



Into Production

Euroz Conference, Rottnest Island
March 2014



Statements



Restriction on Distribution

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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 Carruthers, 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.



A snapshot



- ▶ Based in Perth, Australia.
- ▶ Market Listings
ASX & AIM - code BSE
- ▶ An institutionally dominated share register.
- ▶ Market capitalisation of around A\$250 million at A\$0.45 per share.
- ▶ 100% owner of the advanced Kwale mineral sands project in Kenya.
- ▶ US\$302 million incurred on development.
(to 31 January 2014). \$310 million estimated at completion
- ▶ US\$44 million in cash (at 31 January 2014).
- ▶ US\$215 million in drawn debt facilities
(at 31 January 2014).

Substantial Shareholders

Interest

Pacific Road Capital	20.5%
Taurus Funds Management	13.0%
L1 Capital	8.8%
Acorn Capital	8.2%
BT Investment Management	6.0%
Aterra Investments	5.7%
<i>Total interest of Substantial Shareholders</i>	62.2%
<i>Total interest of top 10 shareholders</i>	<i>approx 75%</i>

Broker Coverage

Australia

Euroz
Credit Suisse
Goldman Sachs
J P Morgan

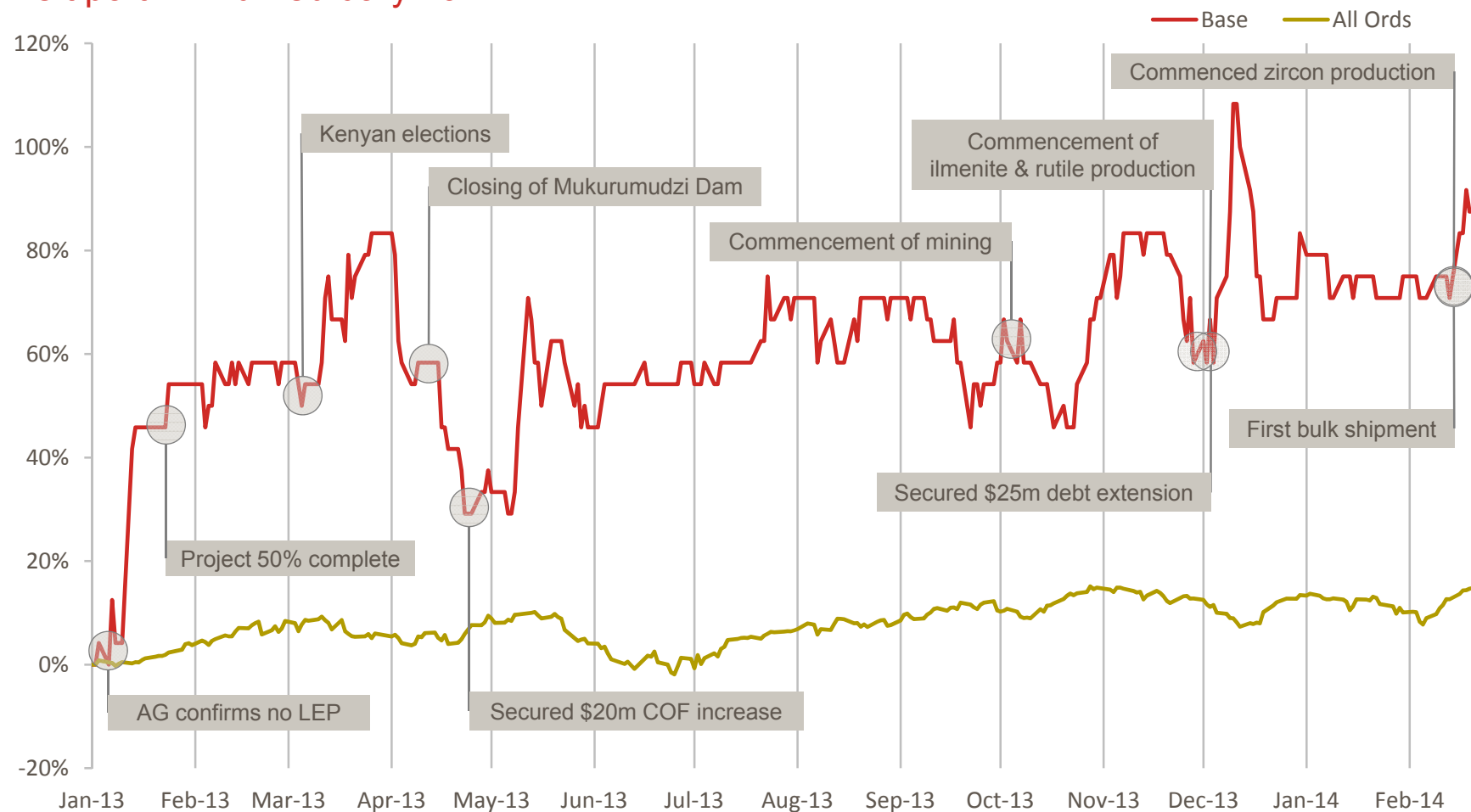
UK

GMP
RBC
Macquarie
RFCAmbrian

Another busy 12 months...



Mining & production of all finished products is underway and the first bulk product shipment left port in mid February 2014.



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

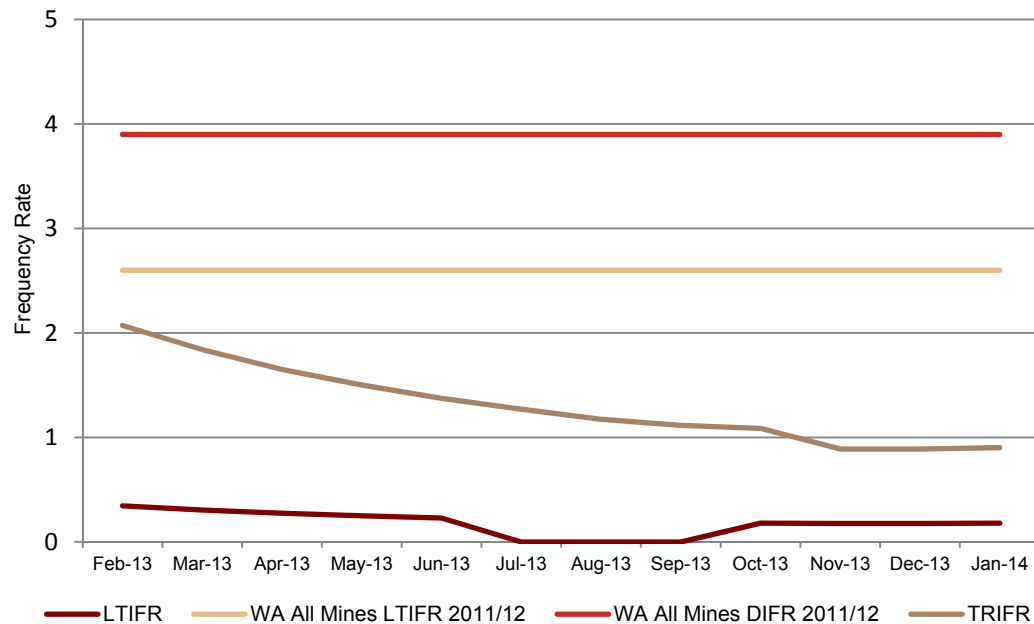
First shipment.



Developed safely.



Establishing our required safety culture has been one of the key challenges.....and our success and a lead indicator for operational performance.



- ▶ 8.4 million man hours (mmh) worked to date.
- ▶ 2 LTI's for entire project (6.5 mmh LTI free)
- ▶ 2400 people on site at peak.
- ▶ 1000 people recruited from local community – most have never had a job before.
- ▶ 20 full time safety specialists.



Operational management team



A highly experienced management team is in place, with deep experience in mineral sands, African operations and their respective fields.

Colin Bwye
Director - Operations

- Metallurgist
- Mineral sands experience: 24 yrs
- Project commissionings: 2

Tim Carstens
Managing Director

- Chartered accountant
- Mining industry experience: 15 yrs

Denham Vickers
GM - Operations

- Mining engineer
- Project commissionings: 5
- African experience: 20 yrs

Kevin Balloch
Chief Financial Officer

- Certified practicing accountant
- Mining industry: 10 yrs
- African experience: 9 yrs

Christo Schmidt
Manager - Production

- Metallurgist
- Mineral sands experience: 25 yrs
- African experience: 25 yrs

Stephen Hay
GM - Marketing

- Lawyer
- Marketing experience: 10 yrs
- Mineral sands experience: 13 yrs

Vaughan Shaw
Manager - Mining

- Tailings dam const. & ops: 20 yrs
- Mineral sands experience: 10 yrs
- African experience: 20 yrs

Joe Schwarz
GM – External Affairs

- Chemical engineer
- Mining industry: 40 years
- African experience: 35 years

Tony Venturini
Manager - Maintenance

- Mining industry: 30 years
- Project commissionings: 3
- Mineral sands experience: 4 yrs

Colin Forbes
GM – Social & Enviro

- Social management
- Community engagement: 14 yrs
- African experience: 24 yrs

Pieter Kros
Manager - Port

- Port management: 25 yrs
- Worldwide experience

Georgina Jones
Manager - Environment

- Environmental science
- Environmental consulting: 12 yrs
- African experience: 20 yrs

Off-take arrangements



Portfolio of agreements with global customers covering first 5 years of production is in place.

Rutile (48% of revenue)

Contracted

Contracted

Ilmenite (28% of revenue)

Contracted

Contracted

Contracted

Zircon (24% of revenue)

Contracted

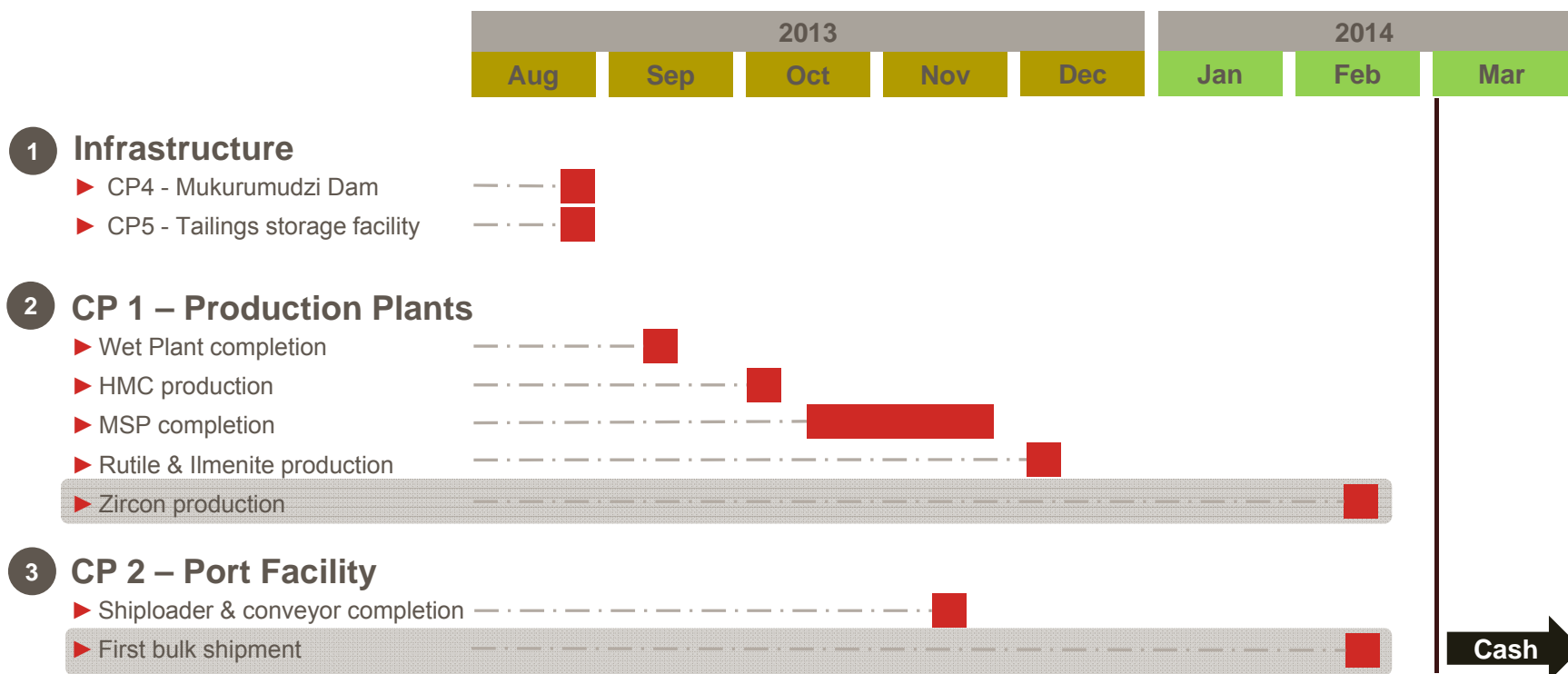
Contracted



Which brings us to now



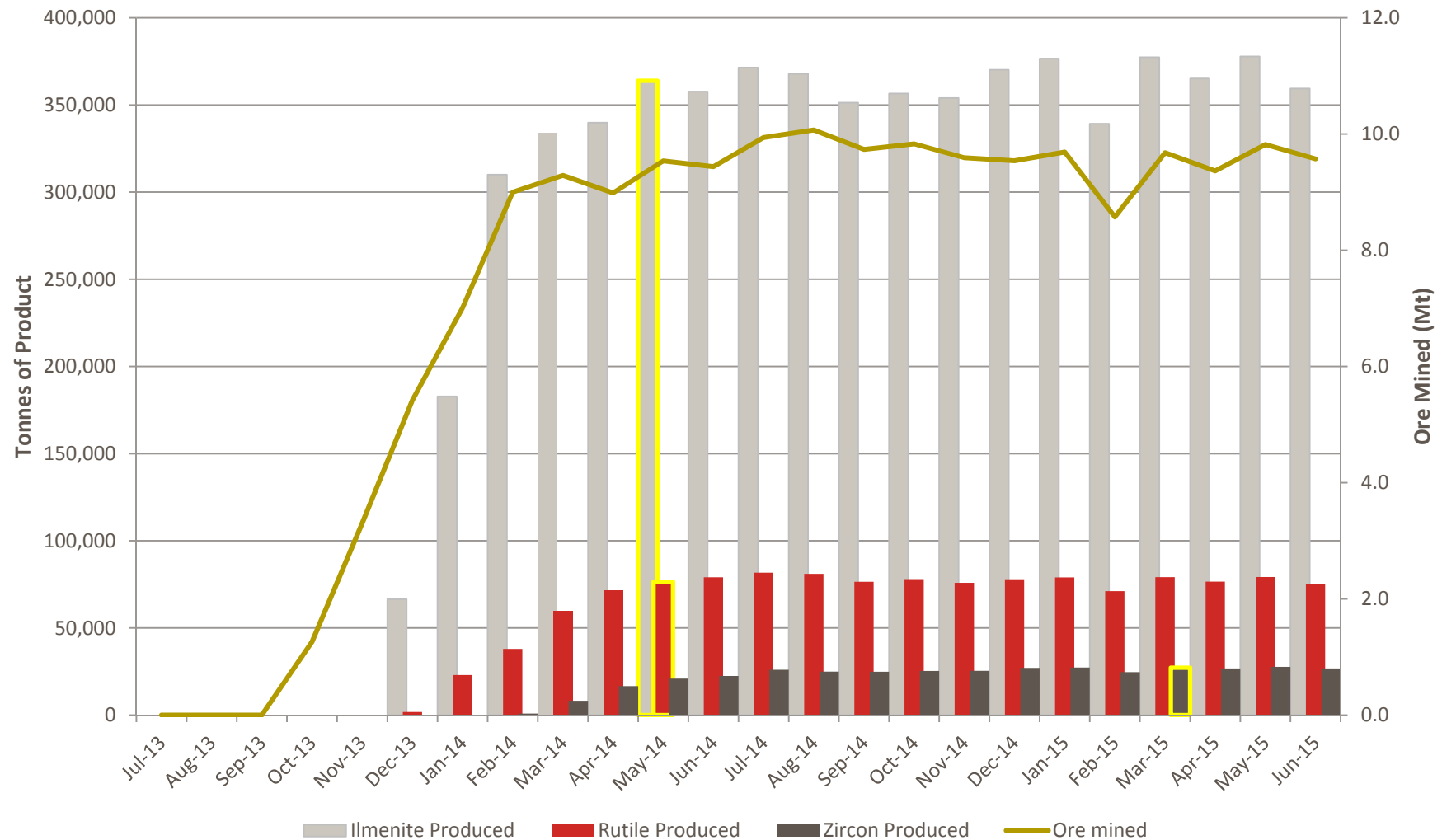
Since acquisition in August 2010, Base has driven the rapid development of the Kwale Project with production of ilmenite and rutile commencing in December 2013 and first bulk shipment in February 2014.



Early production profile



Planning a rapid ramp up for ilmenite and rutile, a little longer for zircon, to being a “globally significant” producer.



Ramp-up experience to date



While it hasn't all been plain sailing with some delays to shipments, no issues have emerged which indicate a divergence from our operational performance assumptions.

Mining & Concentration

- ▶ DMU performing to expectations and to design throughput.
- ▶ Slimes separation and deposition – less than 1% HM losses.
- ▶ Early challenges with concentrator logic control, mass balance and valve performance now rectified. Primary screen distribution and level control being addressed during March.
- ▶ Annualised HMC production now > 550k tpa

Mineral Separation

- ▶ MSP feed rates now achieving design targets.
- ▶ **Ilmenite circuit** is performing well with annualised production now at >300k tpa.
- ▶ **Rutile circuit** performance is steadily improving with annualised production at 40k tpa
 - ▶ Required pipework, RER speed and screen work as well as zircon plant production. Fixes underway with target completion during March.
- ▶ **Zircon circuit** is has commenced production.
 - ▶ Pipework and pumping system rework – completion during March.



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:

- ▶ \$310 million FDI and \$900 million in operating costs
- ▶ More than triple mineral sector export earnings – US\$1.9 billion in sales – will replace coffee in 4th on export value.
- ▶ Adds 0.8% to GDP.
- ▶ US\$220+ 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:

- ▶ Project has high international visibility.
- ▶ Opportunity to establish a model (and benchmark) for effective mining investment in Kenya.
- ▶ The GoK recognises and is playing its role:
 - ▶ Modernisation of mining administration.
 - ▶ Establishment of an “appropriate” fiscal regime.
 - ▶ Encouraging broad local participation.



Community engagement



Achieving our long term goals depends on our ability to build relationships with the communities in which we operate and establish a balanced flow of mutual benefit, not CSR.

Community liaison committees

Capability building

- Training
- Scholarships
- Agricultural development

Basic needs

- Health
- Drinking water
- Education
- Employment
- Transport

Establishment

- Relocation and compensation
- Infrastructure replacement
- Livelihood restoration

NGO's, specialist NFP's, Co-sponsors (Ausenco, Lenders)



Into production.

