



BASE RESOURCES LTD

Right sector. Right project. Right time.

Africa Downunder
Perth
August 2012

Statements



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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**.
- An institutionally dominated share register.
- Market capitalisation of approximately A\$200 million at \$0.43 per share.

<i>Substantial Shareholders</i>	<i>Interest</i>
Pacific Road Capital	19.2%
Taurus Funds Management	12.4%
Acorn Capital	8.7%
L1 Capital	7.9%
<i>Total interest of Substantial Shareholders</i>	<i>48.2%</i>
<i>Total interest of top 10 shareholders</i>	<i>approx 70%</i>

- 100% owner of the advanced Kwale mineral sands project in Kenya.
- A\$100 million in cash.
- US\$170 million in undrawn debt facilities.
- Project NPV_{10 (post-tax real)} of US\$500 million at current TZMI price forecasts.

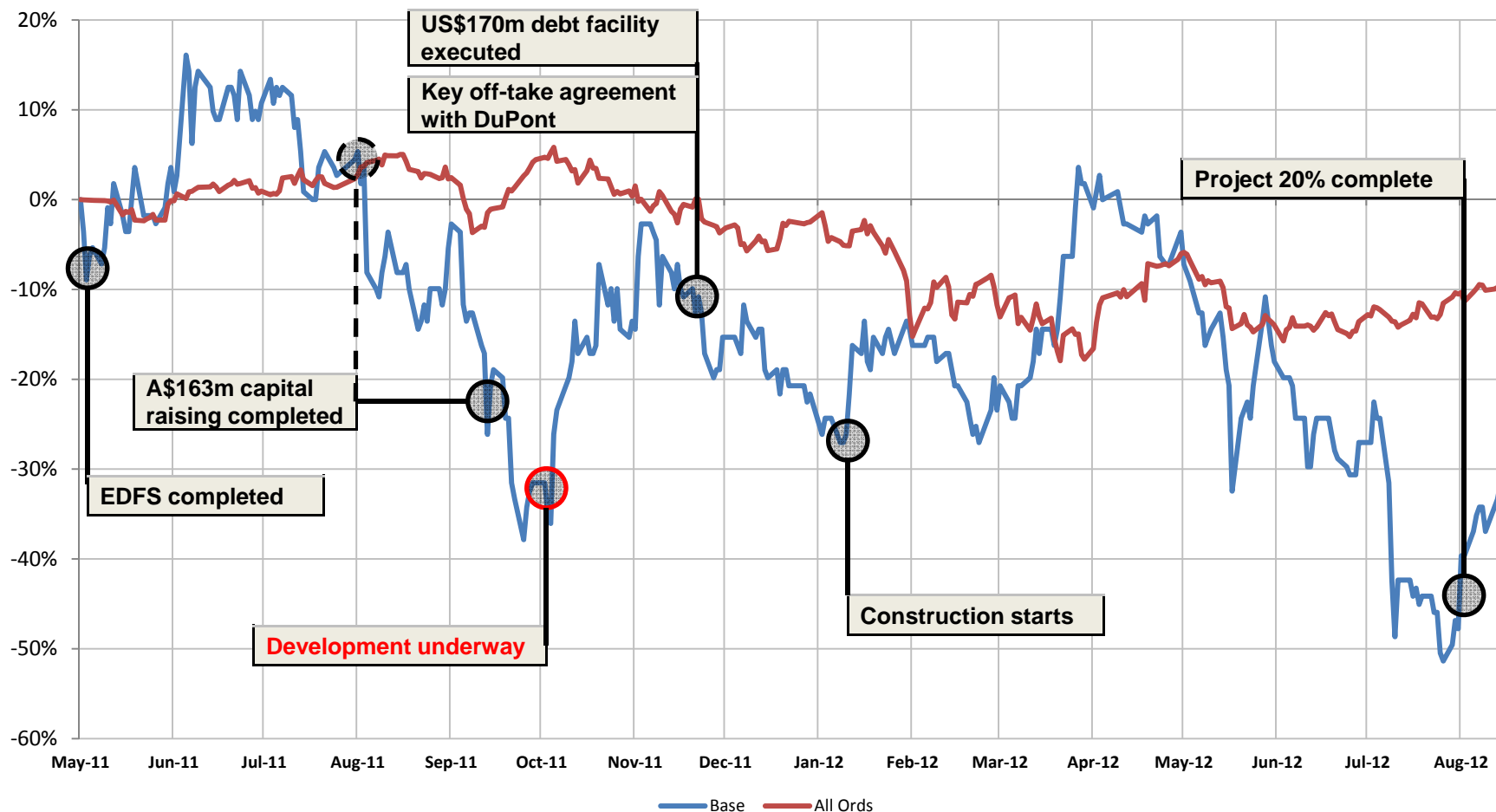
<i>Covering Brokers</i>
Ambrian
Euroz
Credit Suisse
GMP
RBC
Goldman Sachs

A busy 12 months behind us.....



With financing secured and key off-take arrangements in place, development of Kwale is now well advanced and on schedule.

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

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

The EDFS financial statistics.



Based on 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	263
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.

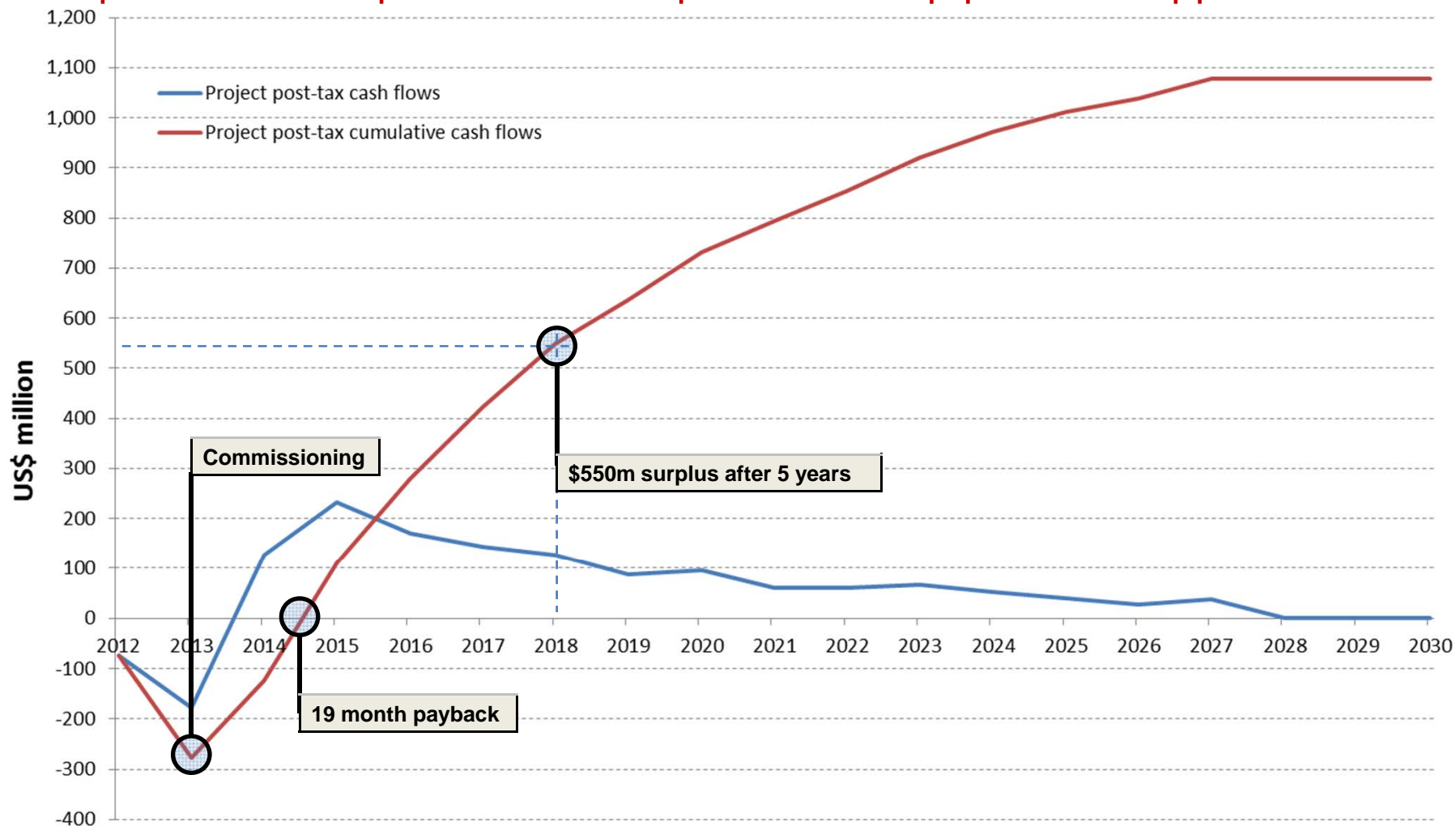
Refer to www.baseresources.com.au for assumptions & explanations



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.



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.

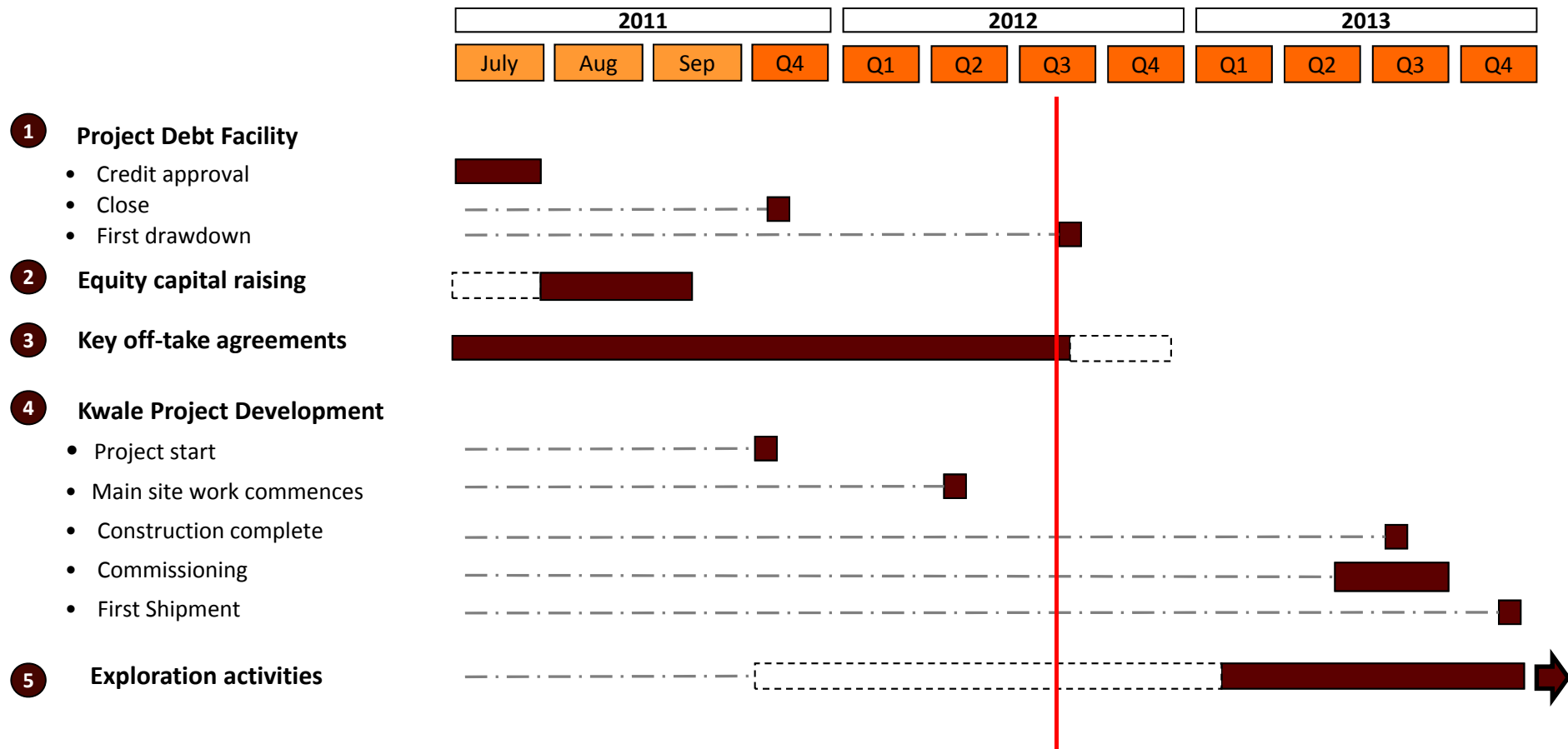
US\$170 million syndicated debt facility

- Documentation executed in November.
- Syndicate of 6 international banks and DFIs.

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.



Debt facility utilisation close.



We are nearing the completion of the CP's to drawdown, expected in the coming weeks, with the funds not required until December.

Gazetting of Tax Concessions

- Tax concessions committed to by Government in Investment Agreement.
- To be “live” at law, formal notices need to be published in the Kenya Gazette.
- Only one now outstanding and due imminently. Primary 50% income tax reduction is complete.

Completion of Security Documentation

- Security documentation has been executed.
- Require Direct Agreement with Government and consent to creation of security interests.
- Documents agreed and with the Permanent Secretary to the Treasury for signature.

Off-take Arrangements

- Require 70%+ of revenue over the term of the facility covered by volume off-take agreements.
- 70% threshold has been reached.
- Final required contract is currently being executed.

Off-take arrangements.

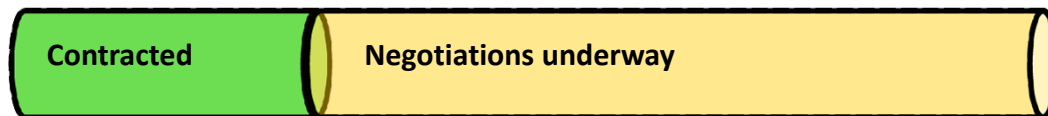


Portfolio of agreements covering first 5 years of production is falling into place.

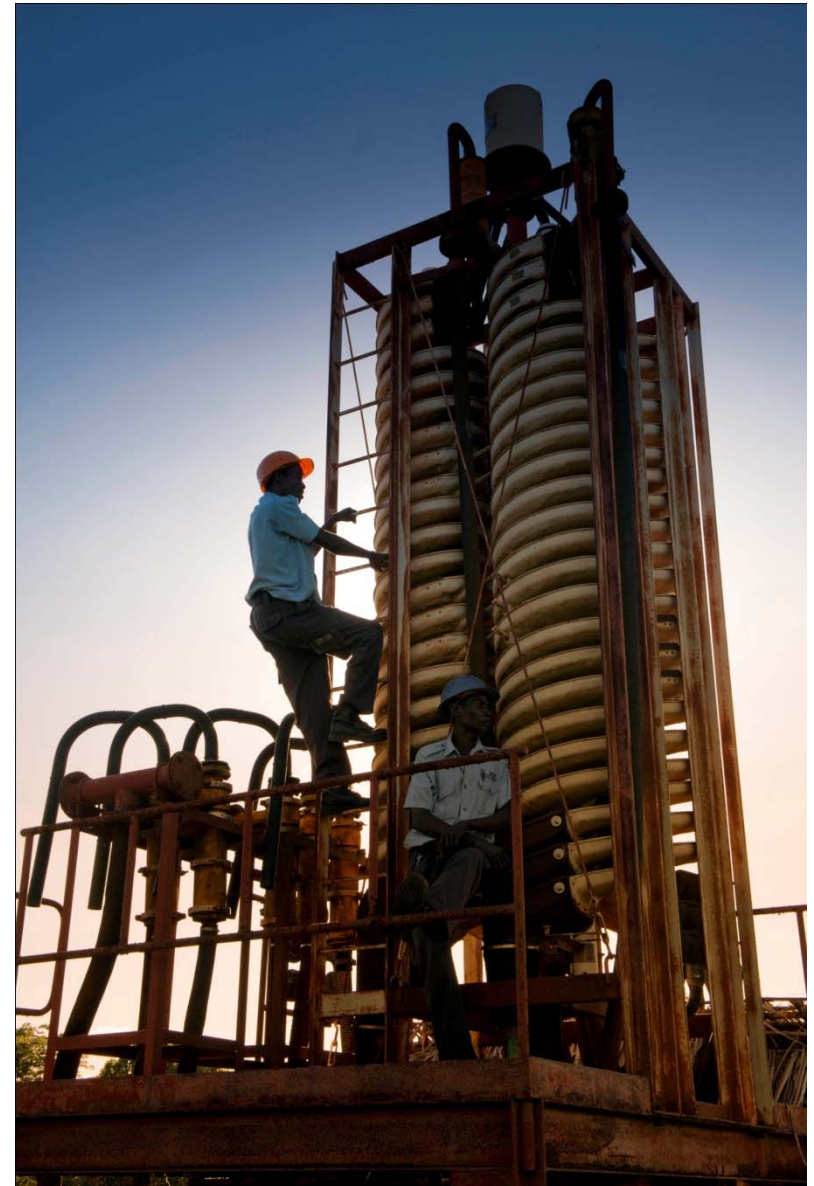
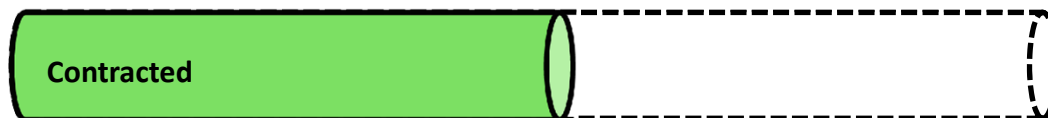
Rutile (50% of revenue)



Ilmenite (23% of revenue)



Zircon (27% of revenue)



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

All people and systems in place:

- Wave Engineering functionally integrated.
- Operational team already in place.
- Strong systems and controls environment.

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



The critical path, on schedule for Q3 2013 completion:

- Ausenco engaged as EPCM contractor.
- Main site works commenced in April.
- Overall 9% 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

CP 2 – Likoni Port Facility

Our gateway to market:

- WSP Group appointed EPCM contractors
- All construction contracts awarded.
- Onshore works underway, piling in September



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 3 – Power Line

Being undertaken as a Design & Construct contract:

- CG Global successful tenderer.
- Delivery of components nearing completion.
- 14 of 44 tower foundations cast.

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

Primary water supply for the project:

- All community relocations completed.
- River diversion and spillway are underway.
- Primary wall construction in November.

CP 1 – Processing

CP 2 – Likoni Port

CP 3 – Power Lin

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 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



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.
- Dozer trap mining unit.
- Environmental and social works, approvals and ancillary projects.

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\$263 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 0.8% to GDP.
- US\$350+ 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, powerline and access road.

But conducted well, the result can be overwhelmingly positive:

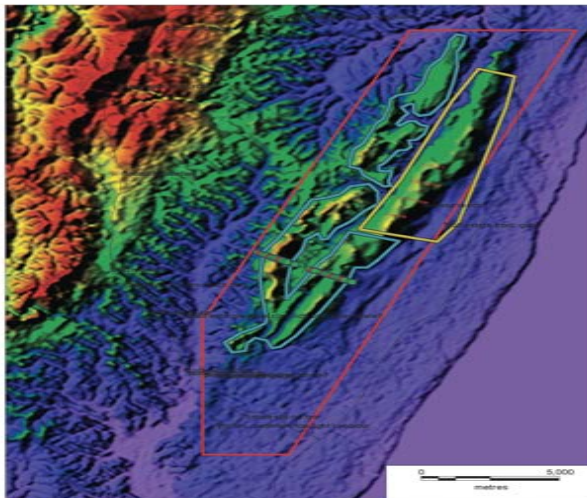
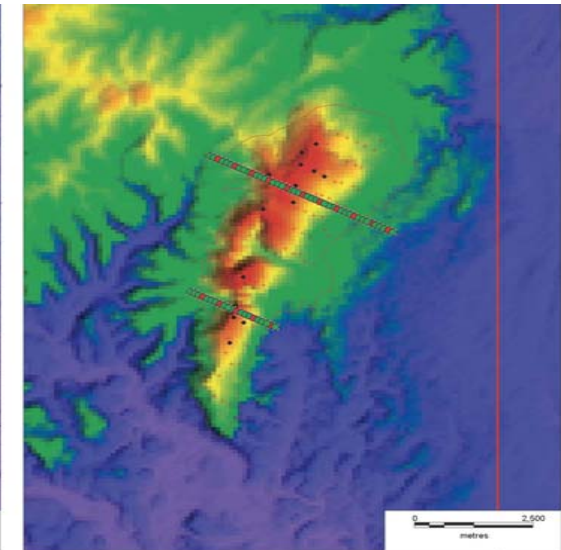
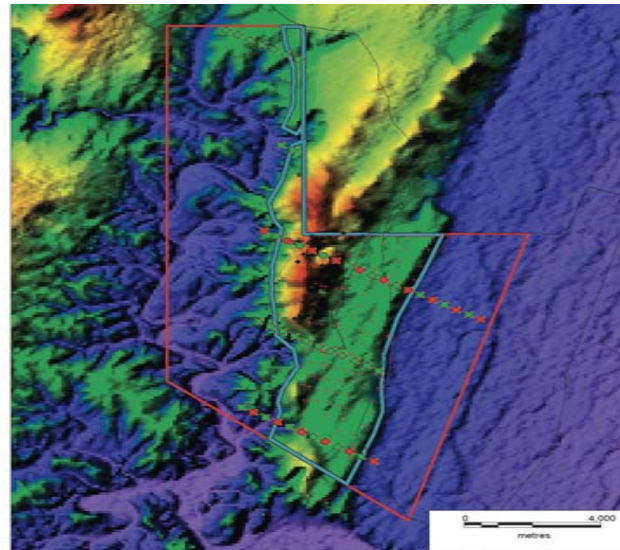
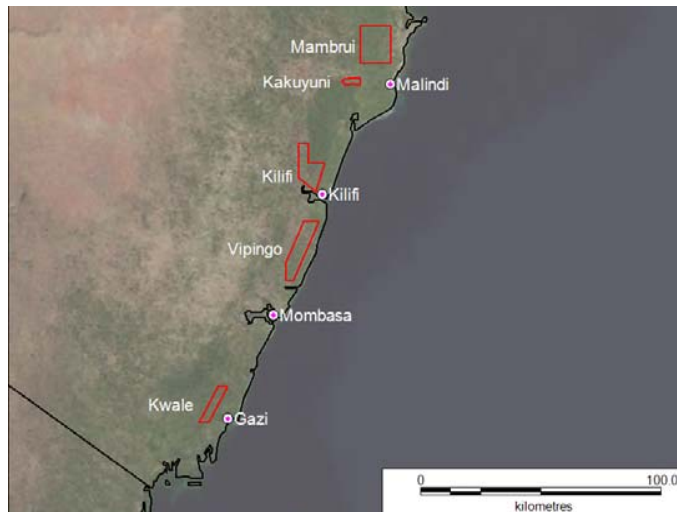
- Adoption of World Bank standards in management and compensation.
- Recruitment and training biased to local communities.
- Development of facilities at host site and surrounding communities – schools, water schemes, dispensaries, road upgrades.
- Post-mining land use strategy integrated into mine plan.
- 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 several additional targets present a range of potential development options. Evaluation is underway.....



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
Mambui	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.

