t ore	4.67
LOM Cash Margin	US\$/t ore	10.10
LOM Free Cash Flow (post-tax)	US\$ M	930

All Project statistics and cash flows:

- Are post-tax and in 2011 real terms
- Exclude financing and corporate costs
- Assume that the US\$20m project contingency is spent

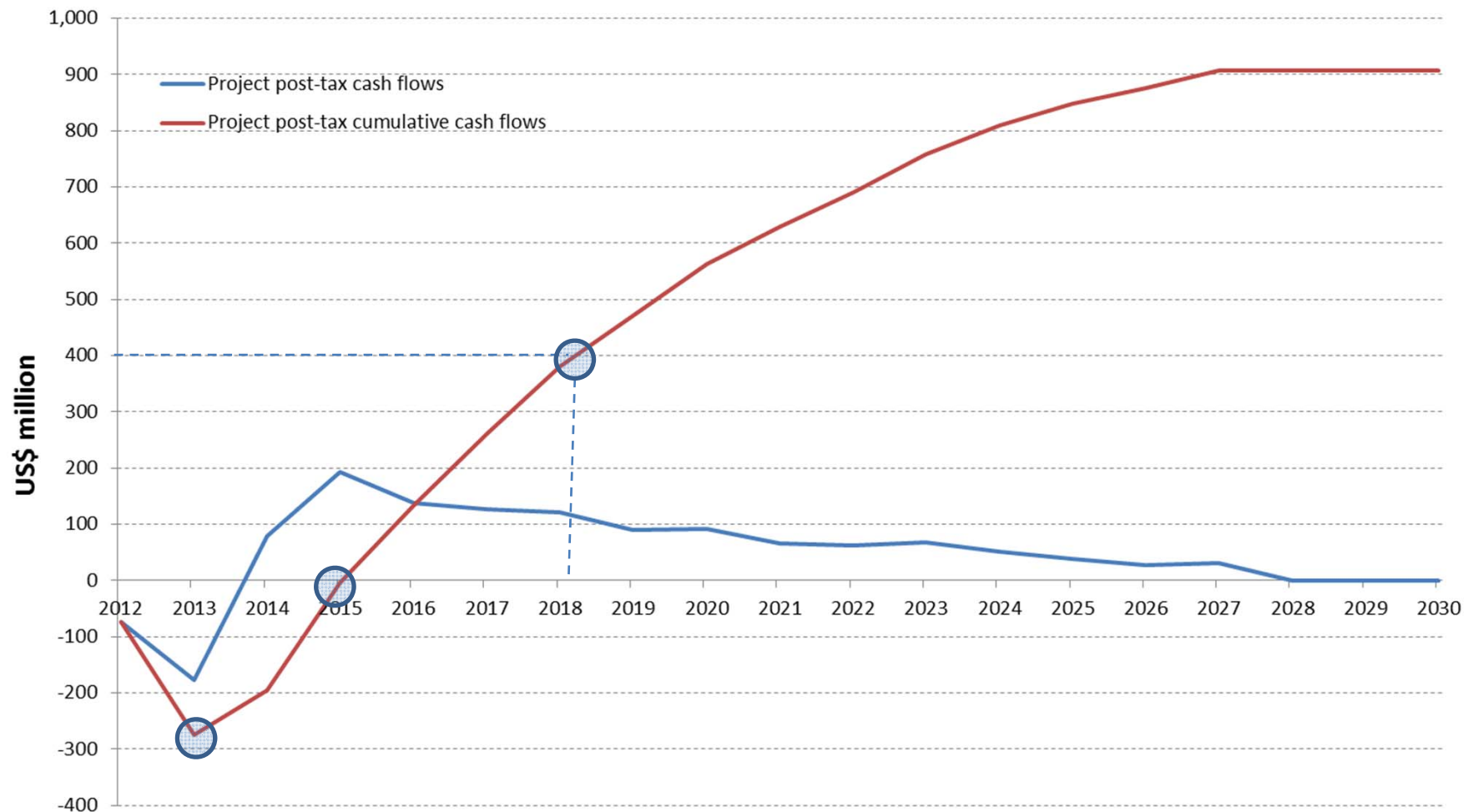
Refer to www.baseresources.com.au for assumptions & explanations



An enviable cash flow profile.



.....with US\$400 million coming in the first 5 years of operations. This will provide the capital base to capitalise on a pipeline of opportunities.



Development financing.



Credit approvals in place for US\$170 million debt facilities and the required equity funding package has been secured.

A\$37 million Corporate Funding

A\$30 million 1:3 Renounceable Rights Issue (@ \$0.55 / shares)

- Underwritten and committed to \$26 million.
- Closes 14 September.

US\$310 million Kwale Funding

A\$140 million equity placement (@ \$0.55 / shares)

- Binding commitments in place.
- Tranche 1 - \$13.5 million – completed.
- Tranche 2 - \$126.5 million – shareholder vote on 31 August.

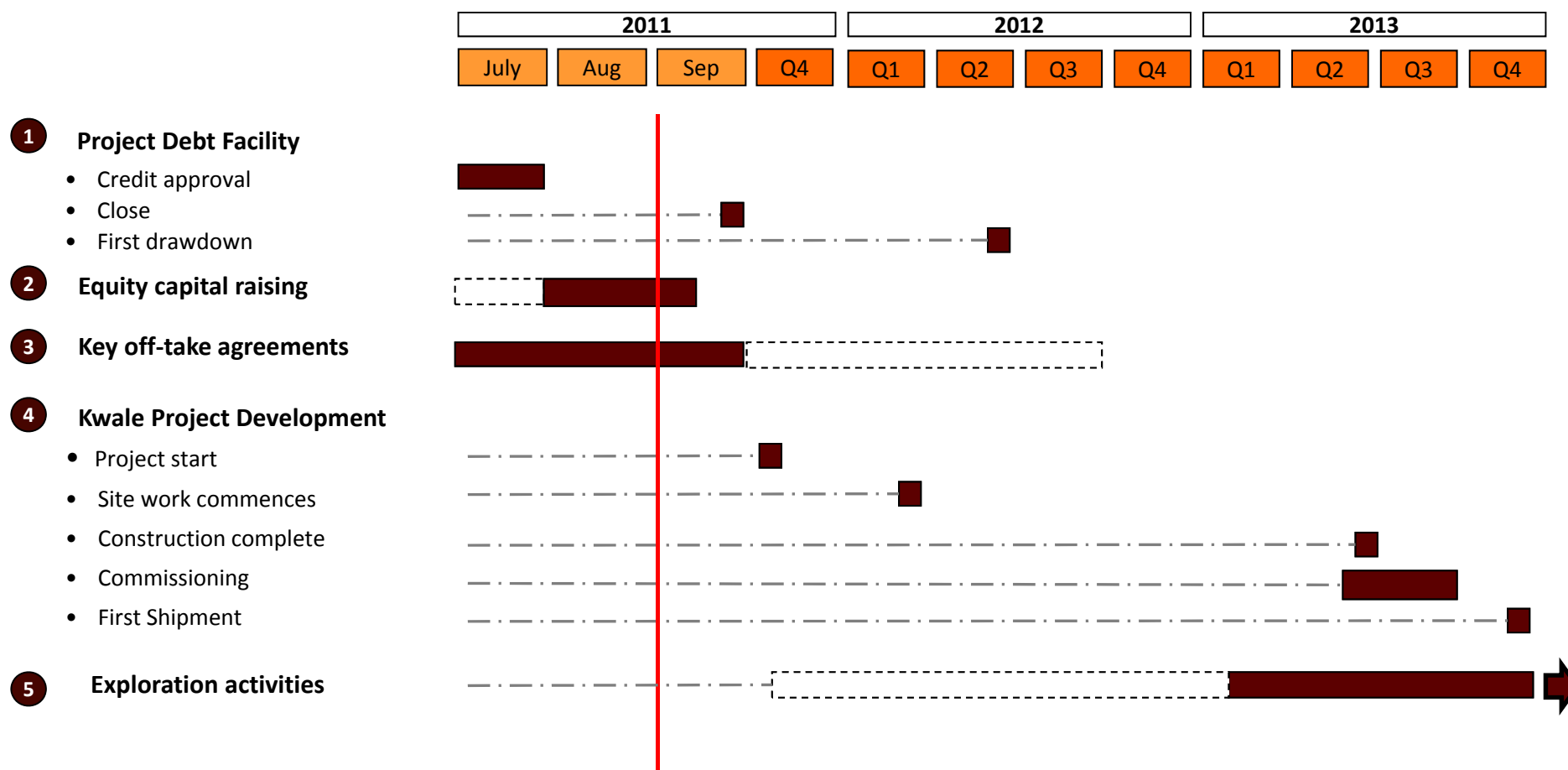
US\$170 million syndicated debt facility

- Credit approved commitments.
- Finalising documentation (expected signing in September).

Timetable to production.



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



www.baseresources.com.au



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Right time.

