



BASE RESOURCES LTD

Right sector. Right project. Right time.

Investor Presentation
March 2012

Statements



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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.
- Market capitalisation of approximately A\$200 million at \$0.44 per share.
- A\$140 million in cash.
- US\$170 million in undrawn debt facilities.
- Project NPV₁₀ (post-tax real) of US\$500 million using latest TZMI price forecasts.

Substantial Shareholders

	Interest
Pacific Road Capital	19.2%
Taurus Funds Management	9.9%
Acorn Capital	8.7%
<i>Total interest of Substantial Shareholders</i>	36.8%
<i>Total interest of top 10 shareholders</i>	approx 55%

Covering Brokers

Ambrian
Euroz
GMP
RBC
Goldman Sachs



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 changing supply chain paradigms.

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.

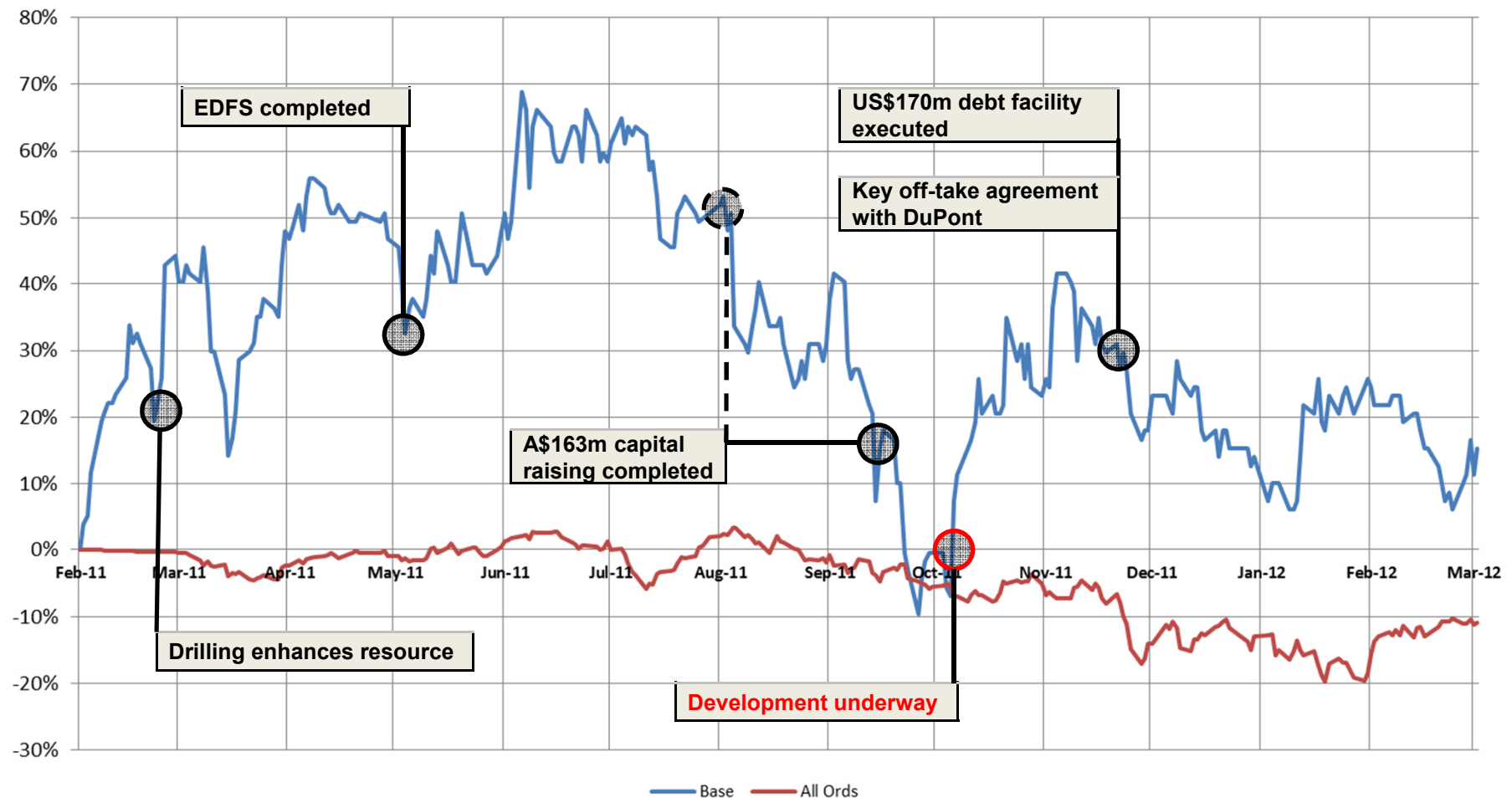
- 15 years and US\$70+ million invested – fully permitted and all studies completed.
- Full development financing secured and off-take arrangements well advanced.
- Project development “launched” in October and first shipment in late-2013.

A busy 12 months behind us.....



With the enhanced feasibility study completed, financing secured and permits in hand, development of Kwale has now commenced.

Share Price Performance vs ASX All Ordinaries



A quality resource base.



A 275 hole drilling program at Central and South produced an increase in resource tonnes, contained mineral and value of the mineral assemblage.

Resource tonnes	↑	7.2%
Contained mineral	↑	
Rutile	↑	16%
Ilmenite	↑	16%
Zircon	↓	3%
Assemblage value	↑	4%

Dune	Classification	Resource (Mt)	HM (%)	HM (Mt)	Ilmenite (%)	Ilmenite (Mt)	Rutile (%)	Rutile (Mt)	Zircon (%)	Zircon (Mt)
Central	Measured	46.2	7.1	3.3	4.01	1.85	0.93	0.43	0.43	0.20
	Indicated	29.9	4.6	1.4	2.47	0.74	0.61	0.18	0.26	0.08
	Total	76.2	6.1	4.6	3.40	2.59	0.81	0.61	0.36	0.28
South	Measured	40.0	3.8	1.5	1.95	0.78	0.54	0.22	0.22	0.09
	Indicated	29.8	3.4	1.0	1.36	0.40	0.39	0.12	0.17	0.05
	Total	69.9	3.6	2.5	1.70	1.18	0.47	0.33	0.20	0.14
Combined	Measured	86.2	5.5	4.8	3.05	2.63	0.75	0.65	0.33	0.29
	Indicated	59.8	4.0	2.4	1.91	1.14	0.50	0.30	0.22	0.13
	Total	146.0	4.9	7.1	2.59	3.78	0.65	0.95	0.29	0.42

North	Indicated	116.0	2.1	2.44	1.01	1.17	0.20	0.23	0.11	0.13
Combined	Measured	86.2	5.5	4.8	3.05	2.63	0.75	0.65	0.33	0.29
	Indicated	175.8	2.8	4.8	1.31	2.31	0.30	0.53	0.15	0.26
	Total	262.0	3.7	9.64	1.9	4.94	0.45	1.18	0.21	0.55

A project of scale.



The EDFS capital cost estimate reflects a range of improvement opportunities identified in our initial Process Design Review.

Area	Preproduction (US\$M)
Mining	8.3
Process Plant	64.6
Tailings Storage Facility	17.2
Onsite Infrastructure	20.1
Off Site Infrastructure	16.4
Marine Loading Facilities	17.8
Temporary Construction Facilities	12.7
EPCM and Fee	37.2
Process Plant and Infrastructure	194.2
Mobile Equipment/Spares/First Fills	18.0
Owners Costs	24.1
Ancillary Costs	42.1
Capital Cost Estimate	236.3
Project Contingency	20.0
	256.3

- Key changes include:
 - Mining method
 - Flowsheet simplification
 - Improved tailings management strategy
 - Grid power
 - Port enhancements
- Total includes both an 8.7% estimating contingency and a US\$20 million project contingency.



The right project.



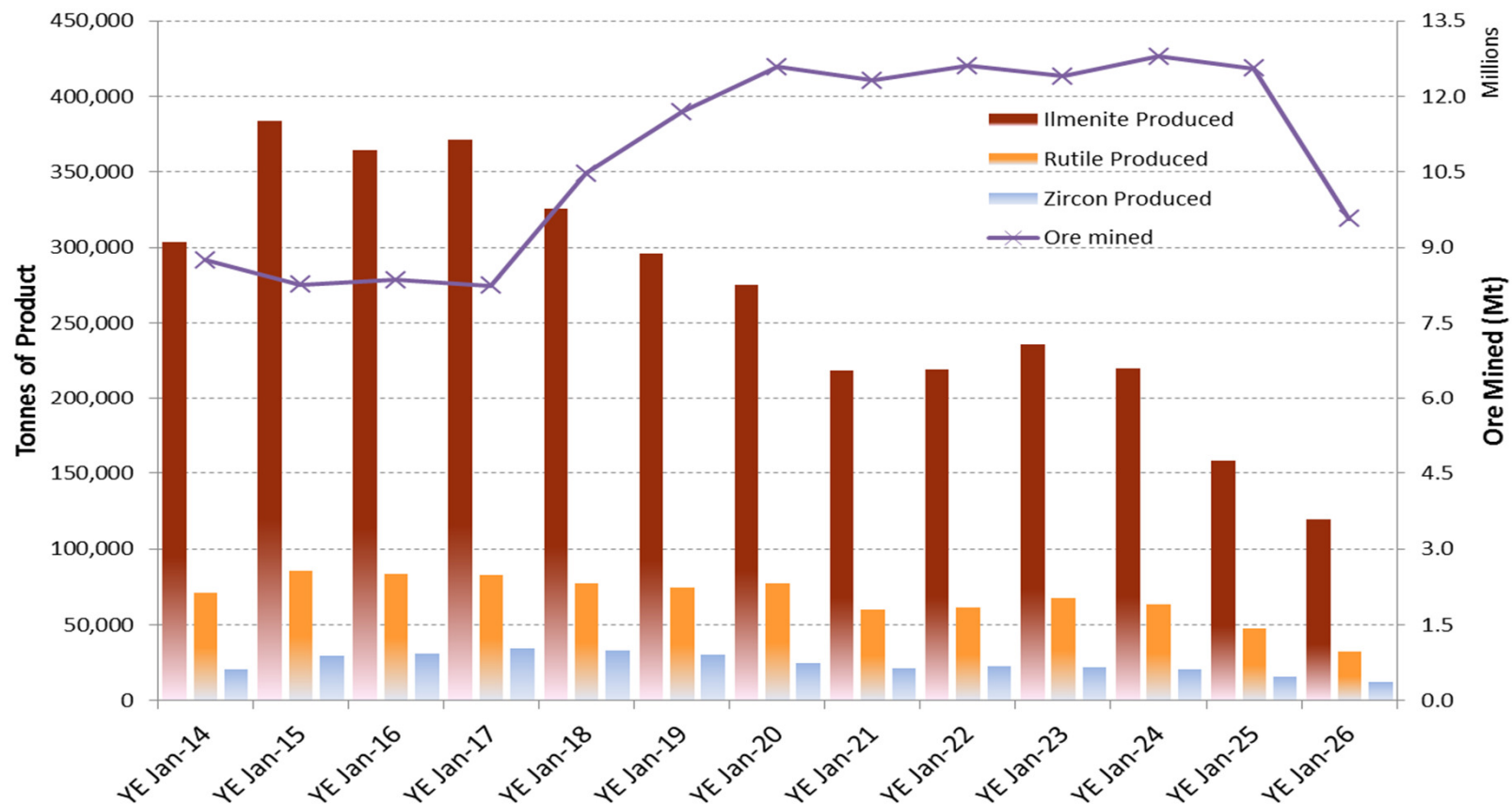
Kwale is large scale, technically straightforward and supported by well developed physical and social infrastructure.

See project animation at www.baseresources.com.au

Production profile.



A “globally significant” producer, with a front-ended production profile over a 13-year mine life.



The EDFS financial statistics.



Updated with the February 2012 TZMI price outlook, the EDFS shows Kwale to be extremely robust, producing a LOM cash surplus of over US\$1 billion...

	Unit	Total
Capital cost (inc.contingencies)	US\$m	256
NPV ₁₀ (post-tax real)	US\$m	500
IRR	%	52.8
Capital Payback Period	Months	19
LOM Operating Costs	US\$/t ore	4.76
LOM Cash Margin	US\$/t ore	11.30
LOM Free Cash Flow (post-tax real)	US\$ M	1,078

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.

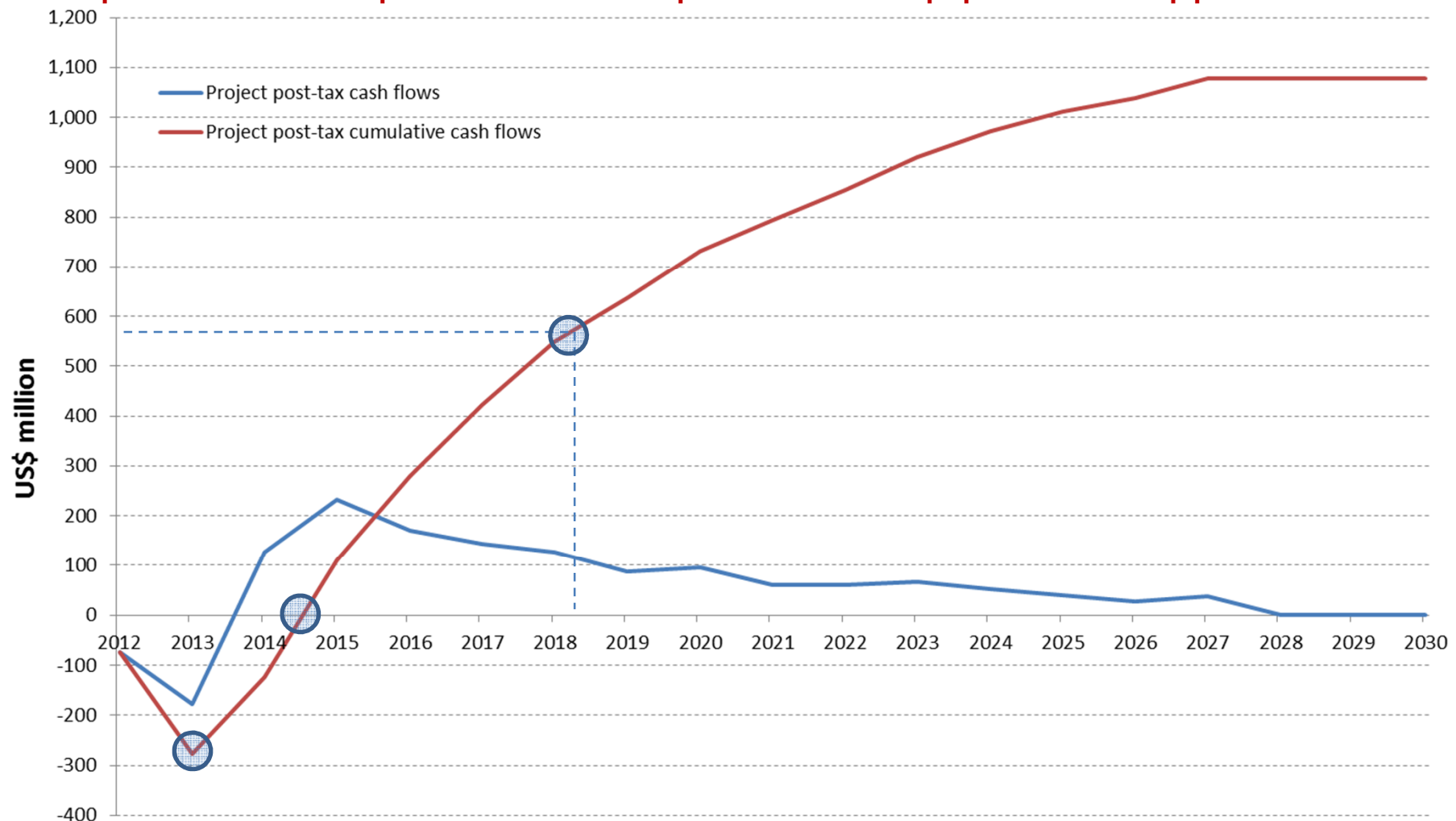
Refer to www.baseresources.com.au for assumptions & explanations in relation to the EDFS. Price forecasts are available from TZMI. Original EDFS financial results were based on TZMI price forecasts published in April 2011.



An enviable cash flow profile....



.....with over US\$550 million coming in the first 5 years of operations. This will provide the capital base to capitalise on a pipeline of opportunities.

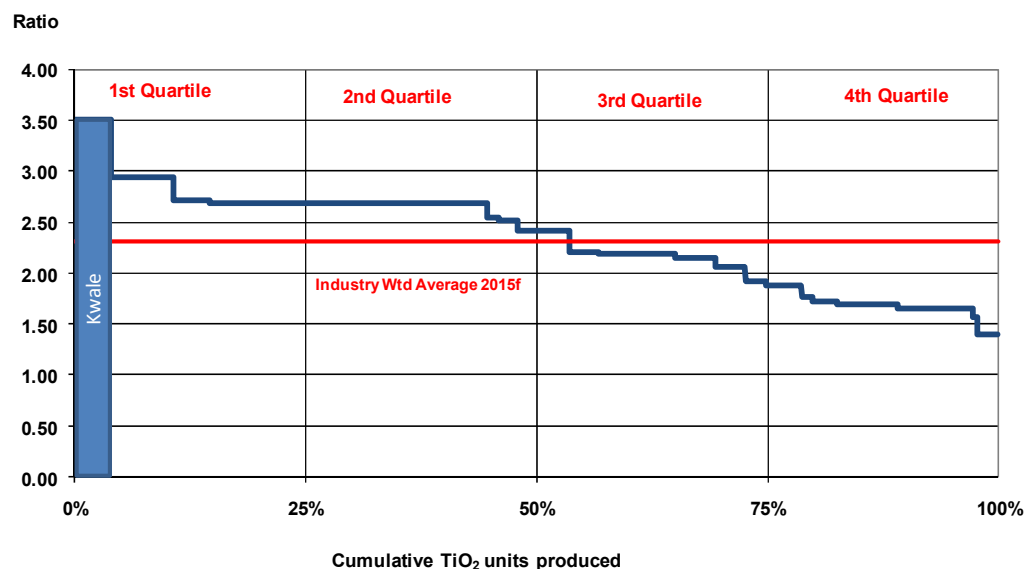


...and highly competitive.



Forecast to be the global leader on Revenue to Cash Costs ratio, the key industry performance benchmark.

TZMI Forecast 2015 Industry R:CC Curve (including new projects)



Keys drivers are:

- Strong grade - 4.9% THM
- High value mineral assemblage :

	<i>By volume</i>	<i>By revenue</i>
Rutile	19%	47%
Ilmenite	74%	24%
Zircon	7%	29%

- Scale *(Average annual production)*

	<i>First 7 years</i>	<i>Last 6 years</i>
Rutile	79kt	55kt
Ilmenite	331kt	195kt
Zircon	30kt	20kt

- Very low stripping ratio – <0.1:1

Development financing.



Documentation executed for US\$170 million in debt facilities and the required equity funding package has been completed.

**A\$25 million
Corporate Funding**

A\$22.6 million 1:3 Renounceable Rights Issue (@ \$0.55 / share)

- Completed mid-September.

**US\$310 million
Kwale Funding**

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

- Completed in early September.
- Australian, US and UK institutional investors.

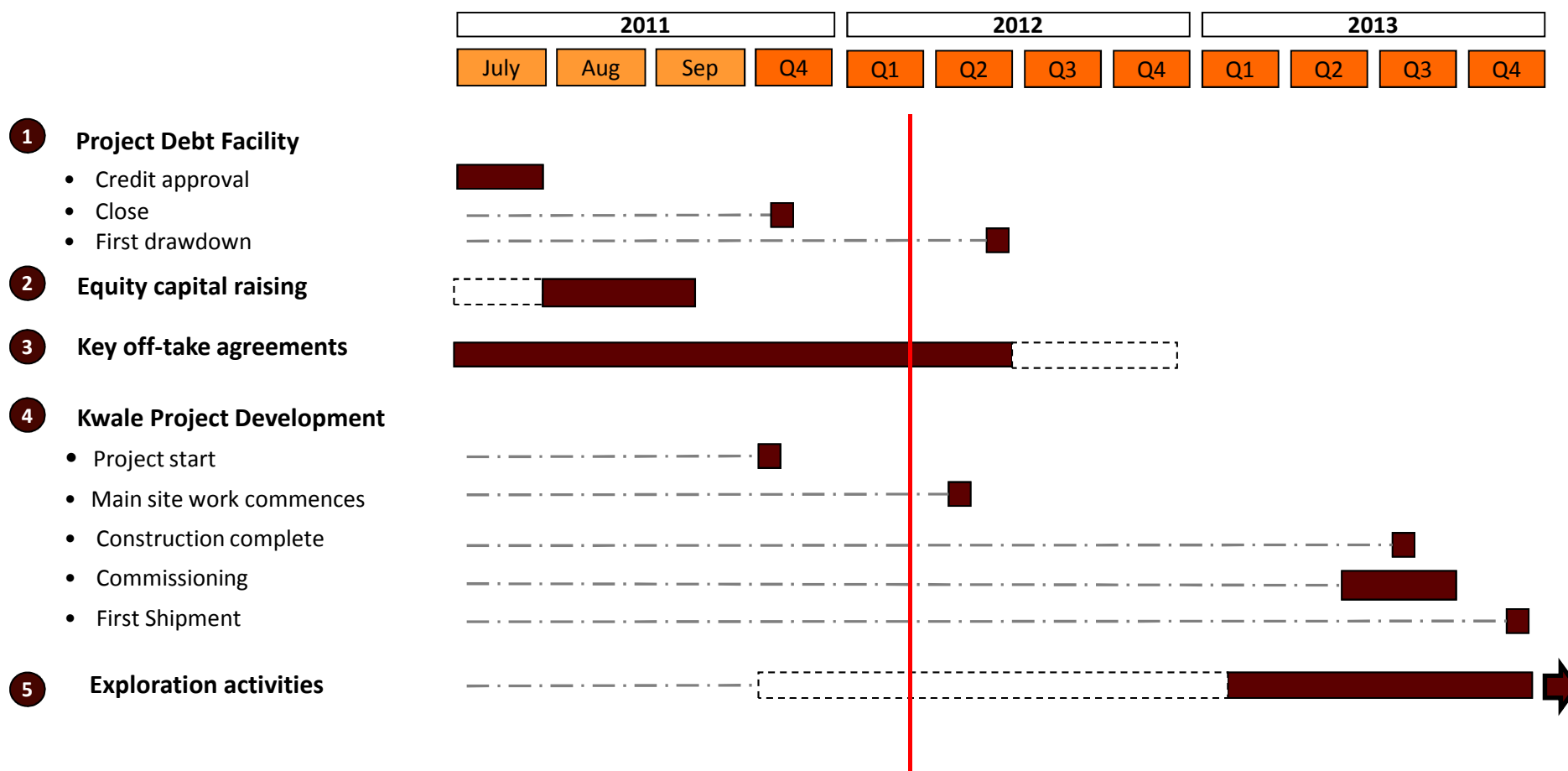
US\$170 million syndicated debt facility

- Documentation executed in November.
- Syndicate of 7 international banks and DFIs.
- Working through CP's— targeting June 2012 for initial utilisation.

Which brings us to now....



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



Project Implementation.



Our approach ensures “best of breed” expertise is applied to technically diverse project elements and risk is more effectively minimized and managed.

Integrated Management Team

Pre-implementation now complete:

- Management team assembled.
- Wave Engineering functionally integrated.
- Systems development and implementation complete.

Project Implementation.



Our approach ensures “best of breed” expertise is applied to technically diverse project elements and risk is more effectively minimized and managed.

Integrated Management Team

CP 1 – Processing Plants

Formal project commencement on 10 October:

- Ausenco engaged as EPCM contractor.
- Design complete and procurement underway.
- Main site works to commence in April.



Project Implementation.



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Integrated Management Team

CP 1 – Processing Plants

CP 2 – Likoni Port Facility

Our gateway to market:

- WSP Group appointed EPCM contractors
- Geotechnical confirmation complete
- Piling to commence in April.



Project Implementation.



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Integrated Management Team



CP 3 – Power Line

Being undertaken as a Design & Construct contract:

- CG Global successful tenderer.
- Manufacturing capacity for key items committed.
- Tower construction to commence in Feb.

Project Implementation.



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Integrated Management Team

First physical works of the Kwale Project:

- Detailed engineering complete
- Dam wall alignment cleared and grouting complete.
- Embankment construction commenced in January.

CP 1 – Processi

CP 2 – Likoni Po

CP 3 – Power Li

CP 4 – Mukurumudzi Dam



Project Implementation.



Our approach ensures “best of breed” expertise is applied to technically diverse project elements and risk is more effectively minimized and managed.

Integrated Management Team



CP 1

CP 2

CP 3

CP 4

CP 5 – Tailings Storage Facility

Project Implementation.



Our approach ensures “best of breed” expertise is applied to technically diverse project elements and risk is more effectively minimized and managed.

Integrated Management Team

A critical path item for the wider project:

- EPCM and construction contracts in place.
- Construction well advanced.
- Temporary facilities in place by April.

CP 1 – Processing Plant



CP 6 – Access Road

Project Implementation.



Our approach ensures “best of breed” expertise is applied to technically diverse project elements and risk is more effectively minimized and managed.

Integrated Management Team

CP 1 – Processing Plants

CP 2 – Likoni Port Facility

CP 3 – Power

CP 4 – Mu

CP 5 – Tail

CP 6 – Access Road

Owners Projects

All supporting projects, works and programs:

- \$13 million mobile fleet order placed.
- Dozer trap mining unit.
- Environmental and social works, approvals and ancillary projects.

Off-take arrangements.

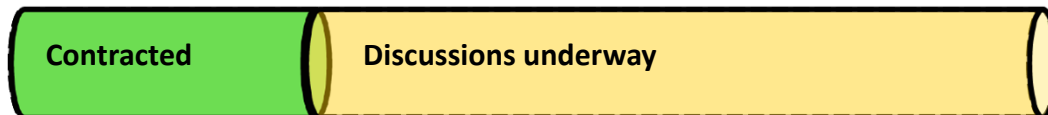


Portfolio of agreements covering first 5 years of production is falling into place.

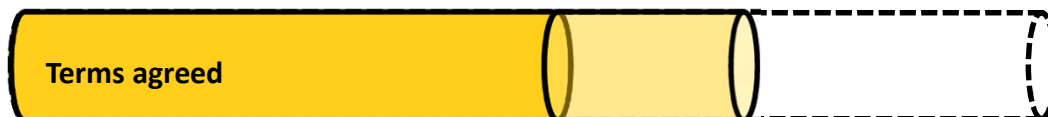
Rutile (47% of revenue)



Ilmenite (24% of revenue)



Zircon (29% of revenue)



What does Kwale mean for Kenya?



A key to unlock the potential of the mineral sector and a model for operations.

Kwale will have significant direct impact on the Kenyan economy:

- US\$256 million direct investment.
- More than triple mineral sector export earnings – US\$2.2 billion in sales – will replace coffee in 4th on export value.
- Adds 0.6% to GDP.
- US\$300+ million in tax and royalties over 13 years.
- Significant multiplier effect and skills development.

But an even bigger impact as a catalyst for an inflow of mining investment:

- The project has high international visibility.
- We have an opportunity to establish a model for effective mining investment in Kenya.
- The GoK clearly understands and is playing its role:
 - Fiscal Agreement.
 - Modernisation of mining administration.
 - High level of collaboration on issues.



... and our community.....



Achieving our long term goals depends on our ability to build relationships with the communities in which we operate and to enrich their lives through our participation.

Project establishment has a significant social impact:

- 383 households compensated and relocated from the mining lease.
- 116 families now relocated for dam, power-line and access road.

But conducted well, the result can be overwhelmingly positive:

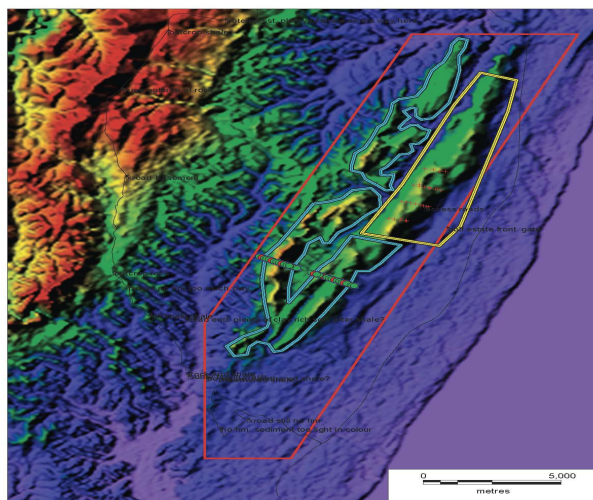
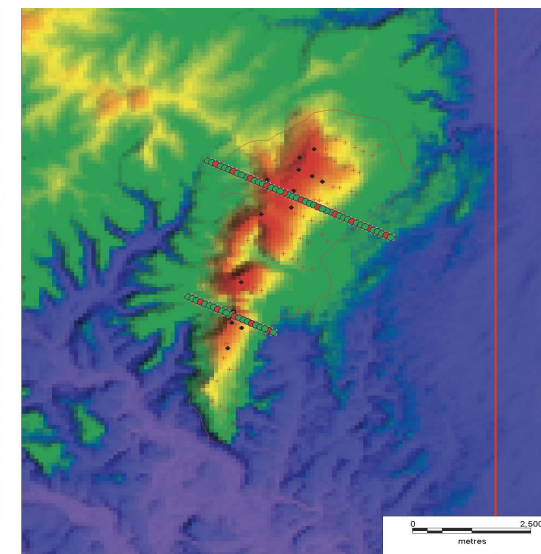
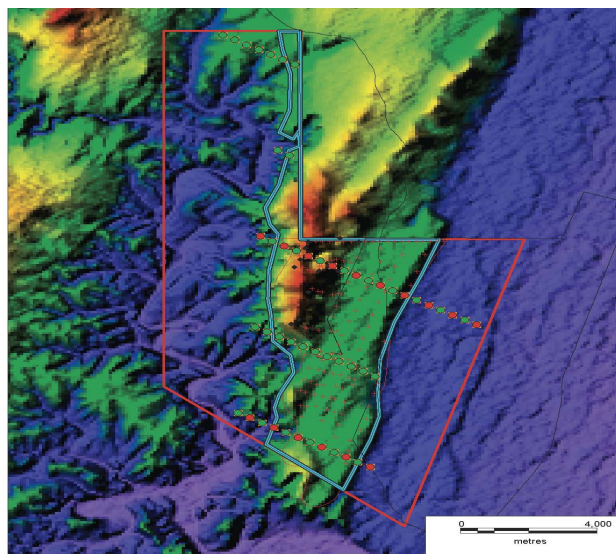
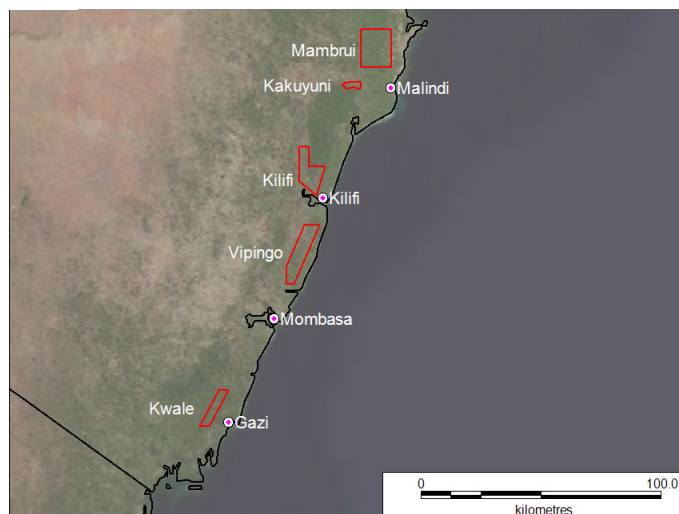
- Adoption of World Bank standards in management and compensation.
- Recruitment and training biased to local communities.
- Development of facilities at host site and surrounding communities – schools, water schemes, dispensaries, road upgrades.
- Post-mining land use strategy integrated into mine plan.
- Community capability development programs to maximise the sustainable benefits from our operations.
- Establishment of a Kwale Development Foundation.



.....as we look beyond Kwale.



3 established exploration projects and a number of additional targets present a range of potential development options. Drilling has started....



Dune	Classification	Resource	HM	
		(Mt)	(%)	(Mt)
Kilifi	Indicated	809.7	3.2	25.9
	Inferred	148.4	3.4	5.0
	Total	958.1	3.2	30.9
Mambrai	Indicated	301.4	5.1	15.4
	Inferred	129.3	4.8	6.2
	Total	430.7	3.6	21.6
Combined	Indicated	1,111.1	3.72	41.3
	Inferred	277.7	4.0	11.2
	Total	1,388.8	3.8	52.5

www.baseresources.com.au



Right sector.
Right project.
Right time.

