



ASX and Media Release

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\$140M SHARE PLACEMENT AT \$0.55/SHARE COMPLETED SIGNIFICANT NEW INSTITUTIONS JOIN THE REGISTER

Heavy mineral sands developer, Base Resources Limited (ASX:BSE) (Base) is pleased to advise that its \$140 million share placement has now been completed with Tranche 2 of the placement settling yesterday, following its approval by shareholders on 31 August. Through their participation in the placement, two prominent specialist resource sector investment funds, Pacific Road Capital and Taurus Funds Management, join the register with interests of 19.9% and 9.8% respectively.

The renounceable Rights Issue at \$0.55 per share to raise up to approximately \$30.3 million will complete the \$170 million equity raising announced on 1 August. Following shareholder approval of the placement, the Rights Issue is now unconditionally underwritten up to a maximum of \$12.5 million. The Underwriting, together with commitments received from certain existing shareholders to exercise their Rights under the Rights Issue, suggest that the minimum amount which should be raised under the Rights Issue will be approximately \$26.3 million.

With the required financing for the development of the Kwale Project arranged, construction activities are scheduled to commence in early October.

Off-take Progress Clarification

As previously disclosed in the Rights Issue Prospectus, Base is in advanced discussions with a number of parties in relation to off-take arrangements. These discussions include those parties referred to in today's newspaper media and the Company expects to be in a position to update the market further as progress is made on these arrangements.

ENDS

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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.

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.

A realistic development time line should see the Kwale Project in production in 2013.