



Retail Entitlement Offer Booklet

**Details of a 1 for 3 accelerated renounceable pro rata entitlement offer to
Eligible Retail Shareholders of New Shares at an offer price of A\$0.255**

Unless extended, the retail component of the entitlement offer closes at 7.00pm (AEDT) on
Wednesday, 17 January 2018

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This document and the accompanying personalised Entitlement and Acceptance Form are both important documents which should be read in their entirety.

You should call your stockbroker, accountant or other independent and appropriately licensed professional adviser if you have any questions or are in doubt as to what you should do.

Important Information

This Booklet

This Booklet has been prepared by Base Resources Limited ABN 88 125 546 910 and is dated 21 December 2017.

The Entitlement Offer to which the information in this Booklet relates is being made in reliance on section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84.

Not a prospectus and investment advice or financial product advice

The information in this Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

This Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act (or any other law). It should be read in conjunction with Base Resources' other periodic statements and continuous disclosure announcements lodged with ASX and AIM.

It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Base Resources is not licensed to provide financial product advice in respect of the New Shares. Neither ASIC, ASX or AIM take responsibility for the contents of this Booklet.

The information in this Booklet does not take into account the investment objectives, financial situation or needs of you or any particular investor. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of Shares the subject of the Retail Entitlement Offer. If, after reading this Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other independent and appropriately licensed professional adviser.

You should also consider the "Risks" section of the Investor Presentation which is included in this Booklet at Section 3.2.

Forward-looking statements

This Booklet (including the Investor Presentation) contains certain "forward looking statements". Forward looking statements include statements containing words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions.

Any forward looking statements, opinions and estimates provided in this Booklet are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Base Resources, including the risks and uncertainties described in the "Risks" section of the Investor Presentation.

Forward looking statements may include, but are not limited to, statements with regard to projected capital costs, capacity, future production volumes and grades, sale projections and financial performance. Forward looking statements are provided as a guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and, except as required by law or regulation, Base Resources assumes no obligation to update these forward looking statements.

To the maximum extent permitted by law, Base Resources and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions, do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward looking statement or any event or results expressed or implied in any forward looking statement, and disclaim all responsibility and liability for these forward looking statements (including, without limitation, liability for negligence).

Past performance

Past performance and any historical financial information given in this Booklet (including the Investor Presentation) is provided for illustrative purposes only and is not, and should not be relied upon as, an indication of future performance. The historical information in this Booklet is, or is based upon,

information that has been released to ASX and AIM. For further information, please see past announcements released to ASX and AIM.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Booklet. Any information or representation that is not in this Booklet may not be relied on as having been authorised by Base Resources, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Base Resources, or any other person, warrants or guarantees the future performance of Base Resources or any return on any investment made pursuant to this Booklet.

Foreign jurisdictions

The information in this Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia, New Zealand and Kenya.

The distribution of this Booklet (including an electronic copy) outside of those jurisdictions may be restricted by law. If you come into possession of the information in this Booklet, you should observe such restrictions and seek your own advice on such restrictions.

Refer to Section 4.9 for key further information in relation to certain foreign jurisdictions.

Trading Entitlements and New Shares

Base Resources will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Entitlements before they receive their Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Base Resources or the Registry or otherwise, or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

The assignment, transfer and exercise of Entitlements trading on ASX is restricted to persons meeting certain eligibility criteria. If holders of Entitlements at the end of the trading period do not meet eligibility criteria, they will not be able to exercise those entitlements. Base Resources will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Base Resources or the Registry or

otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

Refer to Sections 4.7 and 4.8 for more details on trading of New Shares and Entitlements.

Miscellaneous

Unless otherwise stated, all dollar values in this Booklet are in Australian dollars (A\$).

Capitalised terms used in this Booklet have the meaning given in the Glossary in Section 5 unless the context requires otherwise.

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Chairman's Letter

21 December 2017

Dear Shareholder

Base Resources – Retail Entitlement Offer

On behalf of the Board of Base Resources, I am pleased to invite you to participate in a renounceable pro rata entitlement offer of new ordinary fully paid shares in Base Resources.

The Entitlement Offer was announced on Tuesday, 19 December 2017 in conjunction with a Placement to Institutional Investors. As announced at that time, Base Resources is seeking to raise gross proceeds of approximately A\$100 million pursuant to the capital raising.

The proceeds from the Entitlement Offer and Placement will be used to fund the proposed acquisition of the Toliara Sands Project in Madagascar. The proceeds will also be used to pay the costs associated with the raising.

Institutional Entitlement Offer and Placement

Base Resources undertook the institutional component of the Entitlement Offer between 19 December 2017 and 20 December 2017. The institutional component of the Entitlement Offer was strongly supported and Base Resources received commitments to subscribe for the full institutional component of approximately 206.1 million New Shares worth approximately A\$52.5 million. Base Resources also conducted a Placement to Institutional Investors in conjunction with the institutional component of the Entitlement Offer under which it received commitments for a further approximately 143.1 million Shares worth approximately A\$36.5 million.

Retail Entitlement Offer

This Booklet relates to the retail component of the Entitlement Offer. Under the Retail Entitlement Offer, eligible retail shareholders are entitled to subscribe for 1 New Share for every 3 Base Resources shares held on the record date.

The offer price per New Share is A\$0.255, which represents a discount of:

- 16.4% to the last traded price of Base Resources shares on ASX on 18 December 2017 (being the last trading day prior to announcement of the Entitlement Offer); and
- 15.2% to the 10-day volume weighted average price of Base Resources shares to 18 December 2017.

The Offer Price is the same as the price offered pursuant to the Institutional Entitlement Offer and Placement. The record date for determining entitlements is 21 December 2017 at:

- 7.00pm (AEDT) for shareholders on the Australian Register; and
- 6.00pm (GMT) for shareholders on the UK Register.

The Retail Entitlement Offer closes at 7.00pm (AEDT) on Wednesday, 17 January 2018.

This Booklet and how to apply for New Shares

This Booklet contains important information about the Retail Entitlement Offer, including the key dates relating to the offer, a summary of the options available to you and a summary of the key risks associated with an investment in Base Resources.

A personalised Entitlement and Acceptance Form detailing your Entitlement also accompanies this Booklet.

If you are an Eligible Retail Shareholder on the Register, to participate in the Retail Entitlement Offer, you must return your completed Entitlement and Acceptance Form and application money, or BPAY® payment, by the closing date noted above.

I encourage you to read this Booklet in full before deciding whether or not to take up your Entitlement. You may wish to obtain professional advice to assist you with your decision. We recommend you consult your stockbroker, accountant or other independent and appropriately licensed professional adviser if you are in any doubt as to whether to participate in the Retail Entitlement Offer.

If you have any questions about the Entitlement Offer please contact the Offer Information Line on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday up until the close of the Retail Entitlement Offer.

On behalf of the Board of Base Resources, I thank you for your continued support of Base Resources and invite you to consider this investment opportunity.

A handwritten signature in black ink, appearing to be 'Keith Spence', written over a circular stamp or seal.

Keith Spence
Chairman

1. Key Dates

Event	Date
Announcement of the Entitlement Offer and Placement	Tuesday, 19 December 2017
Institutional Entitlement Offer opens	
Institutional Entitlement Offer closes	Wednesday, 20 December 2017
Institutional Entitlement Offer Bookbuild	
Retail Entitlements commence trading on ASX on a deferred settlement basis	Thursday, 21 December 2017
Record Date for the Entitlement Offer	Thursday, 21 December 2017
(7.00pm (AEDT) for Shareholders on the Australian Register and 6.00pm (GMT) for Shareholders on the UK Register)	
Dispatch of this Booklet to Eligible Retail Shareholders	Thursday, 28 December 2017
Retail Entitlement Offer opens	
Settlement of Institutional Entitlement Offer, Placement and Institutional Shortfall Bookbuild	Thursday, 4 January 2018
Issue of New Shares and Depositary Interests in respect of New Shares, pursuant to Institutional Entitlement Offer and Institutional Shortfall Bookbuild, and Shares pursuant to the Placement, and commencement of trading on ASX	Friday, 5 January 2018
Trading of Retail Entitlements ends	Wednesday, 10 January 2018
Retail Entitlement Offer closes	7.00pm (AEDT) Wednesday, 17 January 2018
Announce results of the Retail Entitlement Offer	Friday, 19 January 2018
Issue of New Shares pursuant to Retail Entitlement Offer	Monday, 22 January 2018
Quotation of New Shares pursuant to Retail Entitlement Offer on ASX	Tuesday, 23 January 2018
Dispatch of holding statements for New Shares pursuant to the Retail Entitlement Offer	Wednesday, 24 January 2018

Dates and times in this Booklet are indicative only and may be subject to change. Base Resources reserves the right, subject to the Corporations Act, ASX Listing Rules, AIM Rules and other applicable laws, to withdraw or vary the dates and times of the Retail Entitlement Offer without notice. In particular, Base Resources reserves the right to extend the closing date of the Retail Entitlement Offer or accept late applications, either generally or in particular cases, without prior notice. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible after the Retail Entitlement Offer opens. Any extension of the Closing Date will have a consequential effect on certain subsequent events occurring after that date, such as the issue and quotation date. The commencement of quotation of New Shares and Depositary Interests in respect of New Shares, is subject to confirmation from ASX and AIM, respectively.

2. Details of the Entitlement Offer and Placement

2.1 Overview of the Entitlement Offer and Placement

There are three components to the Entitlement Offer. A summary of each of those components is set out below:

- **Institutional Entitlement Offer:** Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement on an accelerated basis under the Institutional Entitlement Offer. Entitlements under the Institutional Entitlement Offer were renounceable, but were not able to be traded on ASX.
- **Institutional Shortfall Bookbuild:** New Shares in respect of Entitlements not taken up by Eligible Institutional Shareholders were sold to certain other Eligible Institutional Shareholders and Institutional Investors through the Institutional Shortfall Bookbuild, which completed on 20 December 2017. The amount paid in respect of those New Shares was the Offer Price.
- **Retail Entitlement Offer:** Eligible Retail Shareholders will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part or traded on ASX (or transferred directly to another person) in whole or in part. If you do not wish to take up all or part of your Entitlement, this means you may sell on ASX or transfer all or part of your Entitlement to persons meeting certain eligibility criteria in order to realise value from your Entitlement. You may incur brokerage costs if you sell your Entitlement on ASX.

New Shares will be issued on a fully paid basis and will rank equally in all respects with the Shares on issue at the date of this Booklet. The rights and liabilities attaching to the New Shares are set out in Base Resources' constitution, a copy of which is available at www.baseresources.com.au.

Base Resources has also undertaken a placement to institutional and sophisticated investors. The Placement has been undertaken to raise approximately A\$36.5 million through the allotment of approximately 143.1 million new Shares in Base Resources at an issue price of A\$0.255. These Shares were placed to institutional and sophisticated investors under Base Resources' existing capacity pursuant to ASX listing rule 7.1.

Based on the capital structure of Base Resources as at the date of this Booklet, a maximum of 392,156,862 Shares¹ will be issued pursuant to the Entitlement Offer and Placement to raise gross proceeds of approximately A\$100 million. Refer to the Investor Presentation included in Section 3.2 for further details.

2.2 The Retail Entitlement Offer

Under the Entitlement Offer, Eligible Retail Shareholders are being offered the opportunity to subscribe for 1 New Share for every 3 existing Shares held at the Record Date at the Offer Price on the terms set out in this Booklet.

You should note that not all Base Resources Shareholders are eligible to participate in the Retail Entitlement Offer – see Section 4 for further details.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as the ratio and price under the Institutional Entitlement Offer. The Record Date for the Retail Entitlement Offer and the Institutional Entitlement Offer is also the same, but differs depending on whether a Shareholder is registered on the Australian Register or the UK Register.

2.3 This Booklet is not a prospectus

The Retail Entitlement Offer is not being made under a prospectus or product disclosure statement. Rather, the Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues and related issues to be made by providing certain confirmations to the market, on the basis that all information that investors and their professional advisers would reasonably require to make an informed investment decision in relation to the Entitlement Offer, when read with this Booklet and the accompanying information, is publicly available.

¹ Subject to the effects of rounding.

This Booklet does not contain all of the information which may be required in a prospectus or product disclosure statement. As a result, it is important for Eligible Retail Shareholders to carefully read and understand publicly available information on Base Resources and the Retail Entitlement Offer, prior to accepting all or part of their Entitlement. In particular, please read this Booklet in its entirety, Base Resources' annual and interim reports and other announcements on ASX and AIM.

2.4 Risks associated with an investment in Base Resources

The financial position, performance and prospects of Base Resources are subject to a number of general and specific risks. Furthermore, an investment in Shares is also subject to investment and other known and unknown risks, some of which are beyond the control of Base Resources, including possible loss of income and principal invested.

Base Resources does not guarantee any particular rate of return or the performance of Base Resources, nor does it guarantee the repayment of capital from Base Resources or any particular tax treatment. In considering an investment in Shares, investors should have regard to (amongst other things) the "Risks" section in the Investor Presentation in Section 3.2 and the disclaimers in this Booklet.

Please consult with your stockbroker, accountant or other independent and appropriately licensed professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer.

2.5 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 3 Shares you held as at the Record Date, rounded up to the nearest whole New Share. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares then on issue. New Shares will be entitled to any dividends on ordinary shares with a record date after the date of issue.

If you decide to take up all or part of your Entitlement, please refer to the personalised Entitlement and Acceptance Form and apply for New Shares pursuant to that form.

2.6 Nominees

The Retail Entitlement Offer is only being made to Eligible Retail Shareholders (see definition of Eligible Retail Shareholder in Section 4.2). Base Resources is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial holders of Shares (eg for the purposes of determining whether any such persons may participate in the Retail Entitlement Offer).

Nominees must not distribute any part of this Booklet in the United States and must not apply for New Shares for (i) any person in the United States or who is acting for the account or benefit of a person in the United States or (ii) beneficial holders in any other country outside Australia, New Zealand and Kenya, except to beneficial holders:

- who are professional or institutional shareholders in other countries (excluding the United States) listed in, and to the extent permitted under, the "Foreign selling restrictions" section of the Investor Presentation included in Section 3.2 of this Booklet; or
- in other countries (excluding the United States) where Base Resources may determine it is lawful and practical to make the Retail Entitlement Offer.

In particular, any person in the United States with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement for the account or benefit of any person in the United States.

2.7 Impact of the Entitlement Offer and Placement on your shareholding

If you do not wish to take up your Entitlement under the Retail Entitlement Offer, your percentage shareholding in Base Resources will be diluted by those other shareholders or investors (as applicable) who take up some or all of their

Entitlements, acquire shares through the Institutional Shortfall Bookbuild or via the underwriting and sub-underwriting arrangements (refer to Section 4.10 for further information).

All shareholders, including those Eligible Retail Shareholders who participate in the Retail Entitlement Offer, will have their percentage holding in Base Resources diluted by the Placement.

2.8 Entitlement trading

The Entitlement Offer is renounceable. This means that Eligible Retail Shareholders who do not wish to take up all or part of their Entitlement may sell or transfer their Entitlement in order to realise the value that may attach to their Entitlement.

Buying Entitlements

Investors should note that if you purchase Entitlements (on ASX or otherwise) in order to take up or exercise those Entitlements and subscribe for New Shares you:

- must be an Eligible Retail Shareholder with a registered address in Australia or New Zealand or a resident of Australia or New Zealand; and
- must not be in the United States or acting for the account or benefit of a person in the United States.

If you do not satisfy the above conditions, you will not be entitled to take up or exercise those Entitlements or subscribe for New Shares (as the case may be).

It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise. If the purchasers of Entitlements are not able to take up those entitlements, they may receive no value for them.

Entitlement trading on ASX

If you wish to sell all or part of your Entitlement, you must provide appropriate instructions to your stockbroker and provide them with any information requested by them in order to affect your instructions as soon as possible. You must allow sufficient time for your instructions to be carried out.

Entitlements will be quoted on ASX and trading of Entitlements will commence on ASX on Thursday, 21 December 2017 and will cease at the close of trading on Wednesday, 10 January 2018 unless extended.

If you are considering trading all or part of your Entitlement on ASX, you should refer to Section 4.7 of this Booklet for further information.

Entitlement transfers other than on ASX

If you wish to transfer all or part of your Entitlement other than on ASX, you will need to sign a standard Renunciation and Acceptance Form or contact a CHESS controlling participant. If you are considering such a transfer, you should refer to Section 4.8 of this Booklet for further information.

2.9 Your options

If you are an Eligible Retail Shareholder, you may take any of the following actions. Each of these options may have a materially different outcome on any value you may receive in respect of your Entitlement:

- take up all or part of your Entitlement (see Section 2.10 below);
- sell all or part of your Entitlement to persons meeting certain eligibility criteria:
 - on ASX (see Section 4.7); or
 - by transferring it directly to another eligible person (see Section 4.8); or

- do nothing and let your Entitlement lapse.

2.10 How to apply to take up your Entitlement

If you decide to take up all or part of your Entitlement, please complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies by following the instructions set out on that form.

Eligible Retail Shareholders with an Australian bank account will also be entitled to pay their Application Monies via BPAY pursuant to the instructions set out on the Entitlement and Acceptance Form.

Base Resources will treat you as applying for as many New Shares as your payment will pay for in full. Any surplus Application Monies received for more than your final allocation of New Shares will be refunded on or about Monday, 29 January 2018 (except for where the amount is less than A\$2.00, in which case it will be retained by Base Resources as it is not practicable or cost effective to return such amounts). No interest will be paid to Eligible Retail Shareholders on any Application Monies received or returned (wholly or partially).

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer, you will be issued your New Shares on or about 22 January 2018. Base Resources' decision on the number of New Shares to be allocated to you will be final.

Base Resources reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders if their claims prove to be incorrect or overstated or if they fail to provide information to substantiate their claims to Base Resources' satisfaction.

If you take no action, your Entitlement will lapse and you will receive no benefit.

As discussed in Sections 4.7 and 4.8, your Entitlement to participate in the Retail Entitlement Offer is renounceable and can be traded on ASX, or privately transferred.

To participate in the Retail Entitlement Offer, your payment must be received by an approved payment method by 7.00pm (AEDT) on Wednesday, 17 January 2018.

2.11 Payment methods

Eligible Retail Shareholders

Eligible Retail Shareholders must pay with Australian currency by cheque, bank draft, money order or BPAY. Receipts for payment will not be issued. Cash payments will not be accepted.

(a) BPAY

For payment by BPAY, please follow the instructions on your personalised Entitlement and Acceptance Form (which includes the biller code and your unique Customer Reference Number (**CRN**)). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions. Please note that should you choose to pay by BPAY:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Monies.

When completing your BPAY payment, please make sure to use the specific biller code and unique CRN provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (ie where you have multiple holdings), please only use the CRN specific to the Entitlement on that form. If you inadvertently use the same CRN for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which that CRN applies.

Should you choose to pay by BPAY, it is your responsibility to ensure that your BPAY payment is received by the Registry by no later than 7.00 pm (AEDT) on Wednesday, 17 January 2018. You should be aware that your financial institution may impose earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Base Resources takes no responsibility for any failure to receive Application Monies or payment by BPAY before the Retail Entitlement Offer closes, as a result of, among other things, delays in postage or processing of payments by financial institutions.

(b) Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you must:

- complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form; and
- return the form to the Registry accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Base Resources Limited" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to A\$0.255 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

The completed Entitlement and Acceptance Form, together with Application Monies, should be mailed using the reply paid envelope provided with this Booklet or otherwise to the following address:

Base Resources Entitlement Offer
c/o Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Victoria 3001

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies on the day of receipt. If the amount of your cheque, bank draft or money order for Application Monies is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form. Alternatively, your application may not be accepted in Base Resources' discretion.

Should you choose to pay by cheque, bank draft or money order it is your responsibility to ensure that your payment is received by the Registry by no later than 7.00pm (AEDT) on Wednesday, 17 January 2018.

2.12 Warranties made on acceptance of the Retail Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY you will be deemed to have acknowledged, represented and warranted, for the benefit of Base Resources that you, and each person on whose account you are acting:

- acknowledge that you have fully read and understood both this Booklet and your Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and agreements contained in this Booklet and the Entitlement and Acceptance Form;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Booklet and Base Resources' constitution;
- authorise Base Resources to register you as the holder(s) of the New Shares allotted to you;
- declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;

- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Retail Entitlement Offer;
- acknowledge that once Base Resources receives the Entitlement and Acceptance Form or your payment by BPAY, you may not withdraw it except as provided by law;
- agree to apply for, and be issued with up to, the number of New Shares that you apply for at the Offer Price per New Share;
- authorise Base Resources, the Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- declare that you were the registered holder(s) of the Shares at the Record Date of the Shares as set out on your Entitlement and Acceptance Form;
- acknowledge that the information contained in this Booklet is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- acknowledge that this Booklet is not a prospectus or other disclosure document and does not contain all of the information that you may require in order to decide whether to take up your Entitlement and is given in the context of Base Resources' ongoing continuous disclosure announcements to ASX and AIM;
- acknowledge that an investment in Base Resources is subject to a number of risks, some of which are set out in the "Risks" section of the Investor Presentation;
- acknowledge that none of Base Resources, its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Base Resources, nor do they guarantee the repayment of capital;
- represent and warrant that the law of any other place does not prohibit you from being given this Booklet or making an application for New Shares and that you are eligible under all applicable laws to receive an offer under the Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification;
- represent and warrant that you are an Eligible Retail Shareholder; and
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and/or of your holding of Shares as at the Record Date.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted, for the benefit of Base Resources on your own behalf and on behalf of each person for the account or benefit of which you are acting that:

- you are not in the United States and you are not acting for the account or benefit of a person in the United States, and you are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- you and each person for the account or benefit of which you are acting are acquiring Entitlements and New Shares outside the United States in an "offshore transaction" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U. S. Securities Act;

- you understand that the Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction and, accordingly, the Entitlements may not be taken up, and the New Shares may not be offered, sold or otherwise transferred in the United States or to persons that are acting for the account or benefit of persons in the United States, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws. Notwithstanding the foregoing, after the quotation of the Shares commences, you may sell securities in standard (regular way) brokered transactions on the ASX if neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been prearranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States;
- you and each person for the account or benefit of which you are acting have not and will not send any materials relating to the Entitlement Offer to any person (i) in the United States or who is acting for the account or benefit of a person in the United States or (ii) in any other country outside Australia and New Zealand; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia, New Zealand or Kenya and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Booklet or any information relating to the Retail Entitlement Offer to any such person.

2.13 Representations by acquirers of Retail Entitlements

Investors who acquire Retail Entitlements on ASX or otherwise will, by acquiring those Retail Entitlements, and by applying to take up all or part of those Retail Entitlements, be deemed to agree to make and be subject to the representations, declarations, warranties and agreements in Section 2.12 above (with references to the personalised Entitlement and Acceptance Form to be read as including any other form provided or required to be provided to Base Resources, the Registry or the person's stockbroker and references to Kenya excluded).

The Retail Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States.

Investors should note that if you purchase Retail Entitlements in a transaction on ASX or otherwise, in order to take up or exercise those Entitlements and subscribe for New Shares you:

- must be an Eligible Retail Shareholder with a registered address in Australia or New Zealand, a resident in Australia or New Zealand or otherwise qualify as an eligible person (see Section 4.8); and
- must not be in the United States or acting for the account or benefit of a person in the United States.

If you do not satisfy the above conditions, you will not be entitled to take up Retail Entitlements or subscribe for New Shares.

It is the responsibility of purchasers of Retail Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Retail Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlements. In the event that holders are not able to take up their Retail Entitlements, those Retail Entitlements will be subscribed for by RFC Ambrian and the holder will receive no value for them.

2.14 No withdrawals

You cannot withdraw your application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares.

Base Resources reserves the right to withdraw the Retail Entitlement Offer at any time before the issue of New Shares to Eligible Retail Shareholders, in which case Base Resources will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

2.15 Confirmation of your application and managing your holding

Eligible Retail Shareholders may access information on their holding, including their Record Date balance and the issue of New Shares from this Entitlement Offer, and manage the standing instructions the Registry records on their holding on the Computershare website at <https://www-au.computershare.com/investor/>. To access the Investor Centre you will need your Security Reference Number or Holder Identification Number as shown on your Issuer Sponsored/CHESS statements and you will need to pass the security challenge on the site.

Eligible Retail Shareholders on the UK Register should contact the UK Depositary on +44(0)370 702 0000 for information on their holdings.

2.16 Further Enquires

If you have not received or you have lost your Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Offer Information Line on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside of Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday, up until the close of the Retail Entitlement Offer. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

3. Relevant Announcements

3.1 Announcement of the equity raising dated 19 December 2017



ASX, AIM and Media Release
19 December 2017

Transformational Acquisition of the Toliara Sands Project and A\$100 million share offer

HIGHLIGHTS

Toliara Sands Project summary:

- A large, high grade Mineral Resource of 857 million tonnes at 6.2% heavy mineral, with 612 million tonnes in the Measured and Indicated categories at 6.7% heavy mineral.
- Key permits are in place including mining lease and environmental approval. An established legislated land acquisition process is underway and scheduled for completion in mid-2018.
- Mining trials and processing test-work completed to date support a simple dry mining operation and technically straight forward process flowsheet.
- Operational simplicity, high grade and scale can be expected to produce a robust project with a first quartile revenue to cash cost ratio.
- Base Resources' development plan should see the Toliara Sands Project in production in mid-2021.

Acquisition and share offer summary:

- Binding agreement reached under which Base Resources will:
 - acquire an initial 85% interest in the world-class Toliara Sands Project in Madagascar for consideration of US\$75 million; and
 - acquire the remaining 15% interest, with a further US\$17 million payable on achievement of key milestones as the project advances to mine development.
- A\$100 million to be raised to fund the initial US\$75 million consideration, through a partially underwritten share placement and accelerated pro rata renounceable entitlements offer at A\$0.255 per share.
- Share offer composition:
 - Institutional placement of 143.1 million shares to raise A\$36.5 million; and
 - 1 for 3 accelerated pro rata renounceable entitlements offer of 249.1 million shares to raise A\$63.5 million.

Base Resources Limited (ASX & AIM: BSE) (**Base Resources** or the **Company**) is pleased to announce that it has reached agreement with World Titane Holdings Ltd (**World Titane**) whereby Base Resources will acquire an initial 85% interest in the wholly owned Mauritian subsidiaries of World Titane, which between them hold a 100% interest in the Toliara Sands Project in Madagascar (held through wholly owned subsidiaries in Madagascar). This acquisition is conditional only on Base Resources completing an equity raising for a minimum of A\$80 million to partially fund the acquisition costs.

The Toliara Sands Project is considered by Base Resources to be one of the best mineral sands development projects in the world. It is underpinned by the Ranobe deposit which has a JORC 2012 Resource of 857 million tonnes at 6.2% heavy



Transformational Acquisition and Share Offer

mineral, including 612 million tonnes at 6.7% heavy mineral in the Measured and Indicated Categories¹.

Building on the work completed to date, Base Resources' development plan is to complete a full study phase ahead of a decision to proceed to construction in the second half of calendar 2019. This timetable could be expected to see the Toliara Sands Project in production in mid-2021.

Tim Carstens, Managing Director of Base Resources, commented:

"World Titane (the successor to the formerly ASX-listed World Titanium Resources Limited) has invested significantly in progression of the Toliara Sands Project over a number of years, establishing a world-class Mineral Resource, advancing development studies and securing key permits and licenses. World Titane has also successfully fostered strong relationships with the Government of Madagascar and the local community. The majority shareholders in World Titane, AMED Funds and Boule Titanium, who have been instrumental in the recent project progression, have committed their ongoing support to the project to ensure a continued smooth progression to mine development.

This is a transformational acquisition for Base Resources and represents a significant step in execution of the Company's strategic plan. Further explanation of the rationale for the acquisition and transformational impact is set out in an investor presentation released to the ASX today, together with further details of the transaction terms²."

Carlo Baravalle of AMED Funds, and Chairman of World Titane commented:

"We are very pleased to have concluded this transaction with Base Resources, an accomplished mineral sands mining company with an excellent track record of successful project development in Africa. Working closely with local stakeholders and government during the past couple of years, during a particularly challenging period for mineral sands, World Titane, with the support of AMED Funds and Boule Titanium, have significantly progressed the project. We are proud to be able to introduce Base Resources to now drive the Toliara Sands Project towards construction."

Jean-Raymond Boule of Boule Titanium commented:

"We would like to thank the Government of Madagascar for their unwavering support during the initial exploration and development phase of the project and we look forward to continuing to work closely with all the authorities in Madagascar, and Base Resource, in the further development of the Project."

The Offer

To fund the US\$75 million initial consideration, Base Resources is seeking to raise A\$100 million through a combined share placement to institutional investors in eligible jurisdictions and a 1 for 3 accelerated pro rata renounceable entitlements offer (**Offer**). All shares will be offered at A\$0.255 per share (**Offer Price**). The Offer has been partially underwritten by RFC Ambrian Limited (**RFC Ambrian**) subject to the terms and conditions of an offer management and underwriting agreement to a cap of approximately A\$88.4 million.

RFC Ambrian has also been appointed by Base Resources as the Offer Manager. Numis Securities Limited has been appointed the Joint UK Manager in relation to the Offer.

¹ Refer to Base Resources' ASX market announcement "Investor Presentation – Acquiring the Toliara Sands Project" released today (19 December 2017) (available from <https://www.baseresources.com.au/investor-centre/asx-releases>) which contains the JORC competent persons statement for this estimate of Mineral Resource. Base Resources confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

² Refer to Base Resources' ASX market announcement "Investor Presentation – Acquiring the Toliara Sands Project" released today (19 December 2017) (available from <https://www.baseresources.com.au/investor-centre/asx-releases>).



Transformational Acquisition and Share Offer

The A\$0.255 per share Offer Price represents a 16.4% discount to the last traded price of Base Resources shares on ASX on 18 December 2017 and a 15.2% discount to the 10-day VWAP on ASX to 18 December 2017.

The Offer comprises the following:

- a placement of approximately 143.1 million fully paid ordinary shares to raise approximately A\$36.5 million (**Placement**); and
- an accelerated pro rata renounceable entitlements offer of approximately 249.1 million fully paid ordinary share to raise approximately A\$63.5 million (**Entitlement Offer**).

The Entitlement Offer will comprise two components:

- an accelerated entitlement offer to existing eligible institutional shareholders of Base Resources on the record date for the Offer (**Institutional Entitlement Offer**); and
- an entitlement offer to existing eligible retail shareholders of Base Resources on the record date for the Offer (**Retail Entitlement Offer**), which includes the ability for eligible retail shareholders to trade their retail entitlements on market on ASX.

It is the responsibility of purchasers of entitlements to inform themselves of the eligibility criteria for exercise (details of which are set out in the Retail Entitlement Offer booklet to be lodged on ASX on 21 December 2017). If holders of entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the entitlements.

All new shares issued under the Offer will rank equally with existing shares in Base Resources.

Base Resources will appoint a nominee to seek to sell ineligible shareholders' entitlements during the Offer period. Any proceeds of this sale (less transaction costs) will be paid to ineligible shareholder on a pro rata basis.

Anticipated Timetable for the Offer

Institutional Entitlement Offer and Placement opens	Tuesday, 19 December 2017
Institutional Entitlement Offer and Placement closes	5.00pm Wednesday, 20 December 2017
Institutional Offer shortfall bookbuild	Wednesday, 20 December 2017
Institutional Entitlement Offer and Placement results announced Retail Entitlement Offer booklet lodged on ASX Trading resumes on an ex-entitlement basis Retail entitlements commence trading on ASX on a deferred settlement basis	Thursday, 21 December 2017
Record date for shareholders on Base Resources' Australian register	7.00pm Thursday, 21 December 2017
Record date for shareholders on Base Resources' UK register	6.00pm (GMT) Thursday, 21 December 2017
Retail Entitlement Offer opens and Retail Entitlement Offer booklet dispatched	Thursday, 28 December 2017
Settlement of Institutional Entitlement Offer and Placement	Thursday, 4 January 2018
Trading of retail entitlements on ASX ends	Wednesday, 10 January 2018
Retail Entitlement Offer closes	7.00pm Wednesday, 17 January 2018
Retail Entitlement Offer results announced	Friday, 19 January 2018
Retail Entitlement Offer allotment date	by 12.00pm Monday, 22 January 2018

Base Resources reserves the right to change these dates without prior notice. References to time are to Australian Eastern Daylight Time (AEDT), unless otherwise noted. The commencement of quotation of new shares is subject to confirmation from ASX and AIM.



Transformational Acquisition and Share Offer

Shareholder Enquiries

Eligible retail shareholders will be sent further details about the Entitlement Offer via a Retail Offer Booklet expected to be lodged with ASX on 21 December 2017 and dispatched on 28 December 2017.

Further information in relation to the matters described in this announcement, including important notices and key risks, is set out in the investor presentation released to the ASX today by Base Resources and should be read in conjunction with this announcement. The information in the Disclaimer and Important Notices section of that presentation applies to this announcement as if set out in full in this announcement.

Herbert Smith Freehills is Base Resources' legal adviser in relation to the Offer.

ENDS

For further enquiries contact:

Tim Carstens

Managing Director

Base Resources Limited

Email: tcarstens@baseresources.com.au

Phone: +61 (0)8 9413 7400

Offer Manager

Stephen Allen

Executive Director

RFC Ambrian Limited

Email: stephen.allen@rfcambrian.com

Phone: +61 (0)8 9480 2500

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Broadening Base

Acquiring the Toliara Sands Project

Investor Presentation
19 December 2017




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This document has been prepared by Base Resources Limited (Base) in relation to its proposed acquisition of the Toliara Sands Project in Madagascar (Acquisition) and the capital raising proposal, as described in this document (Capital Raising Proposal). This document contains summary information about the Acquisition, Capital Raising Proposal, Base, its subsidiaries, and its activities which are current as at the date of this document. The information in this document is general in nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Base or that would be required in a prospectus or product disclosure statement prepared in accordance with the Corporations Act 2001 (Cth). Information in this document should therefore be read in conjunction with other announcements made by Base to ASX and AIM.

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A number of figures, amounts, percentages, estimates, calculations of value and fractions in this document are subject to the effect of rounding. Accordingly, the calculation of these figures may differ from the figures set out in this document.

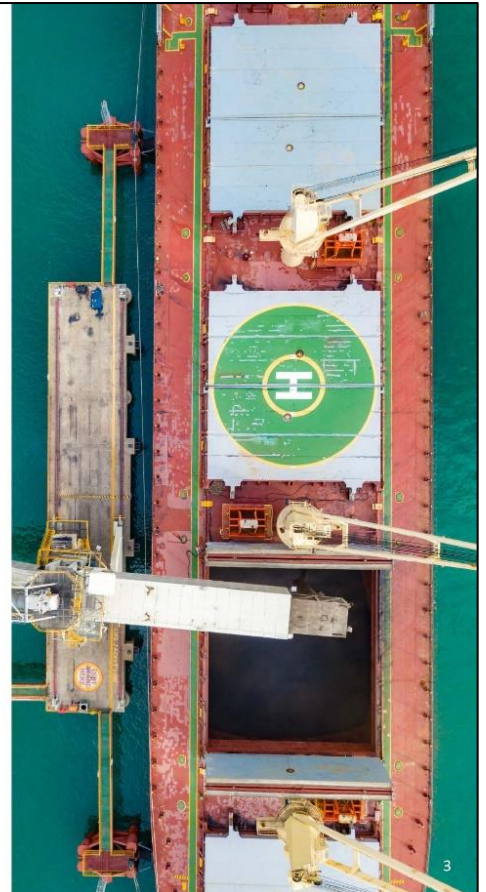
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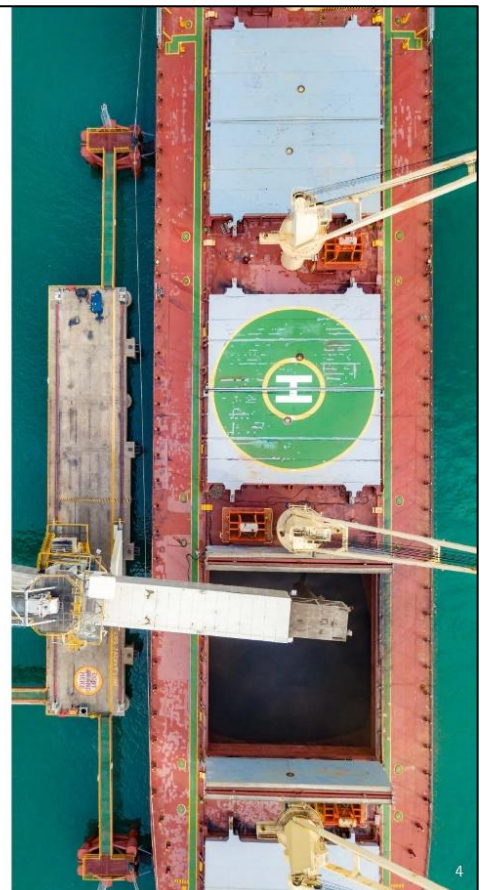
Broadening Base

- 1 Team with a track record of delivery
- 2 Consistent, high cashflow Kwale Operations, with extension potential
- 3 A sound financial platform from which to grow the business
- 4 Improving markets are supporting a need for new supply
- 5 The Toliara Sands Project – our preferred development asset
- 6 A transformational acquisition
- 7 Funded through a A\$100 million share offer



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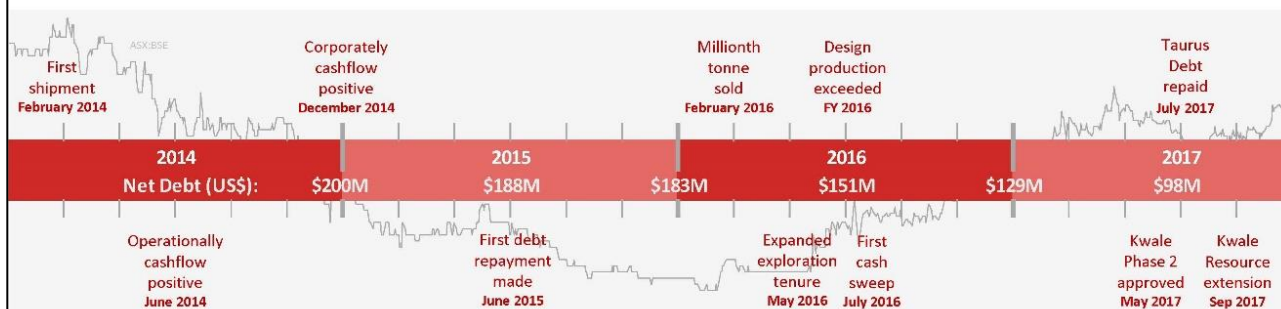
A quality Base team

- ▶ Strong, settled Board and management team.
- ▶ Successfully developed Kenya's first large-scale mining project.
- ▶ Track record of project delivery and operational performance at Kwale:
 - Tightly managed construction project.
 - Smooth "mineral sands" ramp up to beyond design outputs.
- ▶ Recognised, successful business model in Africa, including:
 - Government engagement.
 - Safety, training and workforce development.
 - Social license establishment and maintenance.
- ▶ Ready for the next opportunity and challenge.



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A record of achievement



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Broadening Base

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Kwale Mineral Sands Operation



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**Built, commissioned
and operating safely**

19 MILLION

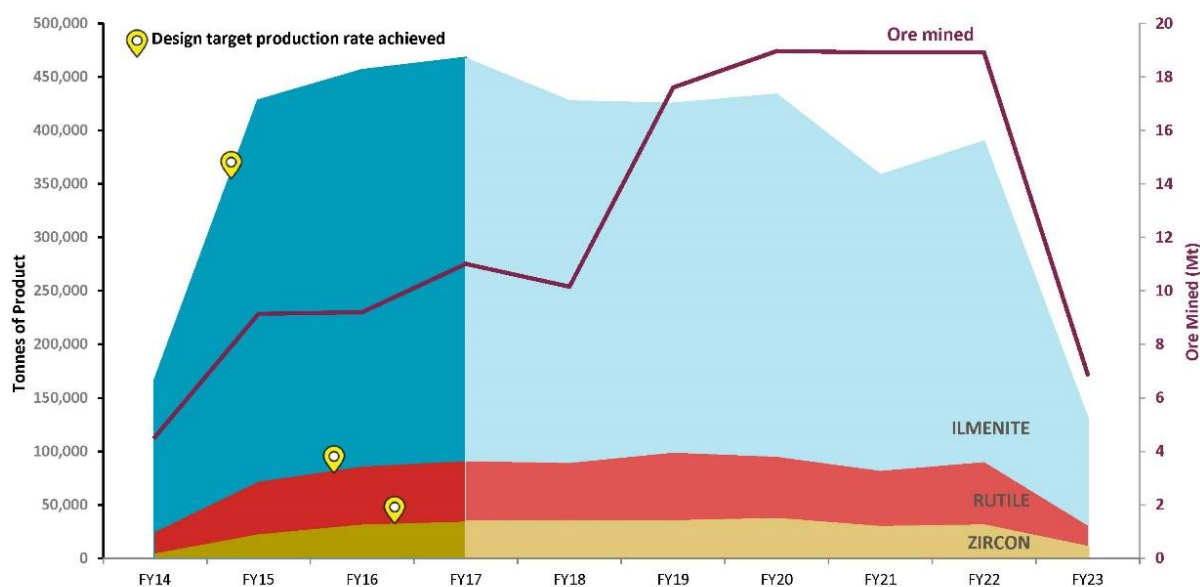
Hours worked with 3 Lost-time Injuries

45 months

Since last Lost-time Injury



A rapid ramp up and consistent LOM production profile at Kwale



Notes: Current Kwale Ore Reserves will be fully depleted in November 2022.

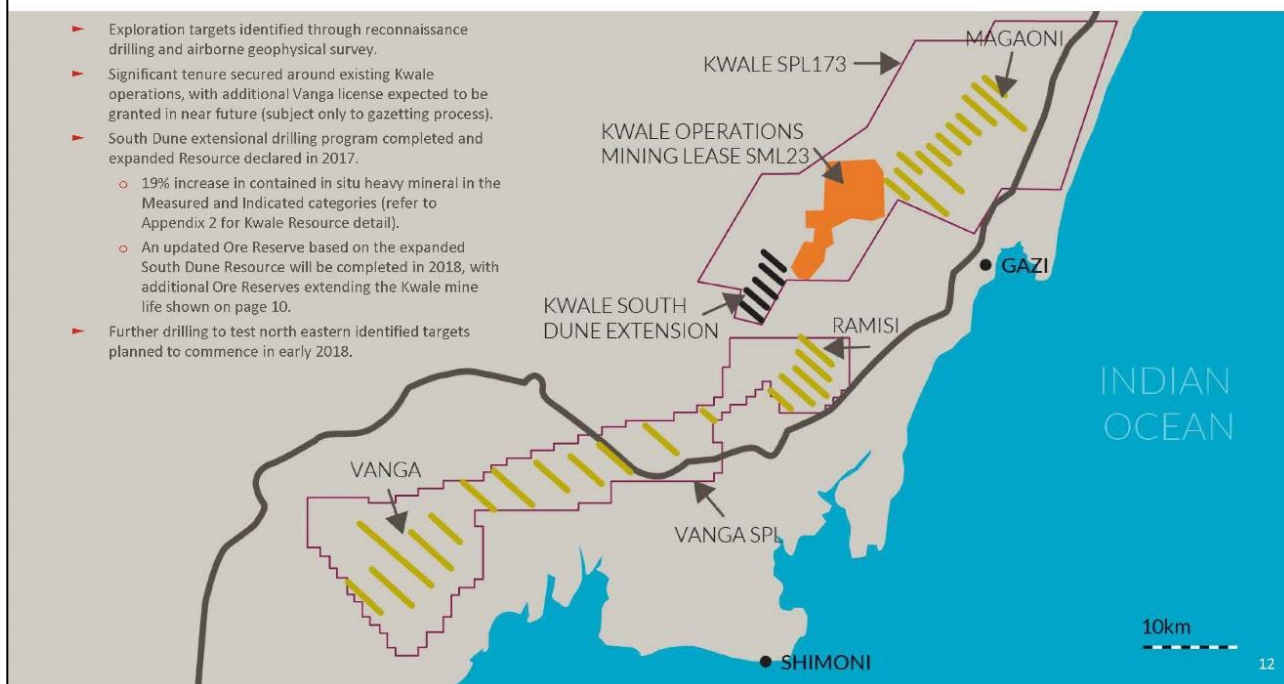
Production targets are based solely on Ore Reserves prepared by Competent Persons in accordance with the JORC Code (2012 edition) and are the result of detailed studies based on the actual performance of the Kwale mine and processing plant. These studies include the assessment of mining, metallurgical, ore processing, environmental and economic factors. FY2018 production guidance is based on the following assumptions: Mining of 10.6Mt at an average heavy mineral grade of 7.50%; mineral separation plant (MSP) feed rate at 91tph; and MSP product recoveries of 100% for ilmenite, 99% for rutile and 77% for zircon. Refer to Appendix 2 for detail of Kwale Ore Reserves.

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Strong operating margins



Further drilling planned in pursuit of additional mine life extension



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A financial snapshot

► Solid equity base (ASX & AIM: BSE)

- A\$224 million market capitalisation @ A\$0.30

Substantial Shareholders	Interest
Pacific Road Capital	24.4%
Sustainable Capital	15.0%
Regal Funds Management	11.4%
Bank of America Corporation	5.2%
Aterra Capital	4.95%

► Rapidly reducing debt

- US\$86 million in net debt at 30 September 2017
- US\$94 million paid down since June 2015

► Strong and improving earnings and cashflow

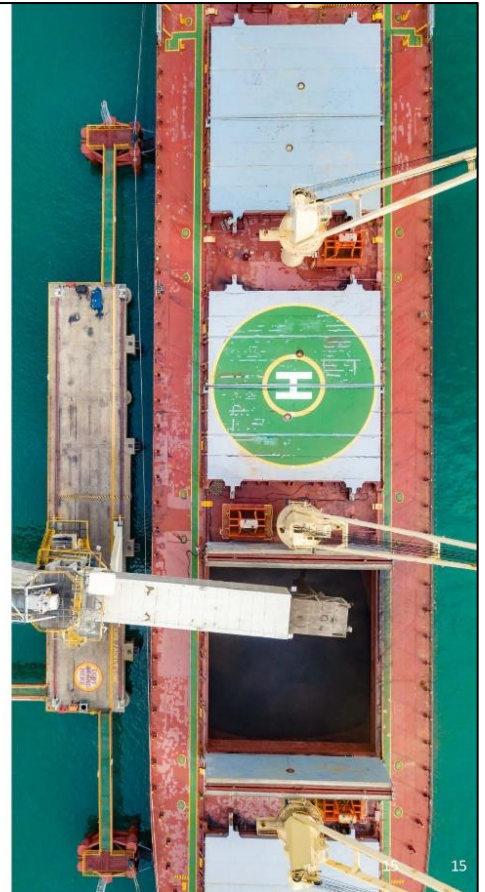
- A\$110 million group EBITDA for FY2017
- A\$66 million group EBITDA in H2 FY2017



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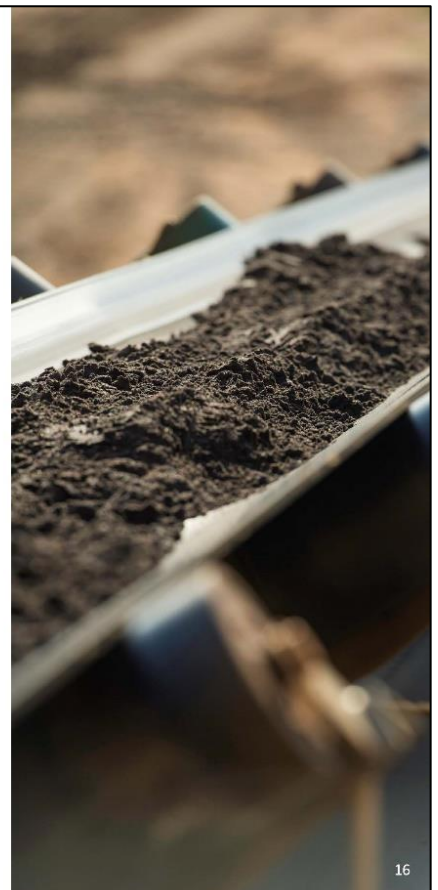
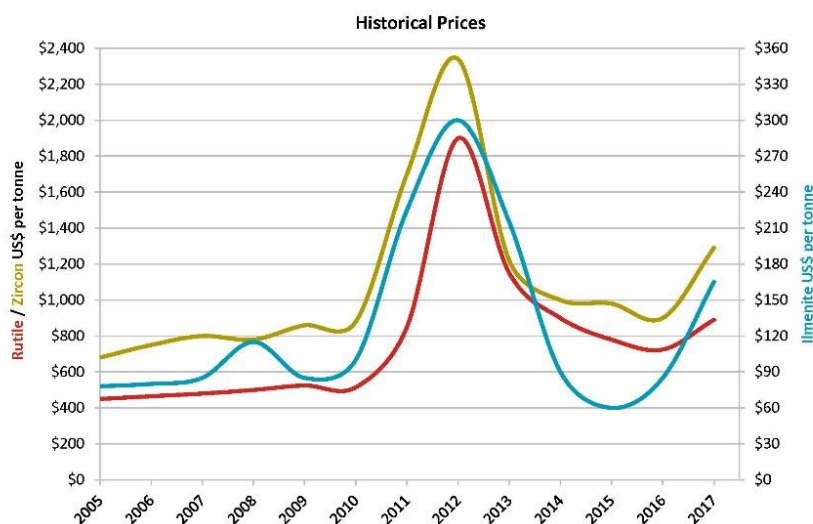
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An improving market...



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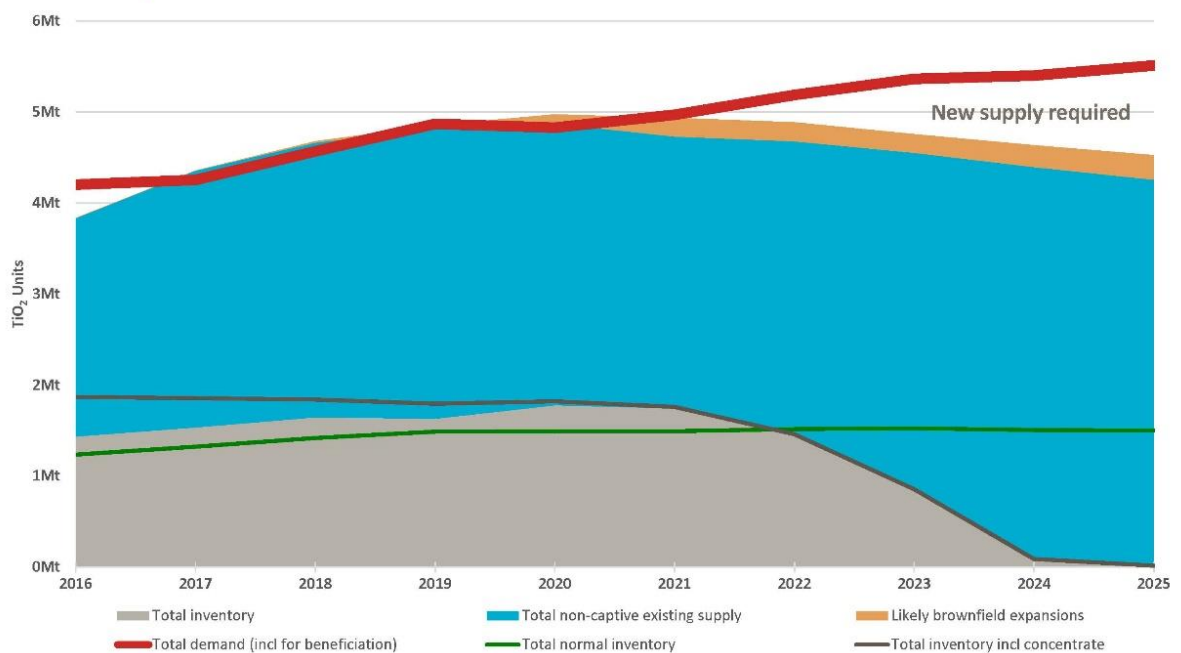
...with sound long term fundamentals

- ▶ Applications are ubiquitous in everyday life.
- ▶ Demand is tightly tied to global GDP.
- ▶ Maturing orebody profile – new supply will be required, particularly in sulphate feedstocks.
- ▶ Average VHM grade of new projects is in decline.
- ▶ Higher prices will be required to support new supply.



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...and an emerging supply gap for sulphate feedstocks

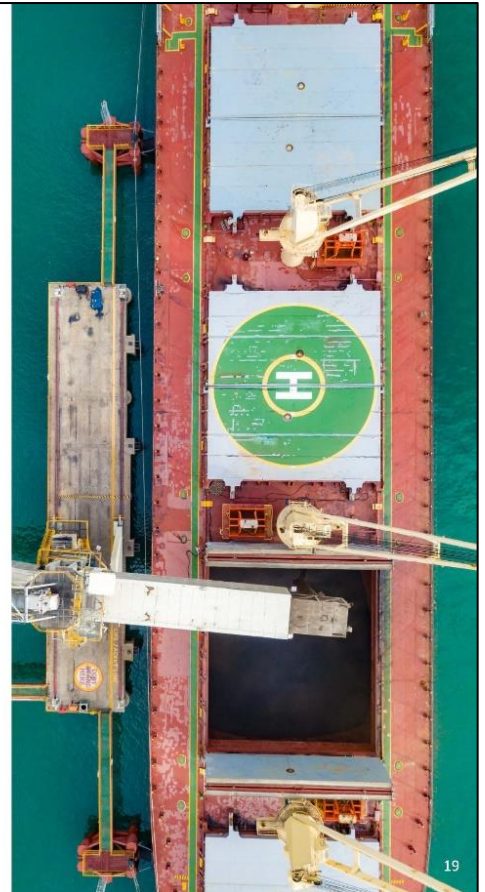


Source: Base Resources analysis

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Broadening Base

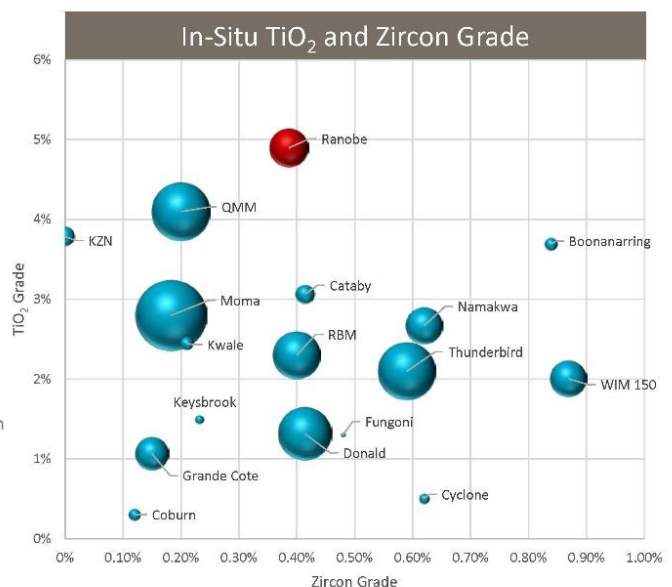
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Why Toliara Sands Project is our preferred development asset

- ▶ The large, high grade Ranobe deposit underpins the Toliara Sands Project, located in the south-west of Madagascar:
 - Resource of 857mt, with 612mt in the Measured and Indicated categories, **sufficient to support a 40+ year mine life at a scale similar to Kwale** (refer to page 21).
- ▶ The Ranobe deposit has **expansion potential**.
- ▶ **Scope for operational scale-up** over time.
- ▶ Simple mineralogy and technically **straight forward processing**.
- ▶ Simplicity, high grade and scale produce an **expected 1st quartile Revenue to Cash Cost ratio** (similar to Kwale at around 3+ times).
- ▶ The **stage of development**, and consequent timeline to production, balances capitalising on market opportunity with the ability to get the development concept right.
- ▶ The project enjoys the **support of the Madagascan government**.
- ▶ Is a project **Base can execute well** and should generate significant shareholder returns.



Note:

- All projects shown on the basis of last reported Measured & Indicated Mineral Resources estimate.
- TiO_2 grade represents the in-ground grade of titanium minerals (ilmenite, leucocoxene and rutile). Zircon represents the in-ground grade of zircon.
- Size of bubble represents the VHM contained (ilmenite, leucocoxene, rutile and zircon). For scale Cataby contains 8Mt of VHM, RBM contains 49Mt of VHM and Moma contains 108Mt of VHM.
- Hard rock deposits are excluded from the analysis.

Source: RFC Ambrion research

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A large, high grade Resource with ilmenite the driver



- ▶ A global Mineral Resource estimate of 857 million tonnes at 6.2% heavy mineral (prepared by Base Resources⁽¹⁾).
- ▶ A high degree of confidence in the Mineral Resource estimate with 612 million tonnes at 6.7% heavy mineral in the Measured and Indicated categories.
 - Contained mineral in M&I – 29Mt ilmenite, 2.4Mt zircon and 0.65Mt rutile.

Ranobe deposit	Material	HM	HM	SL	OS	HM Assemblage		
Resource Category	Mt	Mt	%	%	%	Ilmenite	Rutile	Zircon
Measured	282	20.3	7.2	4	0	72	2	6
Indicated	330	20.5	6.2	4	0	72	2	6
Inferred	245	12.4	5.0	5	1	71	1	5
Total	857	53.2	6.2	4	0	72	2	6

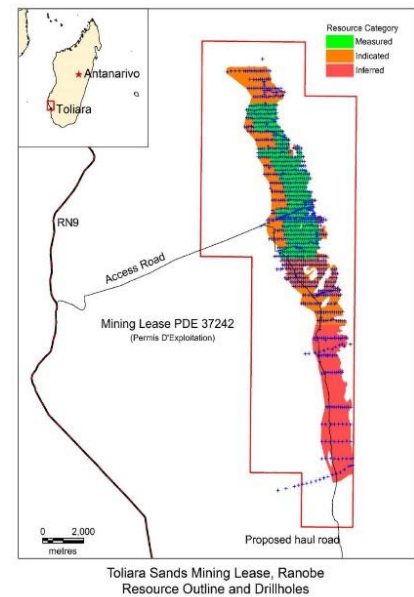
- ▶ Grade and assemblage compare favourably with the Central and South dune deposits on which the successful Kwale Operation was developed...but a significantly greater scale.

Kwale deposits ⁽²⁾	Material	HM	HM	SL	OS	HM Assemblage		
	Mt	Mt	%	%	%	Ilmenite	Rutile	Zircon
Total	185	8.1	4.4	25	0	59	13	6

- ▶ With comparable revenue value⁽³⁾ per in ground tonne of Mineral Resource:
 - Ranobe (Measure & Indicated) – US\$13.8/tonne
 - Kwale – US\$12.4/tonne

Notes:

- (1) Refer to page 38 for a summary of the information used to prepare the Ranobe Deposit Mineral Resources estimate as presented in this report and Appendix 1 for the Ranobe Deposit JORC Table 1.
- (2) Kwale Central and South Dune Mineral Resource estimate as at commencement of operations taking into account subsequent resource updates. Refer to Appendix 2 for Kwale Mineral Resource information.
- (3) Calculated on in-ground contained mineral in M&I Resource categories and based on approximate spot prices of: Ilmenite US\$170/t, Rutile US\$900/t and Zircon US\$1,200/t

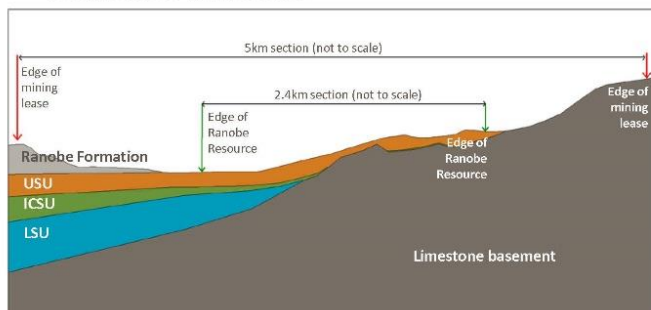


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Further substantial resource potential exists

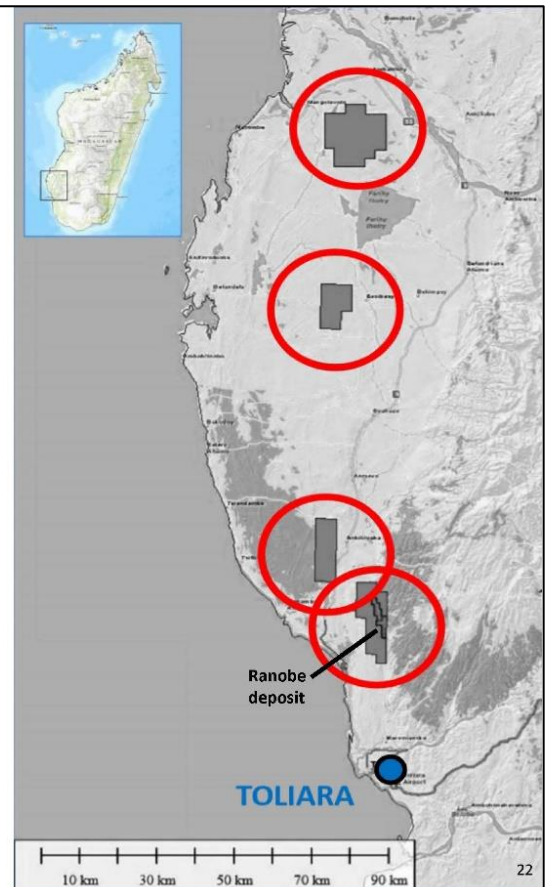
At Ranobe

- ▶ The current Resource is limited to the Upper Sandy Unit (USU)
- ▶ Two lower geological units (Intermediate Clay Sandy Unit (ICSU) and Lower Sandy Unit (LSU), refer below) have been tested by some limited drilling, indicating mineralisation.
- ▶ A 8,000m drilling program is estimated to be required to support an inferred resource in ICSU and LSU zones.



Three additional tenement packages to the North of Ranobe

- ▶ Preliminary drilling conducted to date suggests areas of prospectivity justifying further evaluation.



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Sound project progress has been made

Primary permits are in place

- Mining license covering entire Ranobe Resource is in place.
- Environmental approval has been granted, with a revision to allow an increase to 12mtpa mining and a larger footprint in its final stages.
- Established legislated land acquisition process is now underway and expected to be completed by July 2018.

Project studies are in progress with significant elements at a DFS level

- Low slimes, free running sands and no overburden enables a simple mining and tailing methodology, supported by completed mining trials.
- A technically straight forward flowsheet is envisaged, supported by a suite of completed test work, albeit more is required.
- While available infrastructure is limited, management is confident based on due diligence to date that all requirements can be met.

Status as a supported project of national importance has been established

- Madagascar has had two large scale mineral developments in Ambatovy and QMM which have contributed to the establishment of sound regulatory frameworks.
- Toliara Sands is seen as the next mining project of national significance.
- Large scale mining investment (LGIM) regime provides preferential and stable fiscal terms – application to be lodged next year.



A development plan envisages a complete study phase ahead of an FID in mid-2019

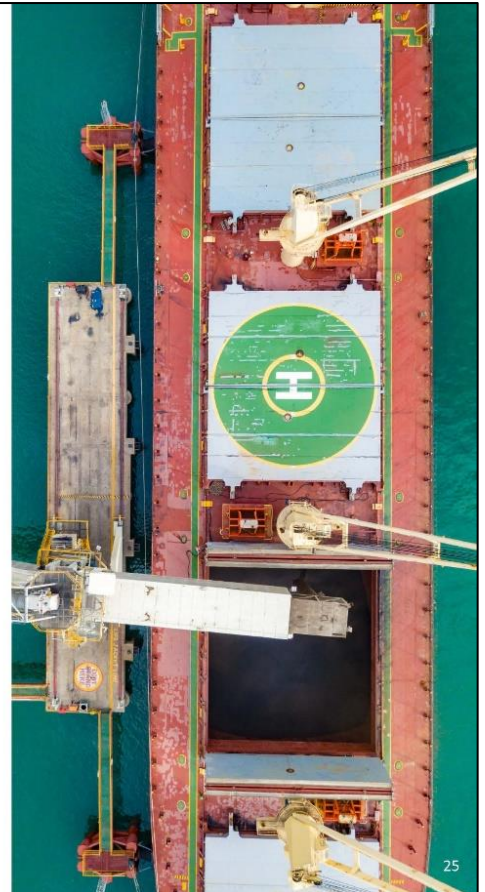


DEVELOPMENT TIMEFRAME	2017		2018				2019				2020				2021				2022			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Acquisition Close																						
Concept Study																						
Pre Feasibility Study																						
Definitive Feasibility Study																						
LONG LEAD																						
Complete Approvals																						
Pilot Plant Test Program																						
Resource Definition																						
Marketing Contracts																						
Financing																						
FID																						
EXECUTION																						
FEED																						
Detailed Engineering																						
Procurement																						
Access + Haul Rd Construction																						
Port Construction																						
Plant Construction																						
Commissioning																						
PRODUCTION																						

Funding of pre-development activities is expected to come from a combination of a recently implemented US\$25 million revolving credit facility and available six-monthly cash sweeps from Kwale Operations.

Broadening Base

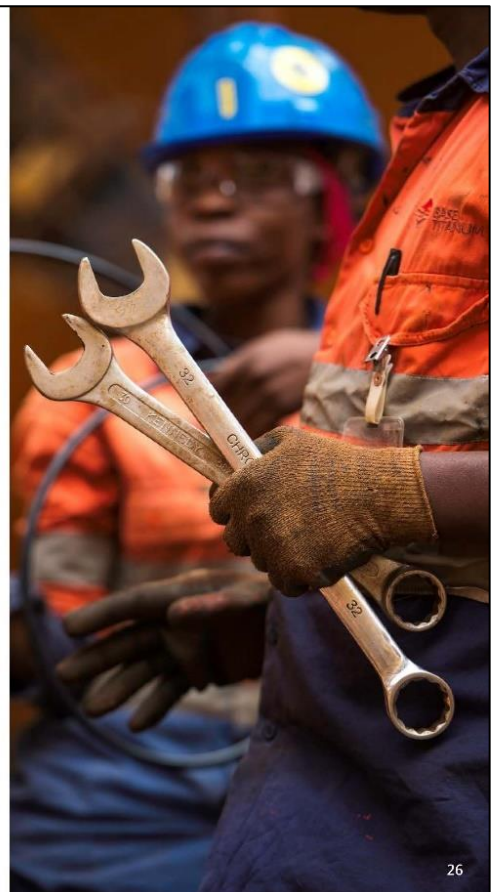
- 1 Team with a track record of delivery
- 2 Consistent, high cashflow Kwale Operations, with extension potential
- 3 A sound financial platform from which to grow the business
- 4 Improving markets are supporting a need for new supply
- 5 The Toliara Sands Project – our preferred development asset
- 6 A transformational acquisition
- 7 Funded through a A\$100 million share offer



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An acquisition that will see Base transformed

- Provides a project to capitalise on demonstrated expertise to drive further shareholder value.
- Creates a unique company in the sector – “mid-cap” with established highly profitable operations, a quality development asset and long combined life.
- Establishes diversity of sources of enhanced equity value – cashflow rerating and mine life extension at Kwale and project progression at Toliara.
- Alleviates single asset and single jurisdiction risks.
- Mitigates time horizon risks for commodity prices.
- Creates a company of strategic relevance in the mineral sands sector.



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Key Acquisition terms



Structure

- ▶ Acquiring two holding companies in Mauritius
 - Madagascar Mineral Fields Ltd
 - Malagasy Sands No 2 Ltd
- ▶ Wholly owned subsidiaries in Madagascar own the Toliara Sands Project and other group assets
 - Toliara Sands SARL
 - Madagascar Resources SARL
- ▶ Seller is World Titane Holdings Ltd (recently demerged from World Titanium Resources Ltd (ASX: WTR))

Key terms

- ▶ US\$75 million payable on Completion
- ▶ Further US\$7 million payable upon certification for the LGIM regime. LGIM is a beneficial fiscal and legal stability regime for eligible large-scale investments in the Malagasy mining sector
- ▶ Further US\$10 million payable upon a fully funded Final Investment Decision by the Base Board to proceed to construction
- ▶ Deferred payments accelerate and become payable upon a change of control¹ of Base or a Project company, or sale of the Project
- ▶ Completion expected to occur in late January 2018
- ▶ Completion conditional on Base completing an equity raising for a minimum of A\$80 million to majority fund the acquisition.
- ▶ Any shortfall in acquisition funding following completion of the equity raising is expected to come from a combination of the recently implemented US\$25 million revolving credit facility and Base's right to place shares to the seller for up to 20% of the initial US\$75 million consideration
- ▶ World Titane Holdings to retain 15% shareholding in the Mauritius holding companies, transferring to Base:
 - 5% on payment of the further US\$7 million
 - 10% on payment of the further US\$10 million
 - or 15% automatically to Base after 2 years
- ▶ Acquisition is on a group cash and debt free basis
- ▶ Seller termination events limited to material breach of warranty or material breach of a material obligation

NOTE 1) a change of control will occur if a person acquires 50% or more of the voting or economic interest in the shares of Base Resources or a Project Company, or the power to control the board or financial and operating policies or management of Base Resources or a Project company.

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Broadening Base

- 1 Team with a track record of delivery
- 2 Consistent, high cashflow Kvale Operations, with extension potential
- 3 A sound financial platform from which to grow the business
- 4 Improving markets are supporting a need for new supply
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A\$100 million share offer



Placement	Issue of approximately 143.1 million shares to raise gross proceeds of approximately A\$36.5 million.
Entitlement Offer	1 for 3 accelerated pro rata renounceable Entitlement Offer to issue approximately 249.1 million shares and raise gross proceeds of approximately A\$63.5 million.
Entitlement Offer & Placement price	25.5 cents per new share, being a discount of: <ul style="list-style-type: none"> 15.2% to the 10 day VWAP⁽¹⁾ of Base's shares traded on ASX 16.4% to the last closing share price on Monday, 18 December 2017.
Institutional Entitlement Offer	Estimated A\$51.9 million Entitlement Offer to eligible institutional shareholders.
Retail Entitlement Offer	<ul style="list-style-type: none"> Estimated A\$11.6 million Entitlement Offer to eligible retail shareholders. Retail entitlements trade on ASX market from Thursday, 21 December 2017.
Bookbuild ⁽²⁾	<ul style="list-style-type: none"> Institutional entitlements not taken up are placed into an institutional shortfall bookbuild and any shortfall thereafter will be taken up under the underwriting arrangements. If the amount per new share realised in the institutional shortfall bookbuild exceeds the offer price of 25.5 cents per new share, the excess (less any applicable withholdings) will be paid to shareholders who did not accept their entitlement in full (with respect to that part of the entitlement they did not accept only) and to ineligible shareholders.

Notes: (1) Volume weighted average price to Monday, 18 December 2017; (2) Placement of the shortfall pursuant to the shortfall bookbuild is subject to Board discretion.

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A\$100 million share offer (cont.)



Underwriting	The Placement and Entitlement Offer are partially underwritten up to a cap of approximately A\$88.4 million by RFC Ambrian Limited, subject to typical termination events.
New shares	New shares issued under the Placement and the Entitlement Offer will rank equally in all respects with existing shares from the date of allotment.
Record Date	<div>Australian register: 7.00pm (Sydney time) on Thursday, 21 December 2017.</div> <div>UK register: 6.00pm (GMT) on Thursday, 21 December 2017.</div>
Existing shares on issue	~747.2 million
New shares to be issued under the Placement and Entitlement Offer	~ 392.2 million, representing approximately 52.5% of existing undiluted share capital.
Total shares on issue following the Placement and Entitlement Offer	~ 1,139.4 million
New shares as a percentage of the post transaction share capital	~34.4%
No control effects to arise	<ul style="list-style-type: none"> Base's current largest shareholder with 24.4% is not participating in the Placement. While this shareholder has provided a commitment to accept its entitlements under the Entitlement Offer, its interest in Base is expected to reduce as a consequence of the Placement and Entitlement Offer. Sub-underwriting arrangements made by RFC Ambrian Limited are such that no party will move to an interest of 20% or more through the underwriting arrangements.

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Timetable



Event	Date ⁽¹⁾
ASX Trading halt and announcement of Offers	Tuesday, 19 December 2017
Placement and Institutional Entitlement Offer opens	Tuesday, 19 December 2017
Placement and Institutional Entitlement Offer closes	5.00pm Wednesday, 20 December 2017
Institutional Entitlement Offer shortfall bookbuild	Wednesday, 20 December 2017
Retail entitlements commence trading on deferred settlement basis	Thursday, 21 December 2017
Record date: Australian Register	7.00pm Thursday, 21 December 2017
Record date: UK Register	6.00pm (GMT) Thursday, 21 December 2017
Despatch of retail offer booklet and entitlement and acceptance form	Thursday, 28 December 2017
Retail Entitlement Offer opens	Thursday, 28 December 2017
Settlement of the Placement and Institutional Entitlement Offers	Thursday, 4 January 2018
Allotment of new shares issued under the Placement and Institutional Entitlement Offer and commencement of trading on ASX and AIM	Friday, 5 January 2018
Retail entitlement trading ends	Wednesday, 10 January 2018
Retail Entitlement Offer closes	7.00pm Wednesday, 17 January 2018
Allotment of new shares issued under the retail Entitlement Offer	Monday, 22 January 2018
New Shares issued under the retail Entitlement Offer commence trading on ASX and AIM	Tuesday, 23 January 2018
Despatch of holding statements	Wednesday, 24 January 2018

1. Dates and times are indicative only and may be subject to change. References to time are to Australian Eastern Daylight Time (AEDT), unless otherwise noted.

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Risks

Notice: There are a number of risks, both specific to Base and of a general nature, which may, either individually or in combination, affect the future operational and financial performance of Base, and the industry in which Base operates. The following list of risk factors should not be taken as an exhaustive list of the risks faced by Base or by investors in Base. The factors set out below, and others not specifically set out below, may in the future materially affect the financial performance of Base and the value of its shares. Base's shares carry no guarantee with respect to the payment of dividends, returns of capital or future market value.

Part A: Key Acquisition Risks

Completion risk

There is a risk that the acquisition of the Tollara Sands Project (**Acquisition**) may not complete on the current terms and expected timing, if at all, due to a failure to satisfy the condition precedent to the Share Sale Agreement or due to serious breach of a warranty (subject to certain materiality thresholds). The only condition precedent to the Share Sale Agreement is Base completing an equity raise for a minimum amount of A\$80 million, expected to be satisfied through the successful close of the Placement and Entitlement Offer (**Share Offer**). Base has entered into an underwriting agreement under which RFC Ambrian Limited (**Underwriter**) have agreed to partially underwrite the Share Offer (**Underwriting Agreement**). If the Share Sale Agreement is terminated or rendered void or unenforceable, or becomes terminable by World Titane Holdings Limited (**WTH**), the Underwriter will be entitled to terminate the Underwriting Agreement. The Underwriter also has the ability to terminate the Underwriting Agreement on the occurrence of certain defined events which are usual for an Underwriting Agreement (such as regulatory investigation or prosecution, a failure to obtain quotation approval of the new shares on ASX, an insolvency event in relation to Base or a Base group member, or Base being removed from the official list of the ASX), where such event has or is likely to have a material adverse effect on the success of the Share Offer. Termination of the Underwriting Agreement would have an adverse impact on the Offer and Base's sources of funding for the Acquisition. If the Acquisition is not completed but the Share Offer has been successfully closed, Base will assess the most appropriate way to utilise the proceeds of the Offer, including whether there is an efficient manner of returning proceeds to shareholders.

Foreign exchange rate and partial underwriting risk

The consideration for the Acquisition is payable in US\$. However, the funds to be raised under the Offer, which are being used to fund the Acquisition, are in AUD and GBP. Therefore, a significant depreciation in the Australian dollar or pound sterling against the US\$ could result in the amount raised under the Offer being insufficient to fund the Acquisition. Further, the Offer is only partially underwritten (up to approximately A\$88 million). Therefore, if the Offer is not fully subscribed for the funds raised under it will be insufficient to fund the Acquisition. However, Base has mitigated against these risk by retaining an option to issue up to US\$15 million of the consideration in Base fully paid ordinary shares. It also has additional capacity under its debt facilities that it could draw on to meet a shortfall. However, in the unlikely event that if the shortfall is so significant that these mitigants are insufficient to cover any funding gap and Base is unable to source alternative funding it would be in breach of its completion obligations under the Share Sale Agreement.

Due Diligence

Base undertook a due diligence process in respect of the Acquisition and was provided with the opportunity to review certain information provided by or on behalf of WTH. While Base considers the due diligence process undertaken to be adequate in the circumstances, Base has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it. There is no assurance that all material issues and risks in respect of the Acquisition have been identified.

To mitigate this risk, contractual representations and warranties have been obtained in the Share Sale Agreement in respect of the adequacy or accuracy of the materials disclosed during the due diligence process. Base is also entitled to set off any loss it suffers due to a breach of warranty or representation under the Share Sale Agreement against the deferred payments it is required to make to WTH on the achievement of certain project milestones.



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Risks (continued)

Part B: Key Business Risks of Base (post-Acquisition)

Foreign exchange risk

Base's revenues, majority of costs (both capital and operating) and debt funding are all denominated in US dollars. Because the majority of costs and revenues are both denominated in the same currency, a natural hedge will exist in terms of operating foreign exchange risk. The Share Offer is made in Australian dollars, however, and therefore shareholder returns will be subject to risks associated with the exchange rate of US dollars to Australian dollars.

Price risk

Base's revenues and cash flows are derived from the sale of ilmenite, rutile and zircon. Its financial performance is therefore exposed to fluctuations in the prices for those minerals, which have been particularly volatile in recent times. Mineral sands prices are influenced by numerous factors and events that are beyond the control of Base, including increased global supply, decreased demand, currency exchange rates, general economic conditions, regulatory changes and other factors. Base cannot provide any assurance as to the prices it will achieve for ilmenite, rutile or zircon. Changes in commodity prices may have a positive or negative effect on Base's mineral sands projects and other activities.

Operating risks

The current and future operations of Base may be affected by a range of factors including: adverse geological conditions; limitations on activities due to seasonal weather patterns and cyclone activity; unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities; unanticipated metallurgical problems that may affect production volumes or extraction costs; mechanical failure of operating plant and equipment; industrial and environmental accidents, industrial disputes and other force majeure events; unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; inability to obtain necessary consents or approvals; and health and safety risks.

Kenya

Base's Kwale Project is located in Kenya, Africa. Whilst Base has operated in Kenya for a number of years and has experience operating in this market, in recent history Kenya has experienced greater economic, social and political volatility than developed Western countries. There is therefore a higher degree of geo-political risk associated with doing business there. As a result, Base's operations in Kenya may be impacted by: potential difficulties in enforcing agreements and collecting receivables through the local legal and regulatory systems; potential difficulties in protecting/enforcing rights and interest in assets, including changes in laws relating to foreign ownership and government or local partner participation rules; changes in government policies and procedures, including restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes; changes in applicable royalty rates; restrictions on the transfer / repatriation of funds and monetary policies; risk of expropriation or nationalisation with inadequate compensation; currency fluctuations, high inflation and deteriorating economic conditions; and civil unrest and industrial action, personal security issues, disease outbreaks, social and religious conflict and acts of terrorism. A failure to comply with Kenya's laws and regulations, including conditions imposed on Base's activities under relevant permits, may result in operations being suspended, a forfeiture of critical permits, the imposition of a financial guarantee or surety, or financial penalty or compensation order, along with the potential for associated damage to the reputation of Base.



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Risks (continued)

Madagascar

The Toliara Sands Project, which Base has contracted to acquire, is located in Madagascar. Whilst the political situation in Madagascar remains stable since the return to constitutional rule in May 2014, it has experienced greater economic, social and political volatility than developed Western countries and there is therefore a higher degree of geo-political risk associated with doing business there. As a result, Base's future operations in Madagascar and the advancement of the Toliara Sands Project may be impacted by: potential difficulties in enforcing agreements and collecting receivables through the local legal and regulatory systems; potential difficulties in protecting/enforcing rights and interest in assets, including changes in laws relating to foreign ownership and government or local partner participation rules; changes in government policies and procedures (in particular, as a result of any change in government following the upcoming elections in 2018), including restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes; changes in applicable royalty rates; restrictions on the transfer / repatriation of funds and monetary policies; risk of expropriation or nationalisation with inadequate compensation; currency fluctuations, high inflation and deteriorating economic conditions; and civil unrest and industrial action, personal security issues, disease outbreaks, social and religious conflict and acts of terrorism. A failure to comply with Madagascar's laws and regulations, including conditions imposed on Base's future activities under relevant permits, may result in operations being suspended, a forfeiture of critical permits, the imposition of a financial guarantee or surety, or financial penalty or compensation order, along with the potential for associated damage to the reputation of Base.

Australia

Legal, tax and regulatory changes in Australia, where Base is incorporated, may also impose additional financial obligations on the company or otherwise adversely affect the value of Base's assets and the financial position and performance of Base.

Title risk

Minerals licences are granted subject to various conditions. Failure to comply with conditions may lead to forfeiture. All of the mineral properties in which Base has or may have an interest will be subject to renewal. If any of the mineral properties are not renewed for any reason, Base may suffer damage through loss of opportunity to develop.

Environmental risks and regulation

There is always a risk of environmental damage arising from Base's operations, including through accident, which may give rise to liabilities and costs for Base, including through the imposition of fines and the potential for operations to be delayed, suspended or shut down.

Product sales agreements and counterparty risk

Base has contracts with various counterparties with respect to the sale of product from the Kwale Project. These contracts do not cover all product expected to be produced from the Kwale Project. There is no guarantee that Base will be able to reach agreement on terms satisfactory to it for the sale of product not presently contracted, or from any product from the development of the Toliara Sands Project. If Base cannot reach agreement on satisfactory terms, this may have an adverse effect on Base's future revenues. The financial performance of Base is also potentially exposed to failure by counterparties to its product sales agreements and other agreements, and there can be no guarantee that Base would be able to recover the full amount of any loss through legal action.



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Risks (continued)

Mineral Resource and Ore Reserve estimates

Mineral Resource and Ore Reserve estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect Base's operations.

Mining and production

There can be no guarantee, and Base shareholders should not assume, that anticipated tonnages and grades of ore will always be achieved during mining and production or, even if they are, that they will be sufficient to sustain a profitable mining operation, or there will not be significant increases in costs in contractors, labour, plant, materials or utility charges (or the availability of any of these) in a manner that will adversely impact on anticipated capital, development or operating costs.

Project finance facility, capital needs and potential additional funding requirements

In the ordinary course of operations, Base is required to issue financial assurances, particularly with regard to its project finance facilities, insurances and bond guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements. Base's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position. While Base anticipates it will be able to continue to meet its debt repayments when they fall due and stay within applicable financial covenants, deteriorating economic or project specific events, may cause this to change, leading to adverse consequences. In addition, Base may require additional financing for its mineral sands business interests and there can be no guarantee that such funding will be obtained at all or on acceptable terms. If Base seeks to obtain any additional funding by way of an equity raising, this is likely to be dilutive to existing Base shareholders.

Toliara Sands Project development

The Toliara Sands Project in Madagascar, which Base has contracted to acquire, will be subject to a range of risks typically associated with mining project developments. These risks include but are not limited to, Reserve definition, project design and engineering, project financing, environmental, permitting, construction, development cost variations, contractor control, product off-take arrangement. Neither Base nor its directors warrant the successful development of the Toliara Sands Project will occur or the timing of that development.

Mineral sands exploration interests

Base is involved in mineral exploration activities, which are speculative by nature and therefore are often unsuccessful. Such activities also require substantial expenditure and can take several years before it is known whether they will result in additional mines being developed. In addition, the exploitation of successful discoveries involves obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and the exercise of discretions by such authorities. The success of Base in progressing projects not already in production (including the Toliara Sands Project) will also depend upon Base having access to sufficient development capital, being able to maintain title to its mineral properties and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the mineral properties and possible relinquishment of the mineral properties.



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Risks (continued)

Insurance

Insurance against all risks associated with mining operations are not always available or affordable. Base intends to maintain insurance where it is considered appropriate for Base's needs. However, Base is not insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive in the circumstances.

Key executives and personnel

Base's prospects depend in part on its ability to attract and retain its executive officers, senior management and key consultants and for these personnel to operate effectively.

Competition

Base competes with other mineral sands production companies internationally. Some of these companies have greater financial and other resources than Base and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that Base will be able to compete effectively with these companies.

Discretion in use of capital

The Base Board and management have discretion concerning the use of Base's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are uncertain. If they are not applied effectively, Base's financial and/or operational performance may suffer.

Litigation

Base is subject to the usual business risk that disputes or litigation may arise from time to time in the course of its business activities. Base may face claims in respect of safety by an employee, contractor or a member of the public.

Part C: Share and Share Offer risks

Share price volatility and share market risks

The value of Base shares and prices at which they trade in the market are affected by a number of general factors which are beyond the control of Base and its directors. This includes factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices, local and international economic conditions and general investor sentiment. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. No assurances can be given that new shares issued under the Share Offer will trade at or above the offer price. Neither Base nor its directors warrant the future performance of Base or any return on an investment in Base. Furthermore, access to additional equity sources in the future may be impacted by adverse market conditions.



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Risks (continued)

Dilution

Given the size of the Share Offer, including the Placement, Eligible Shareholders who are not able to participate in the Placement and/or do not take up their entitlements, and ineligible shareholders, will be diluted by the offer. Base may also sell shares in the future to raise additional capital which could cause future dilution.

Sell-down by existing shareholders

There is a risk that existing substantial shareholders may seek to sell-down their shareholdings in Base. A significant sale of shares, or a perception that a sell-down may occur, could adversely affect the prices of Base's shares.

Share price volatility and share market risks

The share prices of quoted companies, in particular mining and exploration companies, can be highly volatile and shareholdings may be illiquid. The price at which the shares are quoted and the price which investors may realise for their shares may be influenced by a large number of factors, some of which are specific to Base and its operations and some of which may affect quoted companies generally. These factors include, without limitation: the operating performance of Base and market expectations of future performance; changes in general economic conditions and outlook, including interest rates, inflation rates, exchange rates, commodity prices and the demand for, and supply of, capital; natural disasters, terrorism events and other hostilities and conflicts; changes in government policies, taxation and other laws; large purchases or sales of shares by other investors; changes in investor sentiment towards market sectors and the equity markets in general; and other factors outside of the control of Base.

Liquidity risk

There can be no guarantee that there will always be an active market for Base's shares or that the price of Base shares will increase. There may be relatively few buyers or sellers of shares on the ASX and/or AIM at any given time. This may affect the volatility of the market price of shares. It may also affect the prevailing market price at which Base shareholders are able to sell their Base shares. This may result in Base shareholders receiving a market price for their Base shares that is less or more than the price paid pursuant to the Share Offer.



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Ranobe Deposit supporting information



A summary of the information used to prepare the Ranobe Deposit Mineral Resources estimate as presented in this report is as follows.

The Toliara Sands Project is located on the 125.4 km² Mining Lease (Permis D'Exploitation) 37242 (PDE 37242), approximately 40 kilometres north of the town of Toliara in south west of Madagascar and approximately 15 kilometres inland from the coast (refer Figure 1).

The Toliara Sands Project comprises a single continuous deposit, the Ranobe Deposit.

The present and previous owners of the Toliara Sands Project conducted drilling programs on the Ranobe Deposit in 2001, 2003, 2005 and 2012 (refer Figure 2).

Mineral Resources estimation work previously carried out on the Ranobe Deposit is as follows:

- 2004 by Tior Pty Ltd;
- 2006 by Exxaro Resources Ltd;
- 2010 by Geocraft Consulting for Madagascar Resources NL
- 2012 by McDonald Speijers and Associates for World Titanium Resources Limited;
- 2016 by World Titanium Resources Limited Competent Person, Ian Ransome.

The unconsolidated aeolian Quaternary sediments comprising the deposit overlie Eocene age limestone which in turn overlies Mesozoic limestone, marl and sandstone. The aeolian Holocene Ranobe Formation partially overlaps the deposit from the west. The Ranobe Deposit comprises three mineralised units: the upper sand unit (USU), intermediate clay sand unit (ICSU) and the lower sandy unit (LSU). The Resource Estimate only considers material from the USU at surface because of its higher heavy mineral (HM) grade and the lack of sampling of the lower units.

The USU is a well sorted fine-grained unconsolidated aeolian sediment. It contains approximately 5 per cent slime or clay (SL) and approximately 6 per cent HM, mainly ilmenite, zircon and rutile, and low oversize (OS), which on average is less than 1 per cent.

The geological interpretation for the Ranobe Deposit considered the data in the drill logs, HM assay results, and the results of pilot plant-scale test work conducted on trial mining pits. Five geological domains have been identified: the three mineralised units (USU, ICSU, LSU), the Ranobe Formation and the limestone basement (LST).

The right to mine the Ranobe Deposit was granted to the existing owners under PDE 37242 on 21 March 2012. PDE 37242 has a term of 40 years from 21 March 2012, and provides the right to carry out mining operations for the production of ilmenite, rutile, leucosene and zircon through and is renewable for further period of 40 years.

The environment and land use are described as semi-arid and intensive subsistence agriculture/mixed farming/forestry.

Drilling was completed by the reverse circulation, air core (RCAC) method for all four drilling programmes conducted to date, all by Wallis Drilling. RCAC drilling was used to obtain 1 to 3m samples from which, approximately 10 – 30 kg was collected. Samples were dried, riffle split and submitted for assay. Three laboratories were used, and all followed the same assay procedure which conformed to AS4350.2-1999. All labs produced three assays: HM% (via sink float using tetrabromoethane), SL% (screened at 63µm) and OS% (screened at 1mm). This is described in the relevant section of the JORC 2012 Table 1 in Appendix 1.

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Ranobe Deposit supporting information (cont.)



Mineral assemblage analyses were conducted by two different methods to characterise the mineralogy of the deposit. QEMSCAN analysis using scanning electron microscopy was performed by two different labs (referred to as QEMSCAN 2006 and QEMSCAN 2017) using slightly different definitions of the titanium minerals. The other technique, referred to as MA98, uses samples subjected to magnetic separation to capture magnetic (mag), middling (mid) and non-magnetic (non-mag) fractions. The mid and mag fractions were combined and, with the non-mag fraction, subjected to XRF analysis. Data from the mag and non-mag XRF analyses were processed through an error minimisation algorithm that calculated mineralogy using assumed mineral chemistries. Figure 3 shows the location of the mineral assemblage samples. Neither of these methods correlate well with each other, or with results of pilot plant-scale test work conducted on trial mining pits. The rutile values for MA98 and QEMSCAN 2017 average approximately 1.5% of HM, while QEMSCAN 2006 averages approximately 2.3% of HM. Despite this, the Ranobe Deposit Resource Estimate uses all three datasets because the gross ilmenite values (the sum of all minerals with a TiO₂ content ranging between 45% and 85%) and the zircon values are consistent for all methods of mineral assemblage analysis. The rutile discrepancy was accepted as immaterial due to the relatively low level of rutile compared with ilmenite and zircon, and therefore not considered economically significant.

Drill hole, collar and assay data are captured digitally and managed in a Microsoft Access database. Sufficient quality control has been undertaken to satisfy the Competent Person that the assay data is sound and may be used for resource estimation. The table below summarises the QA/QC samples processed for each of the four drill programs.

Sample Designation	# Analyses			
	2001 Drill Program	2003 Drill Program	2005 Drill Program	2012 Drill Program
A sample	1225	3045	2117	3580
Duplicate A sample	-	-	72	282
Replicate A sample	-	-	-	194
B sample	-	152	97	177
C sample	-	45	110	2
Repeat	-	-	72	46
Control sample	-	-	68	146

No QA/QC samples were taken for the 2001 drill program, which comprises 12% of total samples. The B and C sampling comparisons with the A samples for the 2003 drill program showed that the A sample lab (IMP laboratories in Boksburg, South Africa) slightly underestimated the HM assays by 5%, which is not considered significant enough to place the Resource Estimate in question. The same comparison for the 2005 drill program showed the A sample lab (ACL laboratory in Pretoria, South Africa) biased the SL assays upward by approximately 5%, which is not considered significant. No bias was detected for assays from the 2012 drill program.

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Ranobe Deposit supporting information (cont.)



The topographic digital elevation model (DEM) was prepared by World Titanium Resources Limited using Geovia (Surpac) software from LIDAR survey. The X,Y positions were surveyed by GPS (+/- 6m RMS) for the 2001 drill program (10% of holes) and by DGPS (+/- 0.3 m RMS) for the subsequent drill programs. The drill holes take their level from the LIDAR surface DEM. The coordinate system used is UTM zone 38 south (WGS 84). That the 2001 drill program holes were located less rigorously is not considered to pose a risk to the resource estimate.

Construction of the geological grade model was based on coding model cells below open wireframe surfaces, comprising topography and the base of the USU. Model cell dimensions of 50m x 100m x 1m in the XYZ orientations were used.

Interpolation was undertaken using various sized search ellipses to populate the model with primary grade fields (HM, SL, OS, and mineralogy). Inverse distance weighting (IDW) to a power of two was used for primary assay fields.

The bulk density (BD) applied to the Ranobe Deposit Mineral Resources model was a component-based algorithm: $BD = 1.61 \times HM\%$. Given the generally low slime levels and based on the experience of the Competent Person this is considered appropriate.

The criteria used for the Mineral Resources estimate classification is drill hole spacing and the type of mineralogy data. In summary the classifications were determined as follows:

- Measured where the drill spacing is 200 x 100 m or better and where there is QEMSCAN 2006 or QEMSCAN 2017 mineralogy data and where the limestone basement is not overly undulating. The MA98 mineralogy does not provide the level of detail to support a Measured category regardless of drill hole spacing.
- Indicated where the drill spacing is 400 x 200 m or better.
- Inferred where the drill spacing is greater than 400 x 200 m.

The estimate presented herein uses a 3% HM bottom cut. A 3% HM cut-off is considered appropriate, because the mineralogy of this deposit is similar to other mines where the actual economic cut-off grades are in the range of 1.5-3%. It also allows for comparison to previous resource figures.

At this cut-off grade, the size and grade of the deposit offer very reasonable prospects for eventual economic extraction. Given the permeable nature of the sediments, the low water table and Base's dry mining expertise, the most likely mining method would be dry mining by dozer or front end loader. Processing could be achieved via standard mineral sands methods: spiral concentration, and magnetic and electrostatic separation. The physical properties of the heavy minerals at the Ranobe Deposit are, from metallurgical test work, similar to other deposits being mined today.

Refer to Appendix 1 for the JORC 2012 Table 1.

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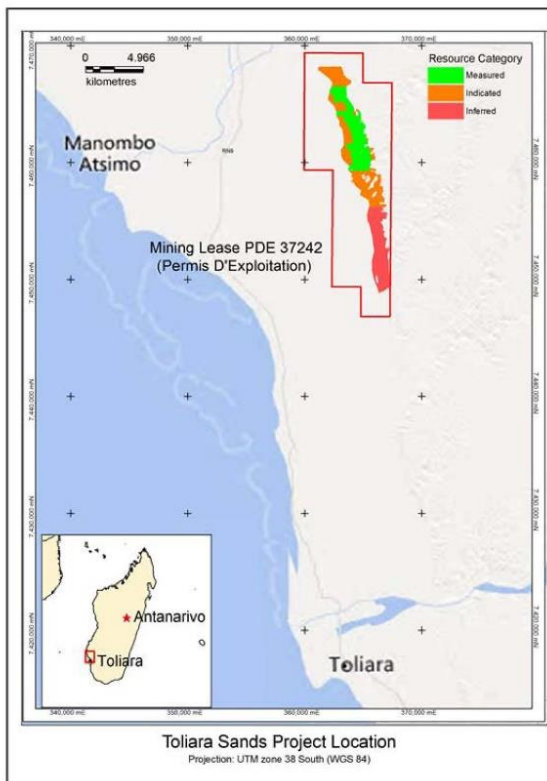


Figure 1: Plan showing location of Ranobe Project area covered Mining Lease 37242.

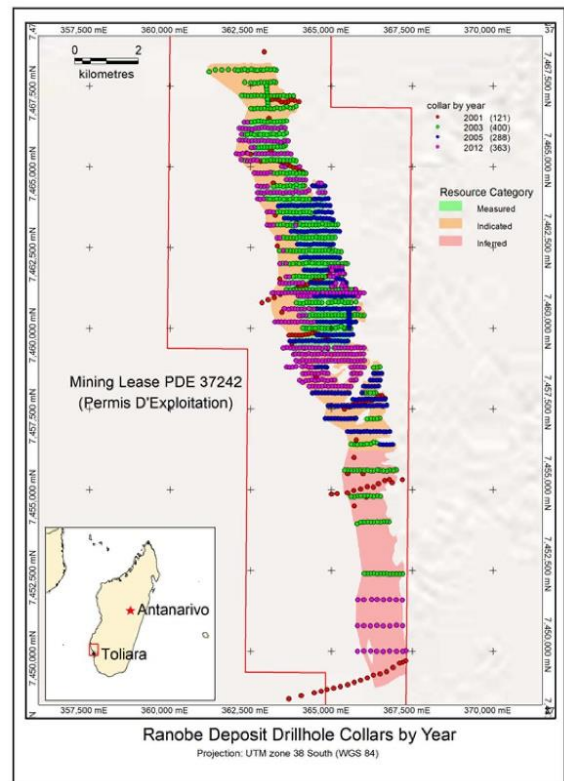


Figure 2: Plan showing the Ranobe Deposit, location of drill holes used for resource estimation, ML boundary, Measured, Indicated and Inferred 3% HM cut-off resource outlines.

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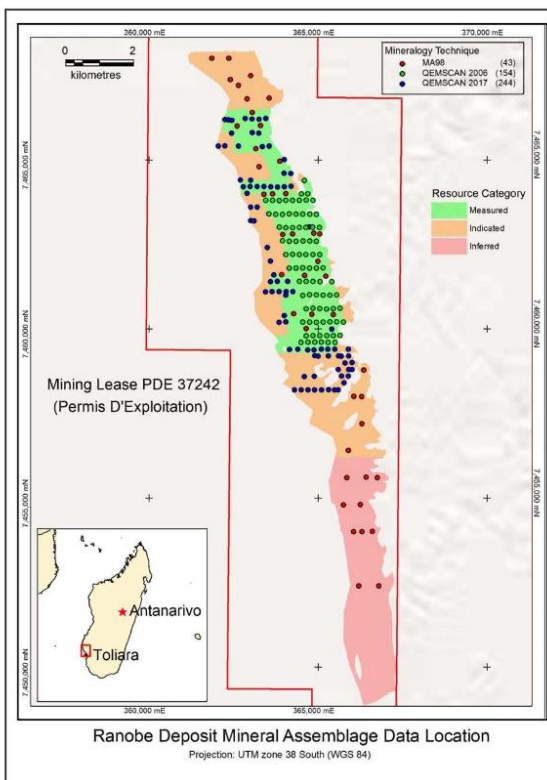


Figure 3: Plan showing the Ranobe Deposit, location of mineral assemblage samples used for resource estimation, ML boundary, Measured, Indicated and Inferred 3% HM cut-off resource outlines.

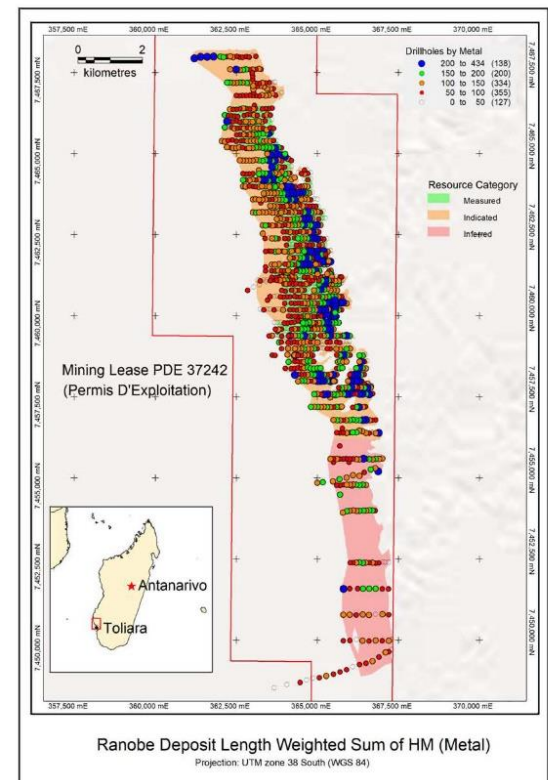
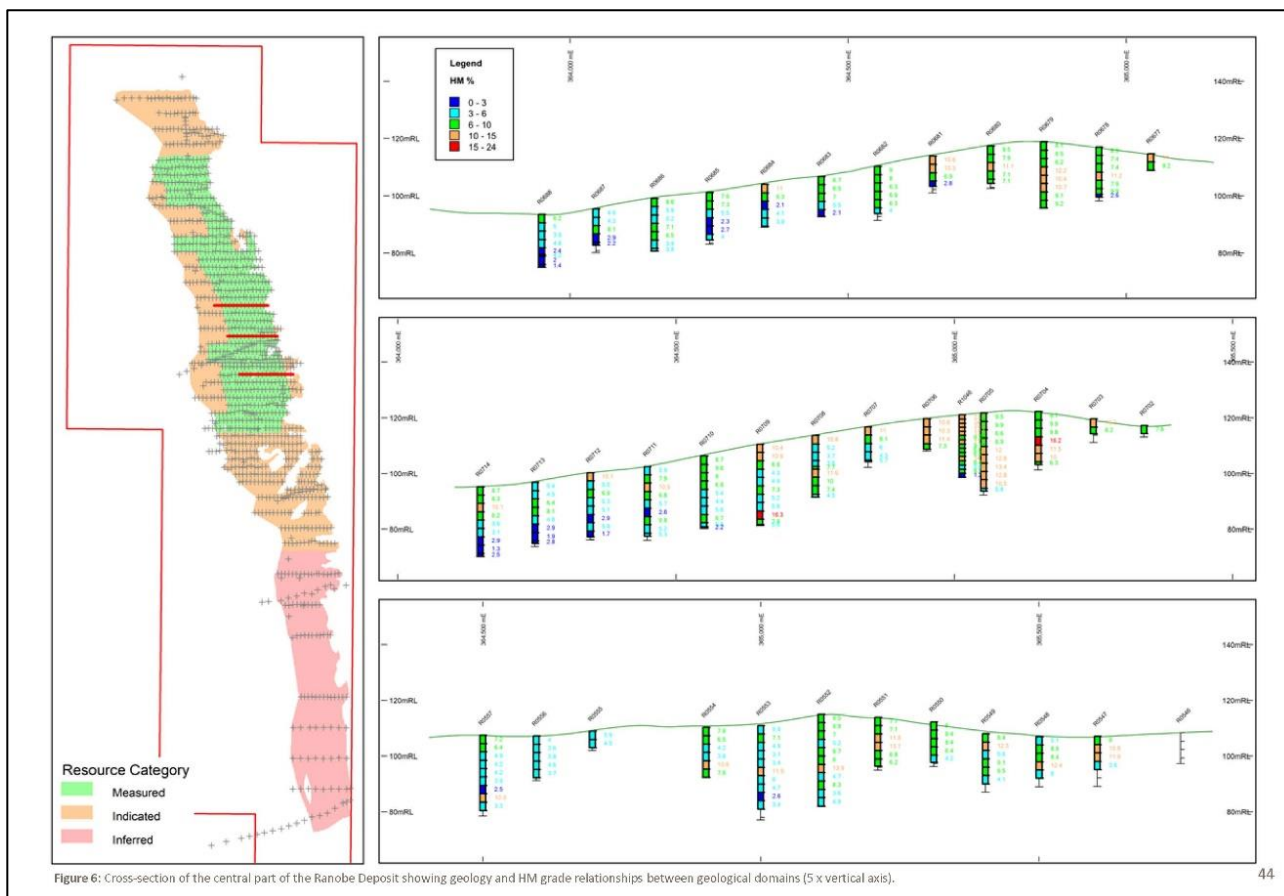
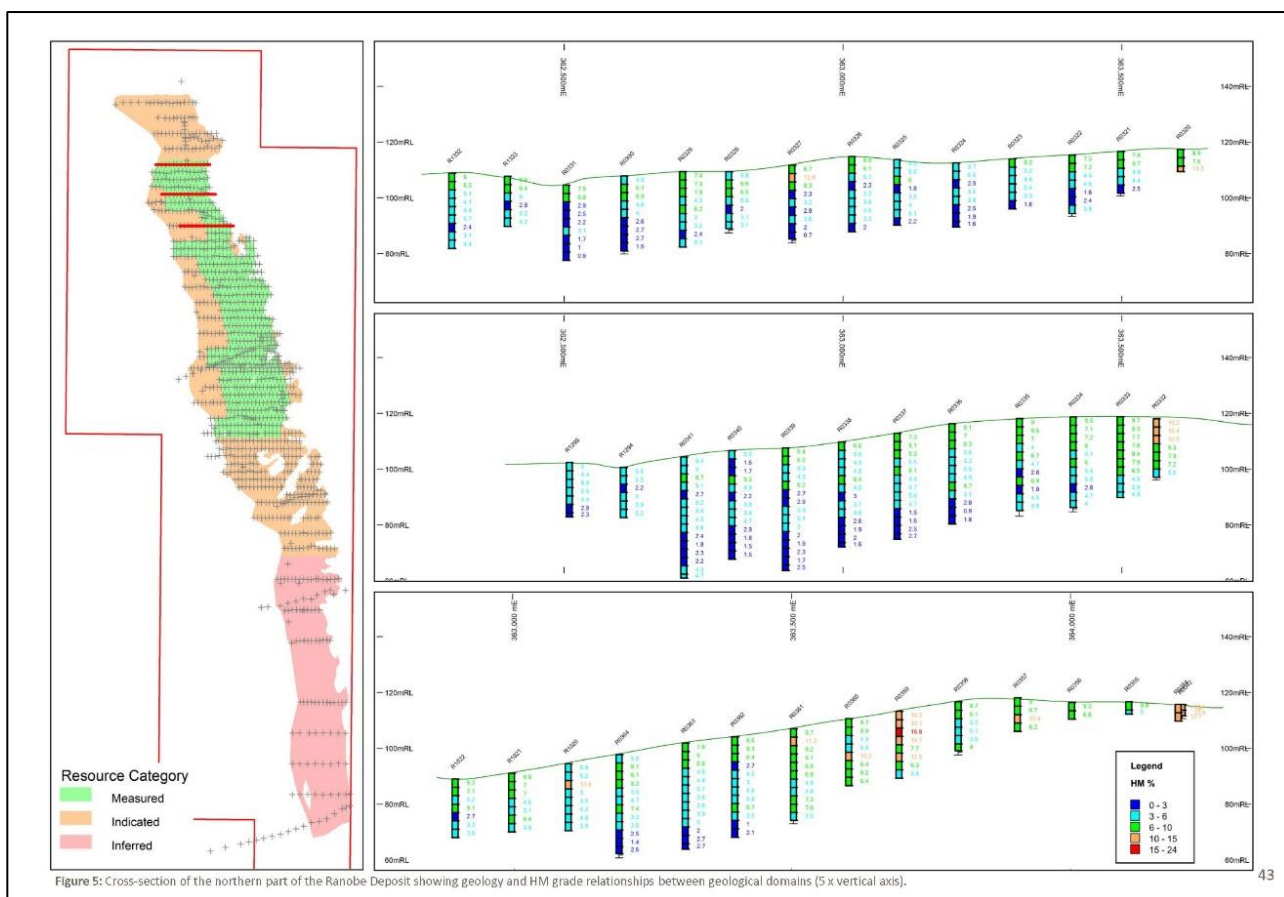


Figure 4: Plan showing the Ranobe Deposit, location and the length weighted sum of HM of drill holes used for resource estimation, ML boundary, Measured, Indicated and Inferred 3% HM cut-off resource outlines. For example, a 15 metre intersection which averages 10% HM would have a weighted sum value of 150.

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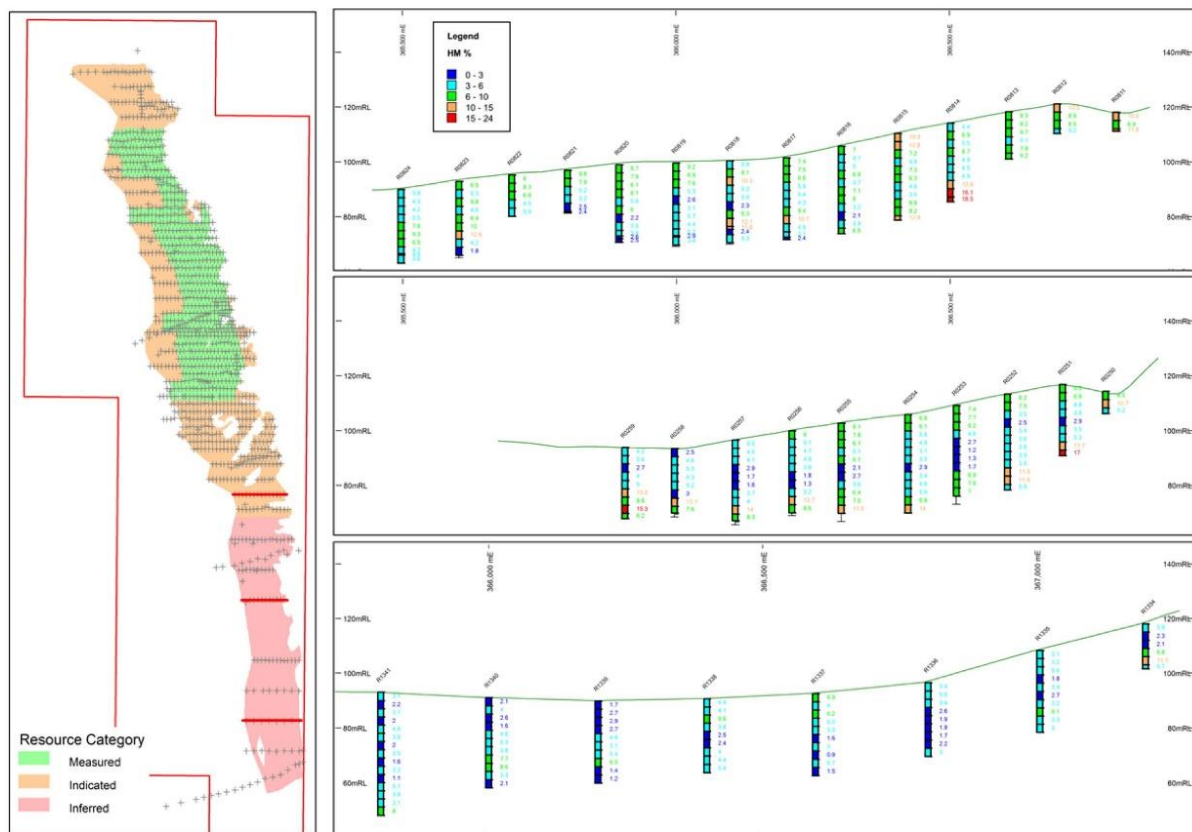


Figure 7: Cross-section of the southern part of the Ranobe Deposit showing geology and HM grade relationships between geological domains (5 x vertical axis).

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Appendix 1 – Ranobe Deposit Mineral Resources JORC Table 1



SECTION 1 - SAMPLING TECHNIQUES AND DATA		
CRITERIA	EXPLANATION	COMMENT
Sampling techniques	<p>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</p> <p>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</p>	<p>Aircore drilling was used to obtain samples at 1 to 3 m intervals for the 2001, 2003, 2005 and 2012 drill programs.</p> <ul style="list-style-type: none"> All holes were drilled using a reverse circulation Wallis Drill setup to collect the complete sample with a basic cyclone separation by means of a swivel outlet feeding two alternate sample bags. No sample splitting was undertaken out on site All holes were drilled vertically
Drilling techniques	<p>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</p>	<p>All drilling was undertaken using an air pressured reverse circulation Wallis Mantis drill rig. Core diameter is HQ (96mm external diameter, 63.5mm internal diameter), with 3 metre rod lengths fitted with a face discharge drill bit.</p> <p>Aircore is considered a standard industry technique for heavy mineral sands. Aircore drilling is a form of reverse circulation drilling where the sample is collected at the face and returned inside the inner tube.</p>
Drill sample recovery	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximise sample recovery and ensure representative nature of the samples.</p> <p>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</p>	<p>The twin-tube aircore drilling technique is known to provide high quality samples from the face of the drill hole</p> <p>Wallis Mantis drill rig uses face discharge bits, at low air pressures (105 – 140 kPa) and low rotation speeds (45-65 RPM) to maximize recovery.</p> <p>There is no correlation between recovery and grade resulting in no sample bias.</p>

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CRITERIA	EXPLANATION	COMMENT
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	All samples were visually checked and logged on site by a rig geologist and logged for lithotype, grain size, sorting, colour, competence, moisture content. A small subsample was taken for each drill interval and manually panned for estimation of HM content.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	The material was split using a 40mm single tier riffle to produce a sample for submission of approximately 1 kg in a calico sample bag. The calico sample bags were sundried before being shipped. For one sample in every 20, an additional two 1 kg calico bagged samples were taken for checking purposes. These are referred to as the B and C samples, the primary sample being designated as the A sample. 2001 drill program samples were dispatched to Western Geochem Labs (WGL) in Perth, Australia. WGL was retained for the analysis of check samples for the 2003 and 2005 drill programs. The A samples were sent to IMP Laboratory in Boksburg, South Africa for the 2003 drill program and to ACT Laboratory in Pretoria, South Africa for the 2005 and 2012 drill programs. All laboratories: separation of concentrates was by heavy liquid (tetrabromoethane (TBE) at density 2.95 g/cc). All samples were: <ul style="list-style-type: none"> • Dried, weighed • Sample riffle split to produce 400 gram A sample • Sample screened +1mm, weighed • Sample screened -63µm, weighed • TBE for heavy media separation • HM% • TBE Floats weighted • TBE Sinks weighted • Mineral assemblage analyses (to determine ilmenite, rutile and zircon content) were conducted by two different methods to characterise the mineralogy of the deposit. QEMSCAN analysis uses scanning electron microscopy. The other technique, referred to as MA98, uses samples subjected to magnetic separation to capture magnetic (mag), middling (mid) and non-magnetic (non-mag) fractions. The mid and mag fractions were combined and, with the non-mag fraction, subjected to XRF analysis. Data from the mag and non-mag XRF analyses were processed through an error minimisation algorithm that calculated mineralogy using assumed mineral chemistries

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CRITERIA	EXPLANATION	COMMENT
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Analytical procedure conforms to AS4350.2-1999; Australian Standards Heavy mineral sand concentrates – Physical testing using TBE; technique is total. Quality control procedures: <ul style="list-style-type: none"> • Regular checks of analyses against estimates from field logging • Submission of B and C samples to a second laboratory • Submission of randomly inserted control samples at a rate on about 1 in 25 • Duplicate sample analyses • Extra samples taken irregularly in high grade areas.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	Assay data was compared with geology logs of panned HM grades for out of range assay produced by site geologist. Replicate assaying undertaken. 2003 and 2005 drilling and sample assaying undertaken independently by Tigor/Kumba Resources. 2012 drilling, logging and sampling undertaken by independent site geologist. Validation of the drill database was undertaken independently by McDonald Spiers and Associates and cross checked in house by World Titanium Resources Limited (WTR) specialists.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.	Drill hole collars for the 2001 drill program were surveyed by GPS. Drill hole collars for the 2003, 2005, and 2012 drill programs were surveyed using DGPS. Topographic data was derived from a ground controlled LIDAR survey undertaken by Southern Surveys. All drill holes are vertical, down hole surveys were deemed inappropriate. Grid system used throughout the program UTM Grid, Zone 38S, WG84. McDonald-Speijers consider the lateral location of 2001 drill program collars is not as accurate as later drill programs but this is not considered to be a risk for resource or ore reserve estimation in this deposit.
Data spacing and distribution	Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	Three basic drill patterns used: <ul style="list-style-type: none"> • 100mE spacing along line with 200mN between lines with 50m hole offset • 100mE spacing along line with 400mN between lines • 200mE spacing along line with 800mN between lines Variography demonstrates that drill spacing of 100mE x 200mN is sufficient to classify as Measured resource and 100mE x 400mN sufficient to classify as Indicated Resource. No HM assay samples were composited. HM mineral assemblage samples were composited over 3 and 6 metre intervals.

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CRITERIA	EXPLANATION	COMMENT
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	All drill holes were drilled vertically. Drill lines were drilled north – south, east – west within 12° of the deposit anisotropy. No bias to drill grid sampling has been introduced. The orientation of the drilling is considered appropriate for testing the lateral and vertical extent of mineralization without any bias.
Sample security	The measures taken to ensure sample security.	All samples were placed in calico bags and grouped in rice bags by drill hole. The sample bags were labelled by both marker and aluminum tags for drill hole number and sample depth. The samples were delivered to the laboratory sealed with cable ties and with a shipment form.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Audits and reviews of the sampling data and techniques have been carried out by: <ul style="list-style-type: none"> • Tigor 2004 • Kumba Resource 2006 • Exxaro 2007 • MacDonald Speijers and Associates 2012 • Base Resources and IHC Robbins 2017 All review and audits considered the sampling and analysis to be of good quality and suitable for resource estimation.

SECTION 2 - REPORTING OF EXPLORATION RESULTS

CRITERIA	EXPLANATION	COMMENT
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Ranobe Deposit is held on one mining licence: PDE37242. All mineral rights to PDE37242 are 100% owned by Toliara Sands SARL. PDE37242 was granted on 21 March 2012 and has a term of 40 years until 2052 when it may be extend for a further 40 years.

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CRITERIA	EXPLANATION	COMMENT
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	1999 – 2002 Deposit first discovered and explored by Madagascar Resources NL: <ul style="list-style-type: none"> • 121 RC aircore holes for 3,081 metres 2003 – 2009 Tigor/Kumba Resources (Exxaro) joint venture: <ul style="list-style-type: none"> • 688 RC aircore holes for 15,558.8 metres; Pre-Feasibility Study completed 2012 World Titanium Resources Limited: <ul style="list-style-type: none"> • 361 RC aircore holes for 8,053.2 metres
Geology	Deposit type, geological setting and style of mineralisation.	Project comprises a heavy mineral sand deposit and is located on the South West coast of Madagascar within the Mesozoic Morondava Basin along a 30 km wide coastal plain juxtaposed to an Eocene limestone scarp. The coastal plain which is floored by faulted limestone is overlain by a succession of progressively shallowing sequence of beach and lagoon type unconsolidated clastic and subaerial dunes which successively overstep and onlap onto the basement limestone scarp in the east. The deposit is hosted within a stabilized mega dune system which is arrested along the basement scarp slope and extend for approximately 22 km north northwest south southeast The entire dune unit is mineralized by an assemblage of ilmenite, zircon, rutile and monazite concentrated with the unit by aeolian winnowing. The unit generally thickens westwards away from the scarp slope from 3 metres to 60 metres. The deposit anisotropy parallels the scarp slope, with higher HM grades concentrated along the mega- dune crest line.
Drill hole information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	1999-2002 Madagascar Resources NL: <ul style="list-style-type: none"> • 121 RC aircore holes for 3,081 metres 2003 – 2009 Tigor/Kumba Resources (Exxaro) joint venture: <ul style="list-style-type: none"> • 688 RC aircore holes for 15,558.8 metres; Pre-Feasibility Study completed 2012 World Titanium Resources Limited: <ul style="list-style-type: none"> • 361 RC aircore holes for 8,053.2 metres All holes were drilled vertically. RC holes averaged 22.8 metres in depth. See drill hole location plan (Figure 2). Exploration Results are not being reported at this time.

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CRITERIA	EXPLANATION	COMMENT
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	Exploration results are not being reported at this time. No metal equivalent values were used. No aggregation of short length samples was used as samples were consistently sampled at 1– 3m intervals.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	The deposit is flat lying and intersected by vertical holes. The 3% HM cut-off zone averages 17.5 metres thick.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See Pages 43-45, Figures 5-7.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Exploration results are not being reported at this time.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Exploration results are not being reported at this time.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Future work will consist of infill drilling of a 200mN x 100mE grid to convert Inferred and Indicated Resources to Measured Resources. Future exploration is proposed immediately to the west of the drilled area.

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SECTION 3 - ESTIMATION AND REPORTING OF MINERAL RESOURCES		
CRITERIA	EXPLANATION	COMMENT
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used.	The original drill data derived by Madagascar Resources, Tícor/Kumba Resources (Exxaro) and the WTR drill data have been independently reviewed and validated by McDonald-Speijers and Associates and WTR personnel. Data review included: <ul style="list-style-type: none"> • Cross checking collar data against original hard copies • Cross checking of laboratory analysis certificates with from/to assay data • Validation of reported assay data against field value estimates • Cross checking lithology log interpretation with oversize, slimes and HM content An Access data base has been updated and maintained by WTR, which has been reviewed by both site and project geologists. This database has been reviewed by Base Resources and found to be free of errors. WTR and Base Resources validation checks of the drill database include: <ul style="list-style-type: none"> • Assay comparison for out of range values • Sample gaps • Overlapping sample intervals • Collar coordinate verification including collar elevations normalized to LIDAR digital terrain model
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.	No site visit was undertaken by Mr Scott Carruthers. Instead, reliance was placed on previous site visits undertaken by Mr Ian Ransome (WTR Competent Person) in 2012 and 2014 following extensive discussions between Mr Carruthers and Mr Ransome. Mr Ransome's 2012 site visit resulted in the recognition of a western on-lap onto the host sand unit by a younger dune system, and detailed definition of mineral resource boundary.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology.	There is a high degree of confidence in the geological interpretation of the sand units (aeolian and shallow marine sands). The extent of the upper mineralized sand unit was determined by a combination of LIDAR and drill hole data, with no assumptions made. Earlier Mineral Resource estimations included a series of younger dunes on-lapping the western margin of the deposit. This area has been excluded from the current resource estimate on the basis that no mineralogical data is available at present for these units. The effect of this exclusion is to lower the current resource estimate. The Mineral Resource estimate only considers the aeolian Upper Sand Unit at surface because of its higher HM grade and the lack of sampling of the lower units. Dune morphology has been used with cross-sectional data to define search ellipsoid orientation in populating the resource model. The main factor controlling grade and geology continuity is mega-dune morphology.

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CRITERIA	EXPLANATION	COMMENT
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The resource extends for 22 km north – south and averages 2 km wide. The average depth of mineralisation from the surface to the 3% HM cut-off is 17.5 metres.
Estimation and modelling techniques	<p>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, dominating, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</p> <p>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</p> <p>The assumptions made regarding recovery of by-products.</p> <p>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</p> <p>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</p> <p>Any assumptions behind modelling of selective mining units.</p> <p>Any assumptions about correlation between variables.</p> <p>Description of how the geological interpretation was used to control the resource estimates.</p> <p>Discussion of basis for using or not using grade cutting or capping.</p> <p>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</p>	<p>Surpac Vision software was used to estimate the mineral resources.</p> <p>Drill data was statically evaluated for distribution and outliers, and composited to 1.5 metre intervals.</p> <p>A 3% HM cut-off wire-surface was digitized from drill data. Topographic surface was created from LIDAR data. The Mineral Resource was modelled as a single domain, extending from the topographic surface to the 3% HM cut-off.</p> <p>Resource Block Model was constructed with block dimensions 50mE x 100mN x 1mZ, and populated using the ID2 method. Block Model was interpolated using a dynamic ellipsoid whose ranges were determined by variography:</p> <ul style="list-style-type: none"> • Major axis: 300 metres • Major/Intermediate ratio: 2 • Major/Minor ratio: 50 • Vertical search limit: 3 metres • Multipliers: 2 x (Indicated), 4 x (Inferred) <p>Block Model was populated using the following search criteria:</p> <ul style="list-style-type: none"> • Minimum number of samples: 5 • Maximum number of samples: 16 • Maximum number of samples from one hole: 3 • No data constraint <p>Four previous Mineral Resource estimates have been undertaken: Ticom 2004, Exxaro 2006, Milne 2010, McDonald-Speijers and Associates 2012. The current resource model has been reviewed against these previous estimates.</p> <p>No assumptions have been made regarding recovery of by-products. No deleterious elements or non-grade variables are present. All resource blocks are mined from the surface with no overburden.</p> <p>Mineral assemblages show little statistical variation over the deposit, and correlate well with HM content. Cross-sections and dune morphology were used to guide the dynamic search ellipsoid used in populating the Block Model. Eastern and western extents of the block model were derived from mapped data. No grade capping was deemed necessary as grade values exhibited a normal Poisson distribution with no outliers. Sectional slices of the Model were visually compared and validated against drill hole data.</p>
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Tonnage estimates used a dry density. Moisture content was not determined.

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CRITERIA	EXPLANATION	COMMENT
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	A 3 % HM cutoff grade was used.
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	<p>Dry mining of deposits using dozer or excavator/front end loader with truck haul to slurry unit.</p> <p>Deposit is surfaced mined with no minimum dimensions.</p>
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	<p>Test work completed by Ticom/Kumba Resource 2004 Pre-Feasibility Study.</p> <p>Test work completed by Exxaro 2009 Feasibility Study.</p> <p>Test work undertaken by AML 2007 and 2009.</p> <p>Process design by TZMI 2012.</p> <p>Ongoing test work at Mineral Technologies, Brisbane, Australia.</p> <p>Mineral Assemblage is consistent over the orebody comprising 72% Ilmenite group, 6% Zircon, 2% Rutile and 2% Monazite.</p>
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	Environmental Management Plan approved by Government of Madagascar June 2017.

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CRITERIA	EXPLANATION	COMMENT
Bulk density	<p>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</p> <p>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</p> <p>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</p>	<p>In situ density test were conducted by Soillab Pty.Ltd. Sand replacement dry density tests were conducted at 14 sites over the deposit in specially excavated trenches ranging from 1.0 m – 2.15 m for a total of nineteen samples, with particle size and other tests. Average density was determined as 1.701 tonnes per cubic metre.</p> <p>The average near-surface (0-3m) HM content of the nearest drill holes to the excavated trenches is 9.3% which suggests that the density measurements was biased towards a higher than average HM grade for the deposit. An industry wide standard of density = $1.61 + 0.01 * HM$ (in %), has been adopted in this resource model to negate against this effect.</p>
Classification	<p>The basis for the classification of the Mineral Resources into varying confidence categories.</p> <p>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</p> <p>Whether the result appropriately reflects the Competent Person's view of the deposit.</p>	<p>The resource was classified variography and on the drill hole spacing due to the uncomplicated geology, continuity of mineralisation and confidence in the drill hole data.</p> <p>The criteria used for the Mineral Resources estimate classification is drill hole spacing and the type of mineralogy data. In summary the classifications were determined as follows:</p> <ul style="list-style-type: none"> Measured where the drill spacing is 200 x 100 m or better and where there is QEMSCAN 2006 or QEMSCAN 2017 mineralogy data and where the limestone basement is not overly undulating. The MA98 mineralogy does not provide the level of detail to support a Measured category regardless of drill hole spacing. Indicated where the drill spacing is 400 x 200 m or better. Inferred where the drill spacing is greater than 400 x 200 m.
Audits or reviews.	The results of any audits or reviews of Mineral Resource estimates.	The current resource estimate has been reviewed against the previous Resource Estimate undertaken by MacDonald Speijers and Associates (2012) by the Competent Person and found to be reasonable.
Discussion of relative accuracy/ confidence	<p>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</p> <p>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</p> <p>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</p>	<p>No statistical or geo-statistical review of the accuracy of the resource estimate has been undertaken.</p> <p>The resource statement is a global estimate.</p> <p>There has been no production to date.</p>

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Appendix 2 - Kwale Ore Reserves and Mineral Resources at 30 June 2017

Category	Material	In Situ HM	HM	SL	OS	HM Assemblage		
						ILM	RUT	ZIR
	(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)
Mineral Resources¹								
Measured	106.1	3.99	3.8	25	1	58	13	6
Indicated	41.0	1.16	2.8	26	6	54	13	6
Inferred	0.2	0.003	1.3	27	7	52	14	6
Total	147.3	5.15	3.5	25	2	57	13	6
Ore Reserves								
Proved	61.5	2.86	4.6	26	1	59	14	6
Probable	29.8	1.04	3.5	26	4	55	13	6
Total	91.3	3.90	4.3	26	2	58	13	6



Notes:

- 1) Mineral Resources estimated at a 1% HM cut-off grade.
- 2) Table subject to rounding differences.
- 3) All Ore Reserves are contained within the Mineral Resources.

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Appendix 3 – JORC Competent Persons Statement

Ranobe Deposit Mineral Resources

The information in this report that relates to Ranobe Deposit Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr. Scott Carruthers. Mr. Carruthers is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Carruthers is employed by Base Resources and owns 147,171 Base shares. Mr. Carruthers has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr. Carruthers consents to the inclusion in this report of Ranobe Deposit Mineral Resource estimates and supporting information in the form and context in which it appears.

Kwale Deposit Mineral Resources and Ore Reserves

For further detailed information on the Kwale Deposit Mineral Resources and Ore Reserves, refer to Base's ASX market announcement of 9 October 2017 "2017 Kwale Mineral Resources and Ore Reserves Statement" available at <https://www.baseresources.com.au/investor-centre/asx-releases/>. Base confirms that it is not aware of any new information or data that materially affects the information included in that ASX market announcement and all material assumptions and technical parameters underpinning the estimates in that ASX market announcement continue to apply and have not materially changed.



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Appendix 4 - Foreign selling restrictions

This document does not constitute an offer of entitlements (**Entitlements**) or new ordinary shares (**New Shares**) of Base in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom. The Entitlements and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in the circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Base Resources. In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person who is not a relevant person would not act or rely on this document or any of its contents.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the New Shares may be made to the public in Mauritius without the prior approval of the Mauritius Financial Services Commission. Accordingly this offer is being made on a private placement basis only and does not constitute a public offering. As such, this document has not been approved or registered by the Mauritius Financial Services Commission and is for the exclusive use of the person to whom it is addressed. The document is confidential and should not be disclosed or distributed in any way without the express written permission of the Company.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.



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Foreign selling restrictions (cont.)

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

South Africa

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act and may not be distributed to the public in South Africa.

An entity or institution resident in South Africa may not implement participation in the Offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

Cayman Islands

No offer or invitation to subscribe for Entitlements or New Shares may be made to the public in the Cayman Islands.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act 1933, as amended (the US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements and New Shares may not be offered or sold in the United States or to persons that are acting for the account or benefit of persons in the United States, unless they have been registered under the US Securities Act (which Base Resources has no obligation to do or procure) or are offered and sold in a transaction that is exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable state securities laws.

This document may not be released or distributed in the United States.



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ASX, AIM and Media Release
21 December 2017

Successful Completion of Placement and Institutional Entitlement Offer

Base Resources Limited (ASX & AIM: BSE) (Base Resources or the Company) is pleased to announce the successful completion of the combined share placement (**Placement**) and accelerated institutional component (**Institutional Entitlement Offer**) of the 1 for 3 renounceable entitlement offer announced on 19 December 2017 (**Entitlement Offer**), as part of the capital raising to raise gross proceeds of approximately A\$100 million at A\$0.255 per share (**Offer Price**). The offer proceeds will be used to fund the acquisition of the Toliara Sands Project in Madagascar (refer further to the Company's market releases on 19 December 2017).

The Placement and Institutional Entitlement Offer, together with the institutional shortfall bookbuild, was fully subscribed and will raise gross proceeds of approximately A\$89.0 million for the issue of approximately 349.2 million fully paid ordinary shares (**New Shares**). The institutional shortfall bookbuild was completed on Wednesday, 20 December 2017, and was well supported by both existing major shareholders and new institutional investors, with all institutional shortfall shares being subscribed for at the Offer Price.

Settlement of the Placement and Institutional Entitlement Offer is scheduled for Thursday, 4 January 2018, with the New Shares expected to commence trading on Friday, 5 January 2018. On issue, the New Shares will rank equally in all regards with existing Base Resources ordinary shares.

Base Resources' Managing Director, Tim Carstens, said: "We have been delighted with the strong support demonstrated by our existing institutional shareholders and also the level of interest from new investors, as we progress with the transformational acquisition of the Toliara Sands Project in Madagascar. We welcome our new shareholders to Base Resources' register, and encourage the participation of our eligible retail shareholders in the retail entitlement offer."

Commencement of the Retail Entitlement Offer

The Entitlement Offer to existing retail shareholders (**Retail Entitlement Offer**) opens on Thursday, 28 December 2017 and is expected to close at 7.00pm (Sydney time) on Wednesday, 17 January 2018. Shareholders who are eligible to participate under the terms of the Retail Entitlement Offer will be offered the opportunity to subscribe for 1 New Share for every 3 existing Base Resources shares held at 7.00pm (Sydney time) on Thursday, 21 December 2017 at the Offer Price of A\$0.255 per share. This is the same entitlement ratio and Offer Price as applied to the Institutional Entitlement Offer.

Eligible retail shareholders should carefully read the Retail Entitlement Offer Booklet and the personalised entitlement and acceptance form, which are expected to be sent to eligible retail shareholders on Thursday, 28 December 2017. The Retail Entitlement Offer is only being extended to shareholders with a registered address in Australia, New Zealand or Kenya. Notification to those retail shareholders that are ineligible to participate in the Retail Entitlement Offer will be provided separately.

The Retail Entitlement Offer is seeking to raise total gross proceeds of approximately A\$11.0 million.

Base Resources shares are expected to resume trading on ASX on Thursday, 21 December 2017.



Anticipated Timetable for the Retail Entitlement Offer

Retail Entitlement Offer booklet lodged on ASX Trading resumes on an ex-entitlement basis Retail entitlements commence trading on ASX on a deferred settlement basis	Thursday, 21 December 2017
Record date for shareholders on Base Resources' Australian register	7.00pm Thursday, 21 December 2017
Record date for shareholders on Base Resources' UK register	6.00pm (GMT) Thursday, 21 December 2017
Retail Entitlement Offer opens and Retail Entitlement Offer booklet dispatched	Thursday, 28 December 2017
Settlement of Institutional Entitlement Offer and Placement	Thursday, 4 January 2018
Trading of retail entitlements on ASX ends	Wednesday, 10 January 2018
Retail Entitlement Offer closes	7.00pm Wednesday, 17 January 2018
Retail Entitlement Offer results announced	Friday, 19 January 2018
Retail Entitlement Offer allotment date	by 12.00pm Monday, 22 January 2018

Base Resources reserves the right to change these dates without prior notice. References to time are to Australian Eastern Daylight Time (AEDT), unless otherwise noted. The commencement of quotation of New Shares and trading of retail entitlements is subject to confirmation from ASX and AIM.

If you have any questions about the Entitlement Offer, please contact the Base Resources Offer Information Line on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday up until the close of the Retail Entitlement Offer.

Further information in relation to the matters described in this announcement, including important notices and key risks, is set out in the investor presentation and announcement released by Base Resources on 19 December 2017, and will be included in the Retail Entitlement Offer Booklet to be sent to eligible retail shareholders and made available from ASX on 21 December 2017. The information in the Disclaimer and Important Notices section of the investor presentation applies to this announcement as if set out in full in this announcement.

RFC Ambrian Limited has also been appointed as Offer Manager. Numis Securities Limited has been appointed Joint UK Manager in relation to the Offer.

ENDS

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Numis Securities Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Numis Securities Limited is acting only for the Company and no one else in connection with the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis, or for giving advice in connection with any matter referred to herein.

4. Additional Information

4.1 Introduction

This Booklet (including the announcements and the Investor Presentation in relation to the Entitlement Offer reproduced in it) and accompanying personalised Entitlement and Acceptance Form have been prepared by Base Resources. The information in this Booklet is dated 21 December 2017, (other than the Investor Presentation and announcements which were released on ASX and AIM on either 19 December 2017 or 21 December 2017, as applicable).

No party other than Base Resources has authorised or caused the issue of the information in this Booklet, or takes any responsibility for, or makes any statements, representations or undertakings in this Booklet.

You should read the information in this Booklet carefully and in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors outlined in the "Risks" section of the Investor Presentation, which is included at Section 3.2 of this Booklet, any of which could affect the operating and financial performance of Base Resources or the value of an investment in Base Resources.

You should consult your stockbroker, accountant or other independent and appropriately licensed professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

The Entitlement Offer is renounceable. This means that Eligible Retail Shareholders who do not wish to take up all or part of their Entitlement may sell or transfer their Entitlement in order to realise the value that may attach to their Entitlement. Refer to Sections 4.7 and 4.8 for further information.

Base Resources has applied to ASX for the grant of official quotation of the New Shares to be issued in connection with the Retail Entitlement Offer. It is expected that normal trading on ASX will commence on or before Tuesday, 23 January 2018. Base Resources will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares before the New Shares are listed on the official list of ASX or before they receive their confirmation of issue, whether on the basis of confirmation of the allocation provided by Base Resources or the Registry.

4.2 Eligible Retail Shareholders

The information in this Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia, New Zealand and Kenya and has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84.

Eligible Retail Shareholders are those holders of Shares who:

- are registered as a holder of Shares on the Record Date;
- have a registered address on the Register in Australia, New Zealand or Kenya and are not acting for the account or benefit of a person resident in another jurisdiction (to the extent such person holds Shares in Base Resources for the account or benefit of such a person);
- are not in the United States or acting for the account or benefit of a person in the United States (to the extent such person holds Shares in Base Resources for the account or benefit of such person in the United States);
- did not receive an offer (other than as nominee) under the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Retail Shareholders who do not satisfy each of these criteria are **Ineligible Retail Shareholders**.

Base Resources reserves the right to determine whether a retail shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

The Retail Entitlement Offer is not being extended to any shareholders resident outside Australia, New Zealand and Kenya (see Sections 4.3 and 4.9 for further information). By returning a completed Entitlement and Acceptance Form or making a payment by BPAY, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Eligible Retail Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Persons acting as nominees for other persons must not take up any Entitlements for the account or benefit of, or send any documents relating to the Retail Entitlement Offer to, any person (i) in the United States or who is acting for the account or benefit of any person in the United States or (ii) in any country outside those jurisdictions in which this Retail Entitlement Offer is being made.

Base Resources may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

4.3 Ineligible Shareholders

Base Resources has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Shareholders that are not Institutional Investors and have a registered address that is outside Australia, New Zealand and Kenya having regard to the number of such holders in those places, the number and value of the New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. Base Resources also decided that it was unreasonable to make offers under the Institutional Entitlement Offer to Shareholders that were Institutional Investors and had registered addresses outside Australia, New Zealand, Mauritius, Kenya, South Africa, Switzerland, the Cayman Islands and the United Kingdom for the same reasons.

Accordingly, the Entitlement Offer is not being extended to Ineligible Shareholders. Base Resources will send Ineligible Shareholders details of the Entitlement Offer and advise such shareholders that Base Resources is not extending the Entitlement Offer to them.

As the Entitlement Offer is renounceable, Base Resources has appointed RFC Ambrian as nominee for Ineligible Shareholders (**Nominee**) who will seek to sell the Ineligible Entitlements. If any Ineligible Entitlements are sold, the Nominee will direct the proceeds (if any) to Base Resources or another party on its instruction to facilitate pro rata payments to Ineligible Shareholders, net of expenses and applicable withholding tax.

The Nominee will have the absolute and sole discretion to determine the timing and the price at which the Ineligible Entitlements may be sold and the manner in which any sale is made.

The ability to procure purchasers for Ineligible Entitlements, and the price at which Ineligible Entitlements can be sold, will depend on various factors, including market conditions. To the maximum extent permitted by law, neither Base Resources nor the Nominee, nor their respective related bodies corporate, nor the directors, officers, employees, agents or advisers of any of them, will be liable for a failure to sell Ineligible Entitlements at any particular price.

Any interest earned on the proceeds of the sale of any Ineligible Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to Base Resources.

In limited circumstances, and in Base Resources' absolute discretion, Base Resources may elect to treat as Eligible Institutional Shareholders certain institutional or sophisticated persons who would otherwise not be Eligible Shareholders because their registered addresses are not in Australia, New Zealand, Mauritius, Kenya, South Africa, Switzerland, Cayman Islands or the United Kingdom.

4.4 Continuous disclosure obligations

Base Resources is subject to regular reporting and disclosure obligations under the Corporations Act, the ASX Listing Rules and the AIM Rules, including the preparation of periodic reports. In particular, Base Resources is required under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities. All announcements made by Base Resources are available on ASX's website at www.asx.com.au.

Base Resources also has similar obligations to notify a Regulatory Information Service in the UK of certain information required to be announced by the AIM Rules. That information is available at www.londonstockexchange.com.

This Booklet is intended to be read in conjunction with the publicly available information in relation to Base Resources. Shareholders should therefore have regard to the other publicly available information in relation to Base Resources before making a decision whether or not to accept their Entitlement.

4.5 No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been received in the manner contemplated in this Booklet and accepted.

4.6 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Shares.

4.7 Entitlements trading on ASX

If you wish to sell all or part of your Entitlement on ASX, you should instruct your stockbroker and provide details as requested from your Entitlement and Acceptance Form. Allow sufficient time for your instructions to be carried out by your stockbroker. You may incur brokerage if you choose to sell your Entitlement on ASX.

Entitlement trading on ASX starts on a deferred settlement basis on Thursday, 21 December 2017 (ASX code: BSE-RA) and ceases on Wednesday, 10 January 2018. There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact your ability to sell your Entitlement on ASX and the price you may be able to achieve.

The assignment, transfer and exercise of Entitlements trading on ASX is restricted to persons meeting certain eligibility criteria. If holders at the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements and, as a result, those Entitlements will lapse.

Base Resources will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade your Entitlement before the Entitlements are allotted, or before you receive your Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Base Resources or the Registry or failure to maintain your updated details on the Registry or otherwise.

Prices obtainable for Entitlements may rise and fall over the Retail Entitlement Offer trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Shares relative to the Offer Price. If you sell your Entitlements in the Retail Entitlement Offer trading period, you may receive a higher or lower amount than a Shareholder who sells their Entitlements at a different time in the Retail Entitlement Offer trading period.

If you sell your Entitlement, you will forgo any exposure to future increases or decreases in the value of the New Shares that would have been allotted to you had you taken up your Entitlement. Your percentage shareholding in Base Resources (held at the Record Date) will also be diluted.

4.8 Entitlements trading other than on ASX

For issuer sponsored holdings only, if you wish to transfer all or part of your Entitlement other than on ASX, you must forward a completed Renunciation and Acceptance Form to the Registry in relation to the part of your Entitlement that you wish to transfer. If the transferee wishes to take up all or part of the Entitlement transferred to them, they must send their Application Monies together with the Entitlement and Acceptance Form relating to the Entitlement transferred to them to the Registry.

You can obtain a Renunciation and Acceptance Form by contacting the Company during the Entitlement Offer Period or from your stockbroker.

The Renunciation and Acceptance Form as well as the transferee's Application Monies and the Entitlement and Acceptance Form relating to the Entitlement transferred to them must be received by the Registry in accordance with the instructions set out on the Entitlement and Acceptance Form by the Closing Date.

If the Registry receives both a completed Renunciation and Acceptance Form and an application from you for New Shares in respect of the same Entitlement, the transfer will take priority over your application.

Prices obtainable for Entitlements may rise and fall over the Retail Entitlement Offer trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Shares relative to the Offer Price. If you sell your Entitlements in the Retail Entitlement Offer trading period, you may receive a higher or lower amount than a Shareholder who sells their Entitlements at a different time in the Retail Entitlement Offer trading period.

If you transfer your Entitlement, you will forgo any exposure to future increases or decreases in the value of the New Shares that would have been allotted to you had you taken up your Entitlement. Your percentage shareholding in Base Resources (held at the Record Date) will also be diluted.

You may only transfer your Entitlement in this way to a purchaser whose address is in Australia or New Zealand. Transferees of Entitlements that do not have a registered address in Australia or New Zealand will not be eligible to purchase, trade, take up or exercise Entitlements. You should inform any transferee of these restrictions. See Section 4.9 for more information on restrictions on participation.

If either party is CHES sponsored, they will need to contact their sponsoring broker to arrange transfer of all or part of their Entitlement other than on ASX.

4.9 Foreign jurisdictions – restrictions and limitations

The information in this Booklet has been prepared to comply with the requirements of the securities laws of Australia, New Zealand and Kenya and is being sent to all Eligible Retail Shareholders on the Record Date with a registered address, or that are otherwise taken to be resident, in those jurisdictions.

New Zealand

The Entitlements and the New Shares are not being offered to the public within New Zealand other than to existing Shareholders of Base Resources with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. The offer of New Shares is renounceable in favour of members of the public.

This Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Kenya

This Booklet does not constitute an offer of securities to any public in the Republic of Kenya or to any section of the public in the Republic of Kenya. It is not for circulation to the public in the Republic of Kenya. This document is only for limited private circulation in the Republic of Kenya and only to Eligible Retail Shareholders on the Record Date. This document must not be acted on or relied on in the Republic of Kenya by persons who are not Eligible Retail Shareholders on the Record Date. This Booklet has not been registered, filed with or approved by any Kenyan regulatory authority.

This Booklet is not subject to the requirements of s6(1) of The Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations 2002 ("Public Offer Regulations") issued by the Capital Markets Authority in the Republic of Kenya relating to the form and content of invitations or inducements to the public to engage in investment activity, by virtue of the fact that this Booklet, relates to a transaction or potential transaction that falls within the definition of a private offer set out in Section 21(1)(e) of the Public Offer Regulations.

United States

This Booklet and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Securities may not be offered or sold in the United States or to persons acting for the account or benefit of persons in the United States absent registration

under the U.S. Securities Act or an exemption from registration. Accordingly, the Entitlements may only be taken up by, and the New Shares may only be offered or sold to, persons that are not, and that are not acting for the account or benefit of persons, in the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S thereunder.

Other jurisdictions

The information in this Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares, or otherwise permit a public offering of the Entitlements and New Shares, in any jurisdiction outside of Australia, New Zealand and Kenya. Return of the personalised Entitlement and Acceptance Form or your BPAY payment will be taken by Base Resources to constitute a representation by you that there has been no breach of any such laws.

The distribution of this Booklet (including an electronic copy) outside Australia, New Zealand and Kenya is restricted by law. If you come into possession of this Booklet, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

4.10 Underwriting arrangements and fees

Base Resources and RFC Ambrian have entered into an offer management and underwriting agreement dated 18 December 2017 (**Underwriting Agreement**) pursuant to which RFC Ambrian agreed to partially underwrite the Offer. In particular, RFC Ambrian agreed to fully underwrite the Institutional Entitlement Offer and Placement. The Retail Entitlement Offer is not underwritten.

The obligations of RFC Ambrian are subject to the satisfaction of certain conditions precedent documented in the Underwriting Agreement. The Underwriting Agreement is also subject to termination events entitling RFC Ambrian to terminate the Underwriting Agreement in certain circumstances including, but not limited to:

- if the sale agreement for the Acquisition is terminated or becomes terminable or the Acquisition does not proceed;
- Base Resources withdraws the Entitlement Offer or this Booklet;
- Base Resources is removed from the Official List of ASX or the Shares cease to be quoted on ASX; or
- a representation or warranty given by Base Resources is breached or Base Resources otherwise fails to perform or observe its obligations under the Underwriting Agreement, where that has, or is likely to have, a material adverse effect on the success of the Entitlement Offer (Base Resources gives customary representations and warranties that relate to, among other things, its conduct and compliance with the ASX Listing Rules, AIM Rules and the Corporations Act).

If the Underwriting Agreement is terminated, the Offer may not proceed in its entirety.

RFC Ambrian has the right to appoint sub-underwriters in respect of any part of the Offer. RFC Ambrian is entitled to be paid fees and expenses under the Underwriting Agreement, and receive certain indemnities. Any sub-underwriters appointed by RFC Ambrian may be paid a fee determined by negotiation with the relevant sub-underwriter. Any sub-underwriter's fees in respect of the Offer would be paid by RFC Ambrian.

RFC Ambrian's fees for underwriting the Institutional Entitlement Offer and the Placement and acting as offer manager are expected to be A\$2,963,407.

4.11 Option and performance rights holders

Existing option holders will not be entitled to participate in the Entitlement Offer unless they have validly exercised their options in accordance with their terms of issue in sufficient time to become the registered holder of Shares as at the Record Date.

Existing holders of performance rights will not be entitled to participate in the Entitlement Offer unless such securities have vested as a result of the satisfaction all applicable vesting conditions in sufficient time for the resulting Shares to be issued and the relevant person to be registered as the holder of Shares as at the Record Date.

4.12 Governing law

The information in this Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of Retail Entitlement Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by the law applicable in Western Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia.

4.13 Taxation

Taxation implications will vary depending upon the individual circumstances of Eligible Retail Shareholders. You should obtain your own professional advice before deciding whether to invest in New Shares.

4.14 Financial data

All dollar values in this Booklet are in Australian dollars (\$ or A\$), unless otherwise stated.

4.15 Information availability

Eligible Retail Shareholders can obtain a copy of this Booklet or request a replacement Entitlement and Acceptance Form during the Entitlement Offer Period by contacting Base Resources.

Persons who access the electronic version of this Booklet should ensure that they download and read the information in this Booklet in its entirety. The electronic version of this Booklet on the Base Resources website will not include a personalised Entitlement and Acceptance Form.

Neither this Booklet nor the accompanying Entitlement and Acceptance Form may be distributed to, or relied upon by, persons that are in the United States or that are acting for the account or benefit of persons in the United States, or otherwise distributed in the United States.

4.16 Notice to nominees and custodians

Nominees and custodians should note in particular that the Retail Entitlement Offer is not available to Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their entitlement or not), Shareholders who were treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer, and Ineligible Retail Shareholders.

5. Glossary

TERM	MEANING
AIM	AIM Market of the London Stock Exchange.
AIM Rules	AIM Rules for Companies, as published by the London Stock Exchange PLC, governing admission to and the operation of AIM dated July 2016.
Application Monies	a payment or payments made to subscribe for New Shares.
Acquisition	the proposed acquisition of Madagascar Mineral Fields Ltd and Malagasy Sands No. 2 Ltd, two companies incorporated in Mauritius, which indirectly own via two wholly owned subsidiaries incorporated in Madagascar, Toliara Sands SARL and Madagascar Resources SARL, the Toliara Sands Project in Madagascar.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or a financial market operated by it.
Australian Register	the register of Shares in Australia maintained on behalf of Base Resources by the Registry.
Australian Registry	Computershare Investor Services Pty Limited.
Base Resources	Base Resources Limited (ABN 88 125 546 910).
Board	the board of directors of Base Resources.
Booklet	this document and the accompanying Entitlement and Acceptance Form.
Closing Date	7.00pm (AEDT) on Wednesday, 17 January 2018 unless extended.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
CRN	if you are an Eligible Retail Shareholder on the Australian Register, your unique Customer Reference Number, as described in Section 2.11.
Depository Interest	a depository interest representing a Share issued by the UK Depository on the terms and conditions of a deed executed by the UK Depository and Base Resources.
Eligible Institutional Shareholder	mean a Shareholder that is an Institutional Investor and to whom Base Resources made an offer under the Institutional Entitlement Offer on the basis that the Shareholder had a registered address in (or was otherwise taken to be resident in) Australia, New Zealand, Kenya, Mauritius, Switzerland, South Africa, Cayman Islands or the United Kingdom.
Eligible Retail Shareholder	has the meaning given in Section 4.2.
Entitlement	<ul style="list-style-type: none"> in respect of an Eligible Retail Shareholder is the number of New Shares which an Eligible Retail Shareholder is entitled to subscribe for under the Entitlement Offer based on the number of Shares or Depository Interests held on the Record Date; and in respect of an Ineligible Shareholder, is an Ineligible Entitlement.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form accompanying this Booklet to be used to apply for New Shares.
Entitlement Offer	the accelerated renounceable pro rata entitlement offer to subscribe for 1 New Share for every 3 Shares held at the Record Date for the Offer Price on the terms set out in this Booklet and announced on Tuesday, 19 December 2017.
Entitlement Offer Period	the period from and including the Opening Date until and including the Closing Date.
Ineligible Entitlement	the number of New Shares which an Ineligible Shareholder would be entitled to subscribe for under the Entitlement Offer based on the number of Shares or Depository Interests held on the Record Date had that Shareholder been entitled to participate in the Entitlement Offer.
Ineligible Institutional Shareholder	a Shareholder that is an Institutional Investor and is not an Eligible Institutional Shareholder.

TERM	MEANING
Ineligible Retail Shareholder	a Shareholder who is not an: <ul style="list-style-type: none"> • Eligible Retail Shareholder; • Eligible Institutional Shareholder; or • Ineligible Institutional Shareholder.
Ineligible Shareholder	a person who is an Ineligible Institutional Shareholder or Ineligible Retail Shareholder.
Investor Presentation	the investor presentation relating to the Entitlement Offer, which was released to ASX and AIM by Base Resources on Tuesday, 19 December 2017 and a copy of which is set out in Section 3.2 of this Booklet.
Institutional Entitlement Offer	the institutional component of the Entitlement Offer, details of which were announced to ASX by Base Resources on Tuesday, 19 December 2017.
Institutional Investor	an investor to whom offers of securities can be made without the need for a prospectus (or other formality, other than a formality which Base Resources is willing to comply with), including in Australia persons to whom offers of securities can be made without the need for a lodged prospectus under Chapter 6D of the Corporations Act.
Institutional Premium	the premium (if any) paid over the Offer Price in respect of Entitlements sold under the Institutional Shortfall Bookbuild (net of any applicable withholding taxes).
Institutional Shortfall Bookbuild	the bookbuild conducted in connection with the Institutional Entitlement Offer, as described in Section 2.1.
New Share	a Share issued in connection with the Entitlement Offer.
Offer Price	A\$0.255 per New Share.
Opening Date	Thursday, 28 December 2017.
Placement	the placement of Shares to Institutional Investors undertaken in connection with the Entitlement Offer at the Offer Price.
Record Date	the time and date for determining Entitlements, being at 7.00pm (AEDT) on Thursday, 21 December 2017 for Shareholders on the Australian Register and 6.00pm (GMT) for Shareholders on the UK Register on Thursday, 21 December 2017.
Register	the Australian Register or the UK Register (as the context requires).
Registry	the Australian Registry or the UK Depositary (as the context requires).
Renunciation and Acceptance Form	the form that must be completed by an Eligible Retail Shareholder who holds their Entitlements on the issuer sponsored sub-register and wishes to transfer all or part of their Entitlement otherwise than on ASX, as described in Section 4.8.
Retail Entitlement Offer	the retail component of the Entitlement Offer, details of which are set out in this Booklet.
Retail Entitlements	the Retail Entitlement Offer and Entitlements allotted under it.
RFC Ambrian	RFC Ambrian Limited ABN 59 009 153 888.
Share	a fully paid ordinary share in the capital of Base Resources.
Shareholder	a registered holder of a Share or Depositary Interest.
Underwriter	RFC Ambrian.
U.S. Securities Act	U.S. Securities Act of 1933 (as amended).
UK	United Kingdom of Great Britain and Northern Ireland.
UK Depositary	Computershare Investor Services PLC.
UK Register	the register of Depositary Interests in the UK maintained on behalf of Base Resources by the UK Depositary.

CORPORATE PROFILE

Base Resources Limited ABN 88 125 546 910

DIRECTORS

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

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RFC Ambrian Limited

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250 St Georges Terrace

Perth WA 6000

Australia

Enquiries: +44 (0) 870 702 0003

www.computershare.co.uk

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

COMPANY SECRETARY

Chadwick Poletti

OFFER INFORMATION LINE

1300 850 505 (within Australia)

+61 3 9415 4000 (outside Australia)

between 8.30am and 5.00pm (AEDT) Monday to Friday

SHARE REGISTRY

ASX

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AIM

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