



ASX and Media Release

16 September 2011

EQUITY CAPITAL ISSUES FINALISED

BASE NOW FUNDED TO PROCEED WITH THE DEVELOPMENT OF THE KWALE MINERAL SANDS PROJECT

Base Resources Limited (ASX:BSE) (Base) confirms completion of its one for three pro-rata renounceable rights issue announced on 1 August 2011 (**Rights Issue**). Approximately \$22.6 million has been committed under the Rights Issue, comprising \$10.1 million of subscriptions plus \$12.5 million in underwriting commitments.

The total capital raised by Base through the share issues announced on 1 August 2011 is \$162.3 million, at a price of \$0.55 per share. The total proceeds exceed the \$152.2 million minimum which Base sought through the share issues. Combined with the US\$170 million credit approved syndicated project debt finance facilities announced on 27 July 2011, Base now has the requisite funds to proceed with the development of its Kwale mineral sands project.

Base received valid acceptances under the Rights Issue in respect of 18,380,733 new Base shares, representing approximately 33.4% of the total 55,113,705 new Base shares offered under the Rights Issue, leaving a shortfall of 36,732,972 Base shares. Pursuant to underwriting arrangements between Base and RFC Corporate Finance Limited (**RFC**), RFC will place the underwritten shortfall of 22,727,273 new Base shares (total commitments of \$12.5 million) with institutional investors, including a sister company in the RFC Group of companies which has been a long term Base shareholder.

The issue of the new Base shares subscribed for under the Rights Issue, together with the shortfall is expected to take place on 19 September 2011, with despatch of shareholding statements occurring on the same day.

It is expected that the new Base shares issued under the Rights Issue will commence normal T+3 settlement trading on the Australian Securities Exchange on Tuesday, 20 September 2011.

With funding in place, Base is well advanced with pre-implementation activities and is working towards formal project commencement in early October. A realistic timetable for development will see production commence in the third quarter of 2013.

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.

With development funding secured, a realistic development time line should see the Kwale Project in production in the third quarter of 2013.