

ASX Release

31 October 2016

Extension of the Taurus Facility

Base Resources Limited (ASX & AIM: BSE) ("**Base Resources**" or the "**Company**") is pleased to advise that it has extended the maturity date of the fully drawn US\$20 million unsecured debt facility provided by one of its major shareholders, Taurus Funds Management ("**Taurus**") ("**Taurus Facility**"), from 31 December 2016 to 30 September 2017.

The Taurus Facility was established in December 2014, and is held by the parent company, Base Resources. Prior to final maturity, under the terms of the Taurus Facility, repayments are only required to be made from the surplus cash distributions ("**Cash Sweeps**") of the Kwale Operations to Base Resources, as permitted by the Kwale Project Debt Facility. These Cash Sweeps, if permitted, occur six-monthly with the first taking place in July 2016 for US\$5.4 million. Following the Cash Sweep, a mandatory 50% of which was applied towards progressive repayment of the Taurus facility, the amount currently outstanding under the Taurus Facility is US\$17.3 million.

The extension of the Taurus Facility final maturity date allows additional repayments to be made from two further potential Cash Sweeps in January and July 2017, and removes the need to secure external funding to repay the balance that would otherwise have been due on 31 December 2016. With the continuing improvement in ilmenite prices experienced since July 2016, and the positive outlook for rutile prices over the coming period, it is anticipated that the Taurus Facility can be substantially repaid from Cash Sweeps prior to the extended maturity date.

As part of the extension, the mandatory proportion of Cash Sweeps to be applied toward progressive repayment of the Taurus Facility has increased from 50% to 75%. All other terms of the Taurus Facility remain unchanged, including the interest rate of 10% on the outstanding balance. As consideration for the extension, Base Resources will issue Taurus 10 million fully paid ordinary shares ("**Consideration Shares**"). The issue of the Consideration Shares will not require shareholder approval.

The total number of fully paid ordinary shares in Base Resources on issue following the issue of the Consideration Shares is 742,231,956.

ENDS.

CORPORATE PROFILE

Base Resources Limited ABN 88 125 546 910

DIRECTORS

Keith Spence	Non-Executive Chairman
Tim Carstens	Managing Director
Colin Bwy	Executive Director

Sam Willis	Non-Executive Director
Michael Anderson	Non-Executive Director
Michael Stirzaker	Non-Executive Director
Malcolm Macpherson	Non-Executive Director

COMPANY SECRETARY

Chadwick Poletti

NOMINATED ADVISOR & BROKER

RFC Ambrian Limited

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