

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Base Resources Limited

ABN

88 125 546 910

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Fully paid ordinary shares (Shares)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	<p>Up to 249,064,646 Shares are expected to be issued pursuant to a partially underwritten pro rata accelerated renounceable entitlement offer, as detailed in the ASX announcement dated 19 December 2017 (Entitlement Offer). The exact number of shares to be issued under the Entitlement Offer and the split between the:</p> <ul style="list-style-type: none"> • Institutional component of the offer; and • Retail component of the offer (with retail rights trading), <p>is to be finalised and is subject to reconciliation of shareholder entitlements and rounding.</p> <p>Up to 143,092,216 Shares pursuant to the institutional placement, as detailed in the ASX announcement dated 19 December 2017 (Placement).</p>

+ See chapter 19 for defined terms.

3	Principal terms of the ⁺ securities (e.g. if options, exercise price and expiry date; if partly paid ⁺ securities, the amount outstanding and due dates for payment; if ⁺ convertible securities, the conversion price and dates for conversion)	Same as existing quoted fully paid ordinary shares in the company.
4	Do the ⁺ securities rank equally in all respects from the ⁺ issue date with an existing ⁺ class of quoted ⁺ securities? If the additional ⁺ securities do not rank equally, please state: <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes, the Shares will rank equally in all respects with the existing fully paid ordinary shares in the company.
5	Issue price or consideration	A\$0.255 per Share under the Entitlement Offer and the Placement.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The proceeds of the Offer will be used to fund the acquisition of two wholly owned subsidiaries of World Titane Holdings Ltd, being Madagascar Mineral Fields Ltd and Malagasy Sands No 2 Ltd (each registered in Mauritius), which own (through Malagasy operating subsidiaries) the Toliara Sands Project in Madagascar, as detailed further in the ASX announcement dated 19 December 2017.
6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i> , and comply with section 6i	No.
6b	The date the security holder resolution under rule 7.1A was passed	N/A.
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	N/A.
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	N/A.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A.	
6f	Number of +securities issued under an exception in rule 7.2	N/A.	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A.	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A.	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A.	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	The issue date under the institutional component of the Entitlement Offer and the Placement is scheduled for 5 January 2018. The issue date under the retail component of the Entitlement Offer is scheduled for 22 January 2018.	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		After completion of the Entitlement Offer and Placement there will be approximately 1,139,350,801 Shares on issue (based on the number of fully paid ordinary shares on issue at the date of this Appendix 3B and the number of fully paid ordinary shares to be issued under the Entitlement Offer and Placement, subject to the effects of rounding).	Fully Paid Ordinary Shares

+ See chapter 19 for defined terms.

	Number	⁺ Class
9	61,425,061	Options (exercisable at A\$0.40 on or before 31 December 2018)
	71,281,661	Performance rights issued pursuant to the Base Resources Long Term Investment Plan, which are subject to vesting conditions.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	No change.	

Part 2 - Pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Renounceable.
13	Ratio in which the ⁺ securities will be offered	1 new Share in the Company for every 3 existing Shares in the Company.
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares.
15	⁺ Record date to determine entitlements	7.00pm (Sydney time) Thursday, 21 December 2017 for shareholders on the Australian register. 6.00pm (London time) Thursday, 21 December 2017 for shareholders on the UK register.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Any fractions arising in the calculation of entitlements will be rounded up to the nearest whole number of Shares.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	In relation to the retail component of the entitlement offer: all jurisdictions other than Australia, New Zealand and Kenya. In relation to the institutional component of the entitlement offer: all jurisdictions other than Australia, the Cayman Islands, New Zealand, Mauritius, Kenya, South Africa, Switzerland, or the United Kingdom.

19	Closing date for receipt of acceptances or renunciations	<p>The institutional component of the Entitlement Offer is scheduled to close on 20 December 2017.</p> <p>The retail component of the Entitlement Offer is scheduled to close on 17 January 2018.</p>
20	Names of any underwriters	RFC Ambrian Limited (ABN 98 096 93 588) (the Underwriter) are partially underwriting the Entitlement Offer and Placement.
21	Amount of any underwriting fee or commission	The Underwriter will receive an offer management, underwriting and placement fee of A\$2,963,407.
22	Names of any brokers to the issue	Numis Securities Limited and Bell Potter Securities Limited.
23	Fee or commission payable to the broker to the issue	The Underwriter will pay Numis Securities Limited a fee of A\$1,297,687 and Bell Potter Securities Limited a fee of A\$451,717.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A.
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	<p>No prospectus is being prepared. An investor presentation has been provided to ASX with this Appendix 3B.</p> <p>A retail entitlement offer booklet and entitlement and acceptance form are scheduled to be sent to eligible retail shareholders on or around 28 December 2017.</p>
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	19 December 2017.
28	Date rights trading will begin (if applicable)	21 December 2017.
29	Date rights trading will end (if applicable)	10 January 2018.
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Eligible retail shareholders who wish to sell their entitlements in full on ASX must instruct their broker and provide details as requested from their Entitlement and Acceptance Form.
31	How do security holders sell <i>part of</i> their entitlements through a broker and accept for the balance?	Eligible retail shareholders who wish to sell part of their entitlements through a broker and accept the balance must:

+ See chapter 19 for defined terms.

- in respect of the part of their entitlements to be sold on ASX, instruct their broker and provide details as requested from their Entitlement and Acceptance Form; and
- in respect of the part of their entitlements being taken up, complete and return their Entitlement and Acceptance Form with the requisite Application Monies or pay the requisite Application Monies by BPAY by following the instructions set out in their Entitlement and Acceptance Form.

32 How do security holders dispose of their entitlements (except by sale through a broker)?

Eligible retail shareholders who wish to transfer all or part of their entitlement other than on ASX must send a completed Renunciation and Transfer Form (which can be obtained through Computershare Investor Services Pty Ltd or their stockbroker) together with the Entitlement and Acceptance Form and the transferee's requisite application monies in relation to those entitlements that they wish to transfer.

The transferee's address must be in Australia or New Zealand and the transferee must not be in the United States or acting for the account or benefit of a person in the United States.

33 ⁺Issue date

The issue date under the institutional component of the Entitlement Offer is scheduled for 5 January 2018.

The issue date under the retail component of the Entitlement Offer is scheduled for 22 January 2018.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38	Number of ⁺ securities for which ⁺ quotation is sought	N/A.		
39	⁺ Class of ⁺ securities for which quotation is sought	N/A.		
40	Do the ⁺ securities rank equally in all respects from the ⁺ issue date with an existing ⁺ class of quoted ⁺ securities? If the additional ⁺ securities do not rank equally, please state: <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A.		
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another ⁺ security, clearly identify that other ⁺ security)	N/A.		
		<table border="1"> <tr> <td>Number</td> <td>⁺Class</td> </tr> </table>	Number	⁺ Class
Number	⁺ Class			

⁺ See chapter 19 for defined terms.

42	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in clause 38)	N/A.	N/A.
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Quotation agreement

1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.


Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


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(Company secretary)

Date: 19 December 2017

Print name: Chadwick Poletti