



ASX and Media Release

23 November 2011

PROJECT FINANCING UPDATE

AGREEMENTS SIGNED FOR US\$170 MILLION DEBT FACILITIES

Base Resources Limited (ASX:BSE) ("Base") is pleased to advise that the project finance facility agreements for the previously announced US\$170 million debt facilities (**Project Finance Facility**) for the development of the Kwale Project have now been executed.

Together with funds from the recently completed equity capital raisings, the Project Finance Facility, which is comprised of a US\$150 million senior debt facility and a US\$20 million cost overrun facility, provides all of the required funding for the progression of the Kwale Project through development and to positive cashflow.

The providers of the Project Finance Facility, for which WestLB AG has acted as the Co-ordinating Mandated Lead Arranger and Bookrunner, are:

- WestLB AG, Caterpillar Structured Finance, DEG Deutsche Investitions und Entwicklungsgesellschaft mbH, The Standard Bank of South Africa Limited and Nedbank Capital (all as Mandated Lead Arrangers); and
- FMO – Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V and PROPARCO - Société De Promotion Et De Participation Pour La Coopération Economique S.A..

There have been no changes to the key terms of the facilities as previously advised to the market. General terms and conditions of the facilities are consistent with those typical of project finance facilities of this nature. All conditions precedent to utilisation are considered readily achievable, the principal being:

- The execution of security documentation, the form of which has been agreed, including Government of Kenya consent to the security interests;
- The execution of offtake agreements covering 70% of projected revenue, significant progress towards which has been made with announcements expected in the near future; and
- Gazetting of the taxation concessions that the Government of Kenya has committed to through the Investment Agreement.

Under the terms of the Project Finance Facility, Base is able to commence utilisation within six months of requiring the funds. This is expected to be during the 2nd quarter of 2012. The ability to drawdown early and concurrent with equity funds being available significantly reduces risks associated with funding continuity.

With funding secured, development of the Kwale Project is now underway.

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For further enquiries contact:

Tim Carstens
Managing Director
Base Resources Ltd

Email: tcarstens@baseresources.com.au
Phone: 08 9413 7400

Stephen Allen
Executive Director
RFC Corporate Finance Ltd

Email: stevea@rfc.com.au
Phone: 08 9480 2500

Annette Ellis / Warrick Hazeldine
Media Relations
Purple Communications

Email: aellis@purplecom.com.au
whazeldine@purplecom.com.au
Phone: 08 6314 6300

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

**Principal & Registered
Office:**

Level 1
50 Kings Park Road
West Perth
WA 6005

Contacts:

Email: info@baseresources.com.au
Phone: (08) 9413 7400
Fax: (08) 9322 8912

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, a full definitive feasibility study (DFS) having been completed and funding in place.

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.