Positioning for Growth

Investor Presentation

July 2016

BASE RESOURCES

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A corporate snapshot

- **100% of the Kwale Mineral Sands Mine in Kenya.**
- **Revenue to cash operating cost ratio of 2.2:1** (12 months to June 2016).
- **FY17 Production guidance:**[(1)]
  - Rutile – 88,000 to 95,000 tonnes
  - Ilmenite – 450,000 to 480,000 tonnes
  - Zircon – 36,000 to 40,000 tonnes
- **US$200 million in drawn debt facilities.**
  - US$35 million paid down since June 2015
- **US$50 million cash** (at 30 June 2016).
- **Strong, settled Board and Management team.**
- **Positioned to capitalise on growth opportunities.**

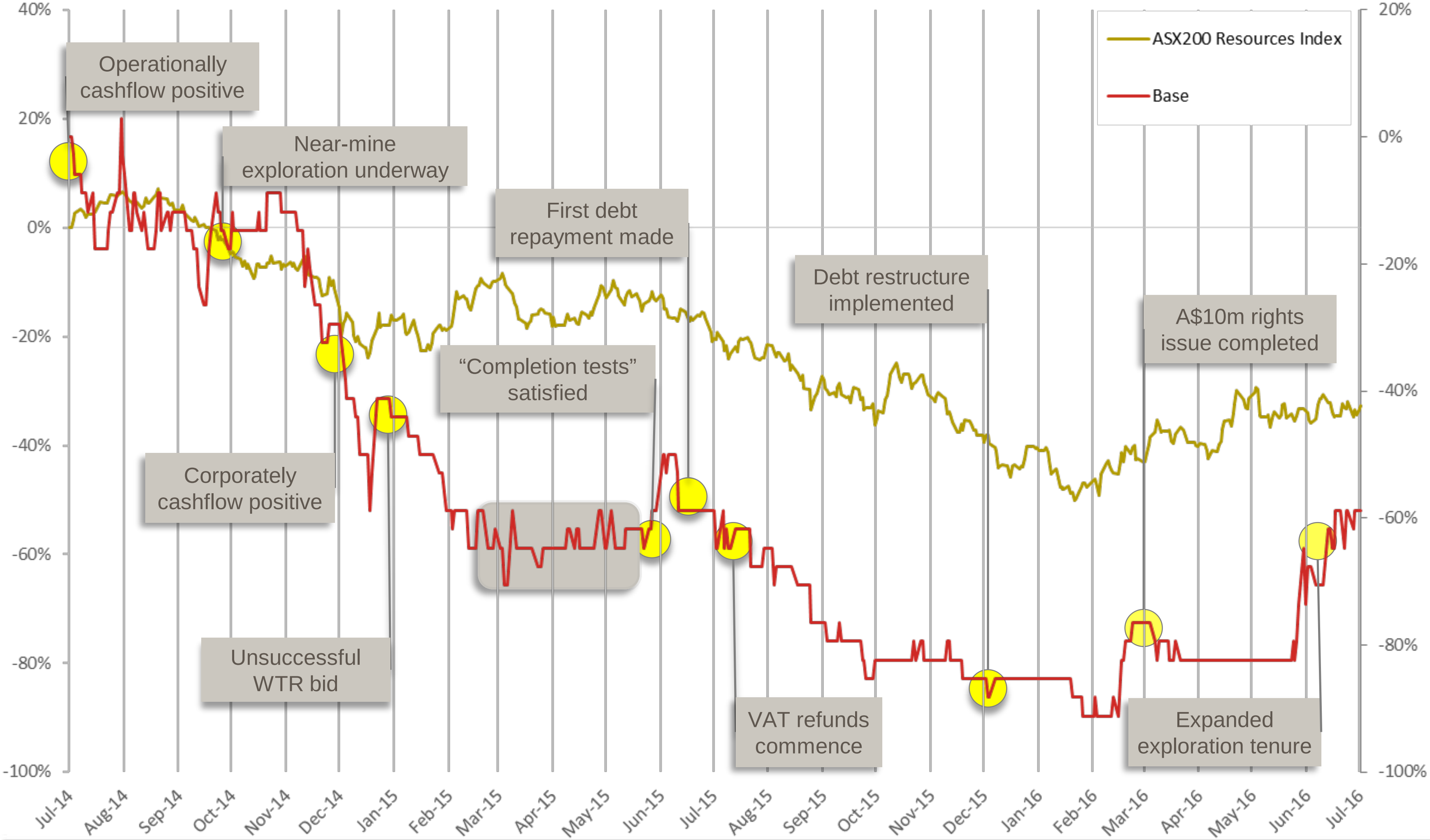
- Based in Perth, Australia.
- Market listings - ASX & AIM - code BSE.
- Tightly held with Top 10 holding ~85%.
- Liquidity improving with share price appreciation.
- A$135 million market capitalisation @ A$0.185/share.

Substantial Shareholders	Interest
Pacific Road Capital	21.9%
Hunter Hall Investment Management	18.0%
Sustainable Capital	15.3%
Taurus Funds Management	14.3%
Aterra Investments	7.7%

Note: (1) Production targets are based on the following key assumptions for FY2017: Mining of 10.25Mt at an average heavy mineral grade of 6.95%, all from Ore Reserves; mineral separation plant (**MSP**) feed rate at 91tph, consistent with recent achievement; and MSP product recoveries of 102% for ilmenite , 100% for rutile and 78% for zircon.

A challenging but successful 24 months…

Characterised by strong operational achievement and positioning for growth amidst a very unfriendly market that is showing distinct signs of improvement.



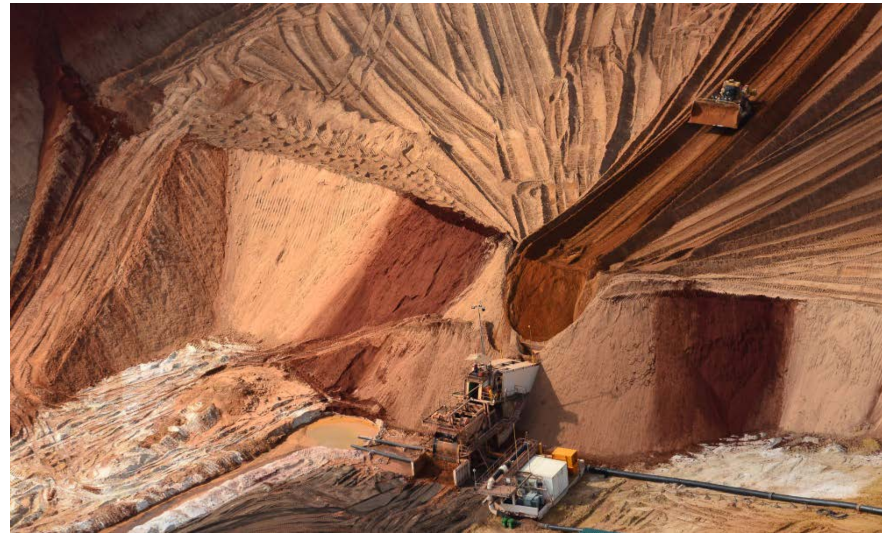
Kwale Mineral Sands Operation

Kwale is large scale with a high value mineral assemblage and supported by well developed physical and social infrastructure.

Mining the Central Dune

Mukurumudzi Dam & Tailings Facility

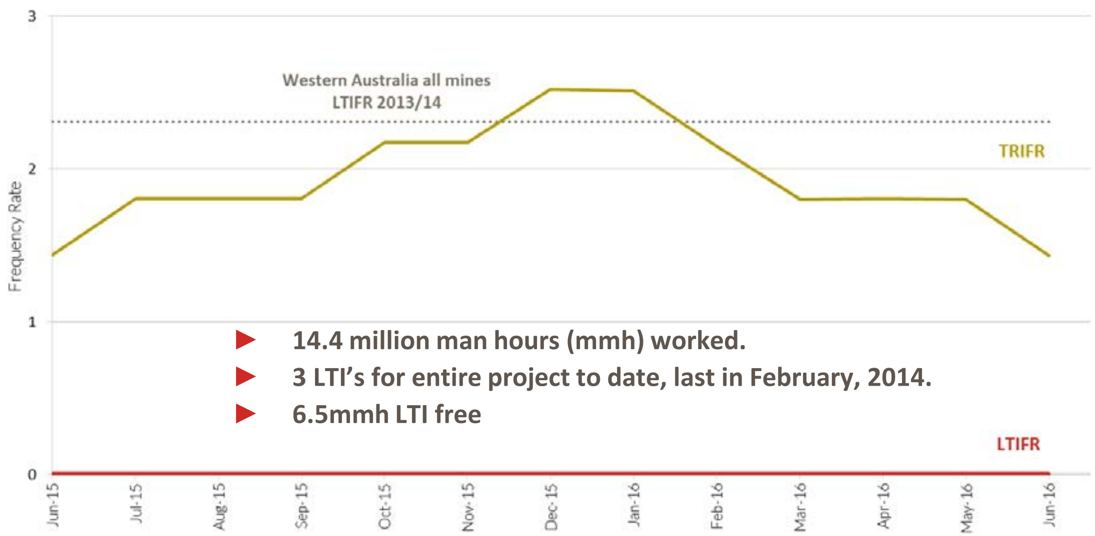
Processing facilities



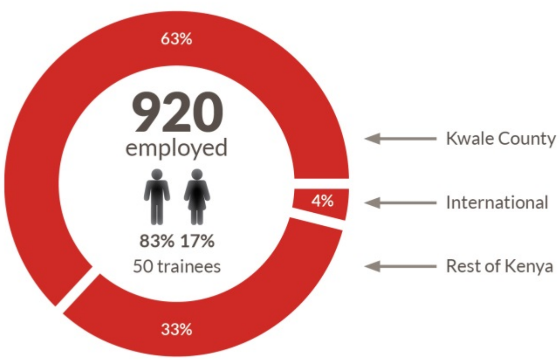
Likoni marine terminal

Built, commissioned and operating safely

Establishing our required safety culture has been one of the key challenges. While our early success has been pleasing, the challenge continues and evolves as the workforce matures.



- **14.4 million man hours (mmh) worked.**
- **3 LTI's for entire project to date, last in February, 2014.**
- **6.5mmh LTI free**



A rapid and smooth ramp up

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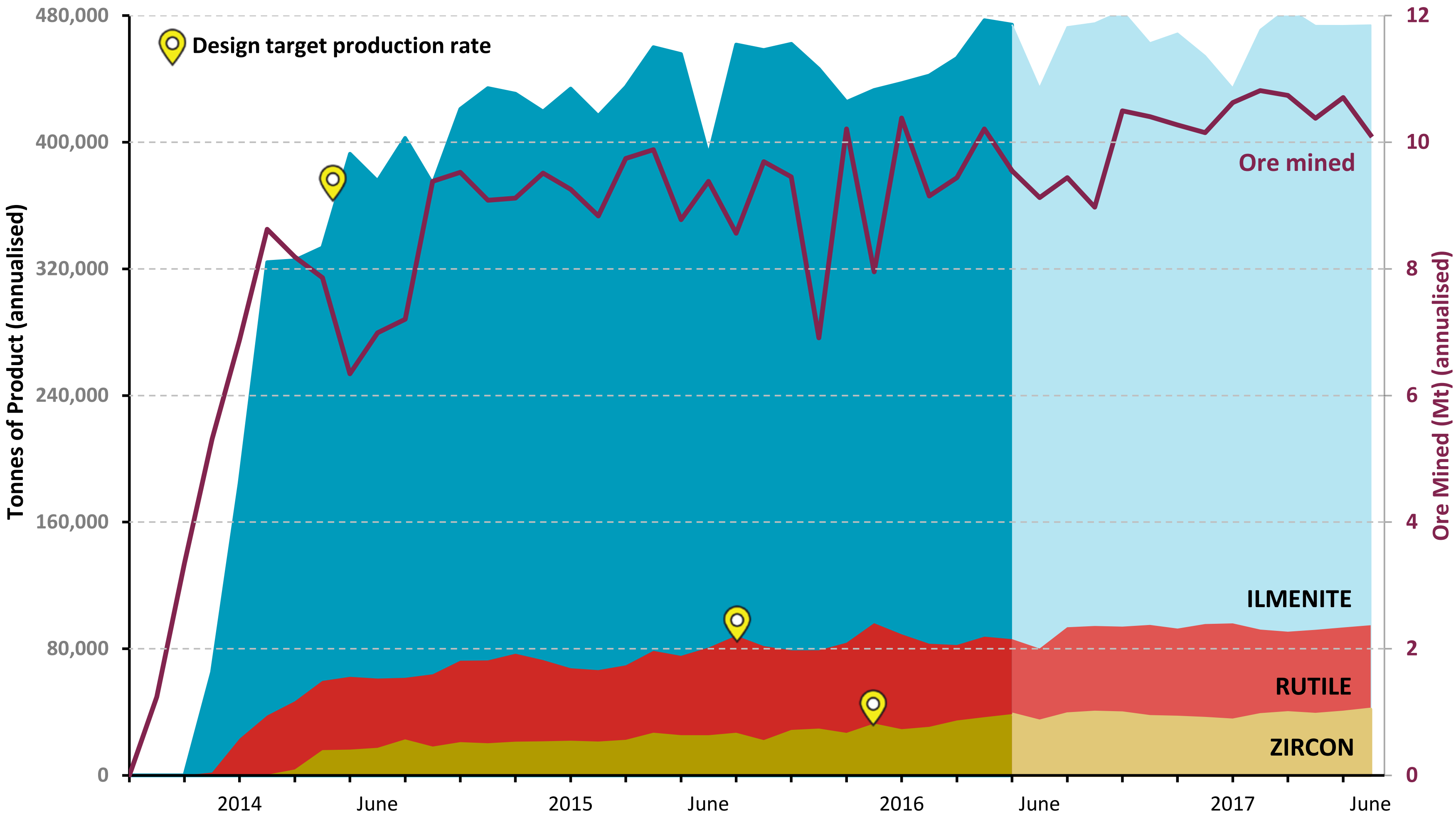
With all products now above design recoveries and output rates, the focus is on throughput maximisation to optimise the operation.



Note: See note (1) on slide 3 which sets out the key assumptions for achieving the production target for FY2017.

Driving production and a sharp cost focus

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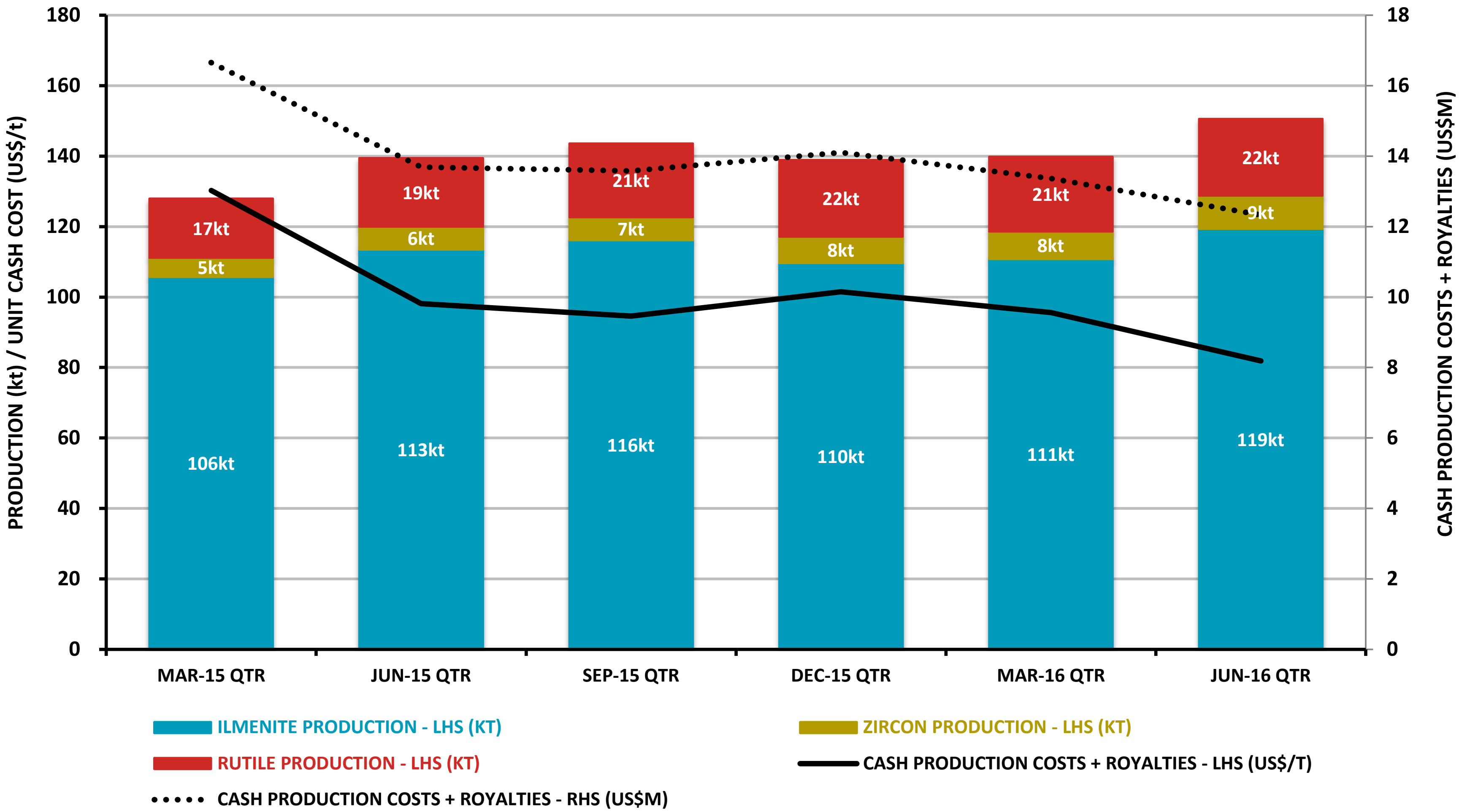
A strong "cost and value" culture has been established and operational stability has allowed cost reduction initiatives to be implemented and benefits sustained.



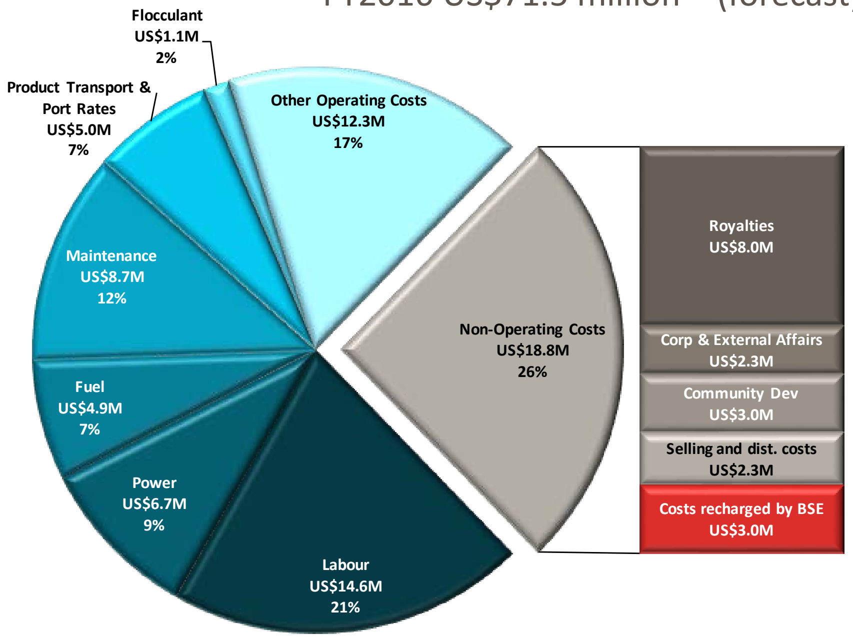
Production and cost outlook

A strong "cost and value" culture has been established and operational stability has allowed cost reduction initiatives to be implemented and benefits sustained.

- **Full year production guidance for FY2017:**[1]
  - Rutile – 88,000 to 95,000 tonnes
  - Ilmenite – 450,000 to 480,000 tonnes
  - Zircon – 36,000 to 40,000 tonnes
- **FY2016 averages:**
  - Revenue: US$207 per tonne
  - Operating costs (inc. royalties): US$93 per tonne
  - Operating margin: 55%

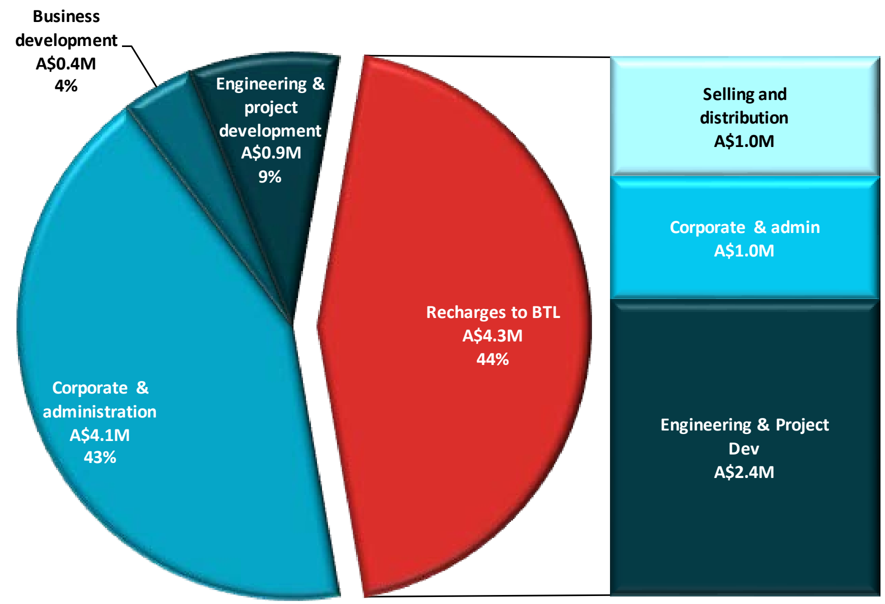
Base Titanium Cost Structure

FY2016 US$71.5 million[(2)] (forecast)



Base Resources Cost Structure

FY2016 A$5.4 million (forecast)



Note: (1) See note (1) on slide 3 which sets out the key assumptions for achieving the production targets for FY2017. **(2)**: Base is in ongoing discussions with the Government of Kenya with respect to the royalty rate payable in the context of resolution of a number of outstanding issues, including receipt of the US$17 million VAT refund. Royalty costs are presented in this slide on the basis of a 5% royalty payable to the Government of Kenya.

A positive sector outlook

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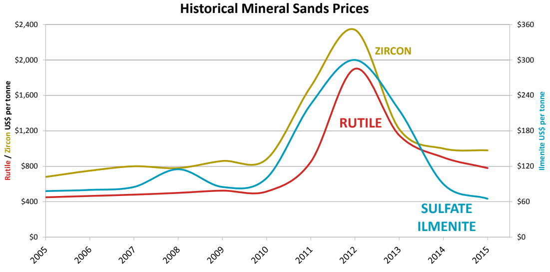
While its been a difficult market, a needed supply response has emerged, prices have stabilised and the longer term demand fundamentals are intact. It's time to secure options.

Immediate dynamics are challenging but improving...

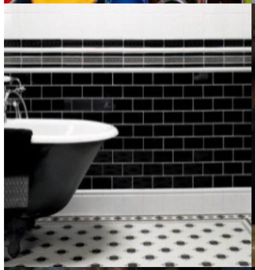
- Significant **new supply entered** the market over last 2 years, including Base.
- Very **steep decline in prices**.
- Significant proportion of TiO_2 feedstock **sector is loss making** – Base estimates in excess of 50% for traditional supply to the Chinese market at current prices.
- Feedstock **supply response is emerging** with recent closures in China and Russia.
- Evidence of major producers seeking to **manage supply to demand**.
- **New positives emerging** – pigment prices rising, feedstock demand improving, ilmenite price rises sticking.

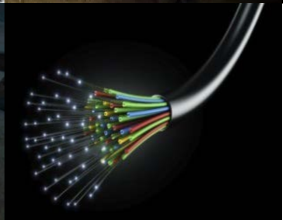


Longer term themes present opportunities...

- End use **applications are ubiquitous** in everyday life, with limited technological threats.
- **Demand historically tightly tied to global GDP**, with some macro trends that can be expected to positively impact this relationship:
  - Increased intensity of consumption with wealth
  - Urbanisation
  - Consumerism
  - New applications
- **Maturing orebody profile** globally – new investment will be required.
- Average new project VHM **grade and assemblage is in decline**.
- **Higher prices** will be required to support new supply.

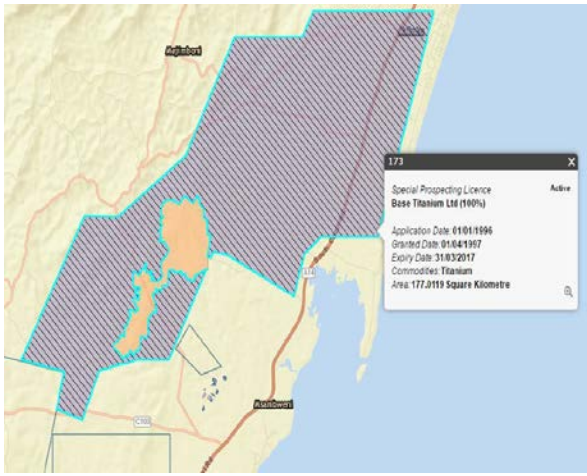


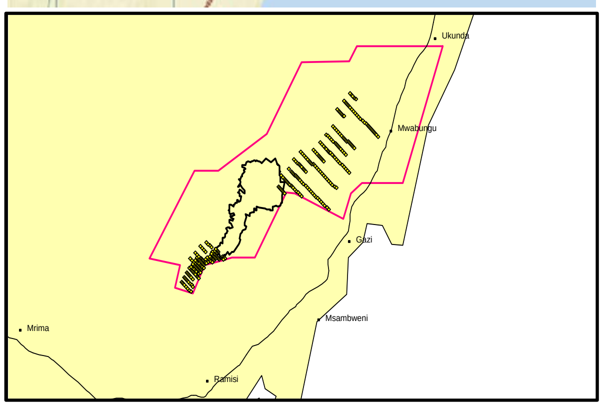


Plan for value creation

Base is actively pursuing both medium and long term growth options to capitalise on our capabilities, market position and the mineral sands outlook to create shareholder value.





1. Enhance the value of the Kwale operations

- "Kwale Phase 2" Project
  - Focused on delivering an optimised combination of Central and South dune mining sequence and method and increased mineral processing throughput.
  - Core objectives: Accelerated throughput and production, maximised ore volumes and significant cost efficiency through shorter mine life.
  - Encouraging pre-feasibility study nearing completion.
  - Targeting full implementation by early 2018.
- Near-mine exploration for extended operational life
  - Regional airborne geophysics program completed in 2015.
  - Exploration license extension granted covering identified areas of interest. Further license applications progressing.
  - Significant drilling program to commence in September quarter.

2. Secure the "right" mineral sands development asset

- Screening process for global undeveloped mineral sands projects was completed over 2015.
  - Database system and project ranking methodology developed.
  - Critical success factors and economic triggers for new project development established.
- Projects of interest identified and transaction relative value envelopes modelled.
- Progression planned in 2016.

3. Consider value creating consolidation opportunities in the sector

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Appendix: June quarter highlights

A quarter of consistent production, further enhanced plant performance in throughput and zircon recovery and continued sound cost control.

- Record sales volumes achieved for ilmenite and rutile, reflecting the continuing improvement in TiO_2 feedstock markets.
- Price increase secured for September quarter ilmenite sales.
- Strong production result with record, or near record, volumes in all products, driven by:
  - Achievement of 78% recovery for zircon for the quarter and 80% in June such that recoveries of all products now exceed design targets.
  - An increase in MSP throughput to 88tph for the quarter and 89tph in June.
- No lost time injuries.
- Production guidance for financial year 2017[(1)]:
  - Rutile - 88-95,000t
  - Ilmenite – 450-480,000t
  - Zircon – 35-40,000t
- Exploration tenure granted over significant land area covering previously identified targets surrounding the Kwale Operations.

SUMMARY PHYSICAL DATA	Jun 2015 Quarter	Sept 2015 Quarter	Dec 2015 Quarter	Mar 2016 Quarter	Jun 2016 Quarter
Ore mined (dmt)	2,334,457	2,327,361	2,101,295	2,410,503	**2,363,395**
HM%	9.18%	9.66%	4.31%	8.96%	**9.87%**
HMC produced (dmt)	206,123	210,104	88,087	209,787	**226,453**
HMC consumed (dmt)	169,061	170,258	176,717	175,224	**187,244**
Production (dmt)					
Ilmenite	113,476	116,121	109,649	110,760	**119,340**
Rutile	19,499	20,926	21,768	21,172	**21,766**
Zircon	6,484	6,546	7,507	7,865	**9,471**
Sales (dmt)					
Ilmenite	121,727	130,608	103,035	95,984	**150,911**
Rutile	25,382	14,686	23,896	14,500	**32,454**
Zircon	7,621	6,193	7,723	9,556	**9,590**

Note: (1) See note (1) on slide 3 which sets out the key assumptions for achieving the production targets for FY2017.