

ASX and AIM Release

1 October 2018

Early retirement of the Kwale Project Debt Facility

Base Resources Limited (ASX & AIM: BSE) (**Base Resources**) is pleased to announce that it will repay the outstanding balance of the US\$215 million Kwale Project Debt Facility (**Project Debt Facility**) on 9 October 2018 following delivery of an irrevocable notice of prepayment. The Project Debt Facility will be repaid from a combination of cash reserves and utilisation of the existing Revolving Credit Facility (**RCF**) following a concurrent RCF increase from US\$30 million to US\$75 million.

Early retirement of the Project Debt Facility demonstrates the continued strong performance of Kwale Operations and, together with the increased RCF, provides the group with additional funding flexibility and reduced debt servicing costs.

In addition to increasing the size of the RCF, the following terms were agreed with the RCF lenders:

- Interest of LIBOR (USD) plus a margin of 4.63% (reduced from 6.2%; Project Debt Facility: 6.3%) on drawn balances.
- Commitment fees on undrawn balances of 1.2% (reduced from 2.0%).
- Tenor extended by 18 months to 31 December 2021.
- No scheduled repayments prior to maturity, other than reducing any outstanding balance to US\$50 million six months prior to maturity.
- Removing Base Resources as a borrower, leaving Base Titanium Limited (owner of the Kwale Operation) as the sole borrower. The RCF will continue to benefit from the existing security package for the Project Debt Facility, except that the Base Resources parent guarantee falls away. These changes were made to ensure maximum flexibility for the proposed development funding of the Toliara Project.
- Borrower covenants of interest cover ratio of >4.00 times, net debt to EBITDA of <2.5 times, reserve tail ratio of >30% and minimum cash balance or undrawn balances of US\$10 million.

At 30 June 2018, the Project Debt Facility had an outstanding balance of US\$80 million. Following repayment of the Project Debt Facility, the outstanding balance of the RCF will be approximately US\$49 million and the group's net debt will be approximately US\$33 million.

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About Base Resources

Base Resources is an Australian based, African focused, mineral sands producer and developer with a track record of project delivery and operational performance. The Company operates the established Kwale Operations in Kenya and is developing the Toliara Sands Project in Madagascar. Base Resources is an ASX and AIM listed company. Further details about Base Resources are available at www.baseresources.com.au.