

19 December 2017

Company Announcements Office
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Sirs

BASE RESOURCES LIMITED – NOTICE UNDER SECTION 708AA(2)(F) OF THE CORPORATIONS ACT 2001 (CTH)

This notice is given by Base Resources Limited (ABN 88 125 546 910) (ASX & AIM code: BSE) (**Base Resources**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) as modified by the Australian Securities and Investments Commission (**ASIC**).

Base Resources has today announced a partially underwritten pro-rata accelerated renounceable entitlement offer with retail rights trading (**Entitlement Offer**) of one fully paid Base Resources ordinary share (**Share**) for every three Shares held as at 7.00pm (Sydney time) for shareholders on the Australian register and 6.00pm (GMT) for shareholders on the UK register on 21 December 2017 with a registered address in Australia, New Zealand, Kenya and certain other jurisdictions in which Base Resources has decided to make offers. Base Resources has also announced a placement of ordinary shares to institutional investors (**Placement**). The offer price per new Share for the Entitlement Offer and the Placement is A\$0.255.

Base Resources gives notice that:

- a) the Shares to be issued pursuant to the Entitlement Offer will be offered for issue without disclosure under Part 6D.2 of the Act;
- b) this notice is being given under section 708AA(2)(f) of the Act as modified by ASIC;
- c) as at the date of this notice, Base Resources has complied with:
 - i. the provisions of Chapter 2M of the Act as they apply to Base Resources; and
 - ii. section 674 of the Act;
- b) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act as modified by ASIC that is required to be set out in this notice; and
- c) the potential effect the Entitlement Offer will have on the control of Base Resources, and the consequences of that effect, will depend on a number of factors, including the level of take up by eligible shareholders and investor demand for entitlements to new Shares under the Entitlement Offer. At this time, the issue of Shares under the Entitlement Offer is not expected to have a material effect or consequence on the control of Base Resources given:
 - i. the Entitlement Offer is structured as a pro-rata issue and is partially underwritten;

- ii. Base Resources will manage the proposed allocation of Shares to be issued under the Placement; and
- iii. the current level of holdings of substantial holders (based on substantial holding notices that have been given to Base Resources and lodged with ASX on or before the date of this notice).

Yours faithfully

A handwritten signature in black ink, appearing to be 'CP', with a long horizontal flourish extending to the right.

Chadwick Poletti
Company Secretary