

ASX Circular

Date: 4 October 2012

Key topics

1. Base Resources Limited
2. Accelerated non-renounceable entitlement offer
3. ASX Code: BSE

Reading List

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ASX Settlement Participants
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No responsibility is accepted for any inaccuracies contained in the matter published.

BASE RESOURCES LIMITED – ACCELERATED NON RENOUNCEABLE ENTITLEMENT OFFER

Participating Organisations are advised that on 4 October 2012, Base Resources Limited (the "Company") announced that it will undertake a 1 for 12 accelerated non-renounceable pro-rata entitlement offer of ordinary shares at an issue price of \$0.40 per share (the "Offer Price") to raise up to approximately \$15 million (the "Entitlement Offer"). The Company will also undertake a placement to institutional and sophisticated investors to raise approximately \$25 million.

The Entitlement Offer has two components:

- an institutional entitlement offer, where offers have been made to qualifying institutional shareholders for them to apply for their pro-rata entitlement to raise approximately \$11.7 million (the "Institutional Entitlement Offer"); and
- a retail entitlement offer, where an offer will be made to qualifying retail shareholders for them to apply for their pro-rata entitlement to raise approximately \$3.6 million ("Retail Entitlement Offer").

The Entitlement Offer is fully underwritten by RFC Ambrian Limited.

The Record Date for the Entitlement Offer is Tuesday, 9 October 2012.

The Retail Entitlement Offer is expected to close on Thursday, 25 October 2012.

New ordinary shares issued under the Entitlement Offer will rank equally with existing ordinary shares on issue.

The anticipated timetable in relation to the Entitlement Offer is set out below.

Institutional Entitlement Offer opens	Thursday, 4 October 2012
Institutional Entitlement Offer closes	Friday, 5 October 2012
Institutional Entitlement Offer results announced and Base shares recommence trading	Monday, 8 October 2012
Record Date	7.00 pm (EDST) on Tuesday, 9 October 2012
Settlement of Institutional Entitlement Offer and Placement	Thursday, 11 October 2012
Retail Entitlement Offer opens	Thursday, 11 October 2012
Institutional Entitlement Offer shares and Placement shares allotted and commence trading on ASX on normal settlement basis	Friday, 12 October 2012
Retail Entitlement Offer closes	Thursday, 25 October 2012

Retail Entitlement Offer results announced	Tuesday, 30 October 2012
Settlement of Retail Entitlement Offer	Thursday, 1 November 2012
Allotment of Retail Entitlement Offer shares	Friday, 2 November 2012
Commencement of trading of Retail Entitlement Offer shares	Monday, 5 November 2012

Settlement issues

Despite the fact that securities are trading “ex entitlement” on ASX Trade, CHESS will not recognise for settlement purposes the “ex entitlement” or the “cum entitlement” tag on CHESS messages and CHESS will not maintain cum balances during the deemed “CHESS ex-period”, i.e. the period commencing on the deemed CHESS Ex-Date up to and including the record date. However, a record date cum balance will be available the business day following the record date, which will be equal to the registered holding balance at CHESS end of day on the record date. As a result any transfer that occurs prior to record date will be effectively transferred on a “cum” basis.

Therefore, Participants must ensure that any transfer, including the priming of Broker Entrepot Accounts, is conducted in accordance with the basis of quote. For example, a transfer in relation to a transaction conducted on an ex-basis should ordinarily only occur post record date.

CHESS will perform automatic diary adjustments to “cum entitlement” settlement obligations outstanding as at the record date.

Trading issues

ASX will not price a “cum” market with respect to trading in the Company’s securities. Persons who acquire the Company’s securities after the commencement of the trading halt on Thursday, 4 October 2012 are not entitled to participate in the Entitlement Offer.

Further information

For further details, please refer to the Company’s recent announcements.