ASX and Media Release
21 November 2012

BASE MAKES FIRST DRAWDOWN ON DEBT FACILITY

Base Resources Limited (ASX:BSE) ("Base") is pleased to advise that financial close has been achieved on the US$170 million project debt facilities (**Project Finance Facility**) and that the first drawdown of US$52 million has been completed.

This is a critical milestone in the development of the Kwale Project as Base now has access to the full funding required to complete the development of the Kwale Project and bring it to positive cashflow. Achieving financial close on the debt facility is the product of a strong collaborative effort between Base and a very supportive group of Lenders with co-operation from the Government of Kenya. Endeavour Financial, a London based debt advisory firm, have played a crucial role in coordinating the process to achieving first drawdown.

Under the terms of the debt facility, subsequent drawdowns will be made on a quarterly basis with the next scheduled for February 2013.

Project construction continues to be on schedule for practical completion in Q3 2013 and first shipment in Q4 2013.

Update on Minimum Local Equity Participation Regulations

As previously advised, we have clear legal advice from two leading Kenyan law firms that the regulation recently introduced by the Minister of Environment and Mineral Resources that seeks to mandate a 35% minimum Kenyan equity participation in mining licenses cannot be legally applied to the Special Mining Lease No. 23 covering the Kwale Project. This advice has been corroborated by the Lender's legal advisers.

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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, 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 the second half of 2013.