

Building a unique mineral sands company

Management presentation 2019 AGM

22 November 2019



**BASE
RESOURCES**



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The PFS Announcement discloses details about the material assumptions and underlying methodologies adopted for deriving the production information and forecast financial information included in this document in respect of the Toliara Project. It also discloses key pre and post FID risks and an NPV sensitivity analysis in respect of the Toliara Project. Base Resources confirms that the material assumptions underpinning the production information and the forecast financial information disclosed in the PFS Announcement continue to apply and have not materially changed.

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This document contains revenue-to-cost ratio information derived from TZMI's Titanium Feedstock Producers Cost Study, 2018. Base Resources has not independently verified such information.

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All currency is presented in United States Dollars (US\$), unless otherwise stated

Australian based, African focused, producer



Kwale Operations

Kenya
Operational asset producing
rutile, ilmenite and zircon.

Toliara Project

Madagascar
Mineral sands development
project with definitive feasibility
study progressing.

Base Resources

Perth
Company headquarters.

Building a unique mineral sands company

- “Mid cap” pure mineral sands company
- Established profitable Kwale Operation with extensional potential in Kenya
- A world class mineral sands development project in the Toliara Project in Madagascar
- Long combined mine life once the Toliara Project is developed
- Track record of excellence in safety, community engagement and environmental stewardship
- An experienced team and capacity to execute well
- Creating a company of strategic relevance in a sector likely to continue to evolve



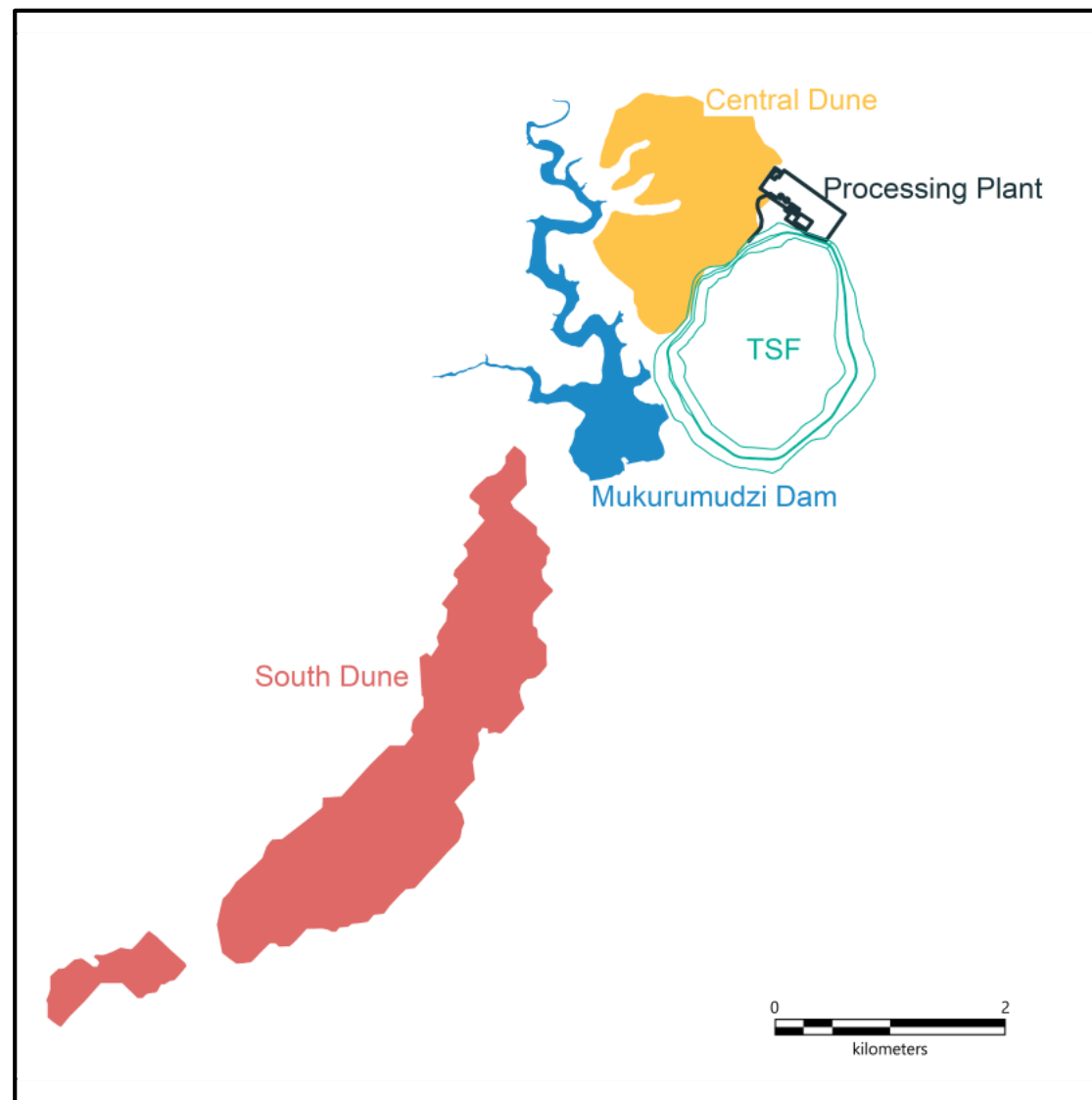
Year's highlights and achievements



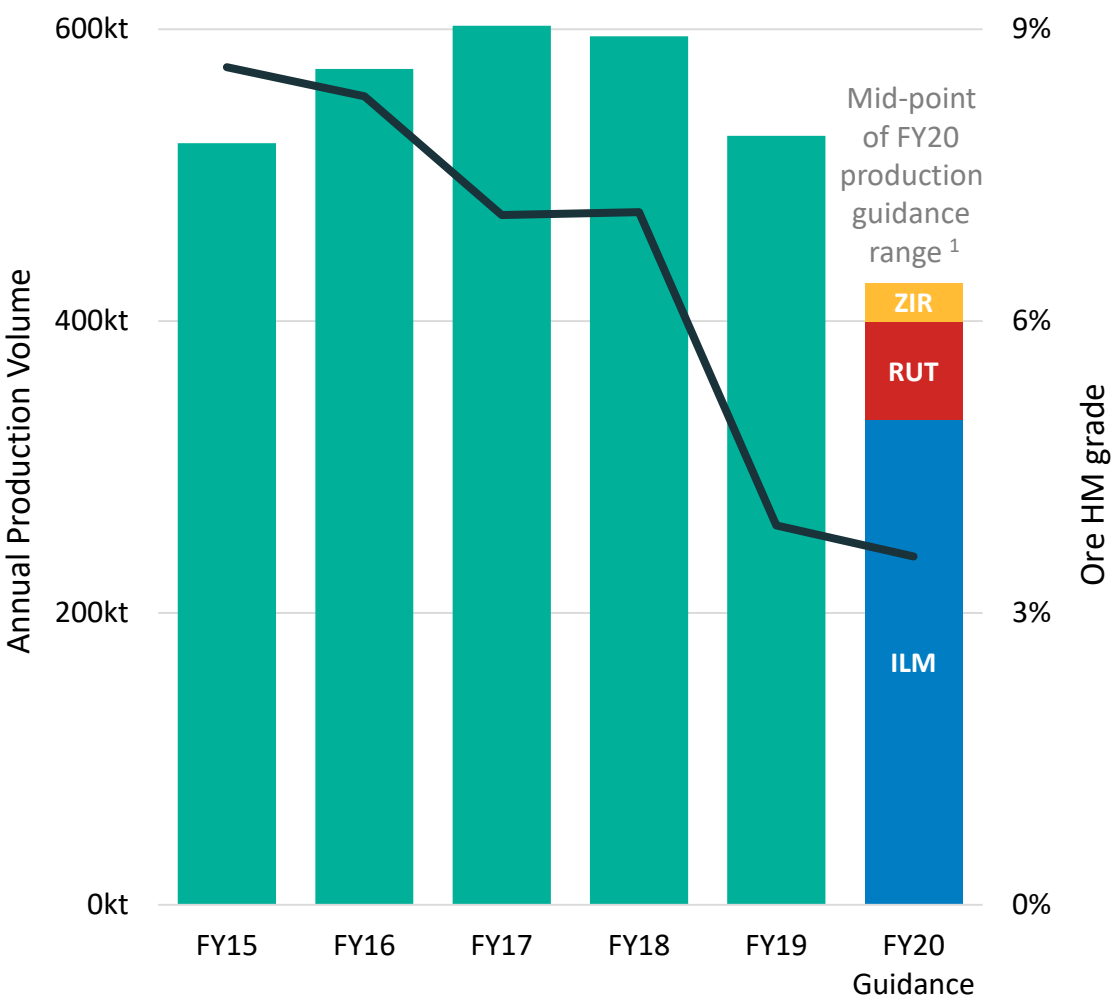
- Sales revenue up 5% to US\$209.5m on higher rutile and zircon prices
- EBITDA increased 4% to US\$113.5m
- Net Profit up 15% to US\$39.2m
- Production in line with updated guidance
- Net debt free - Kwale Project Debt Facility retired early
- Successful transition of mining to Kwale South Dune orebody
- Toliara Project PFS completed and DFS underway
- No lost time or medical treatment injuries
- US\$3.8m invested in community and environmental programs

Kwale Operation enters the next phase...

- Central Dune fully depleted in June 2019
- Mining operations transitioned to the South Dune over a 2-week period in late June
- Successful ramp up of mining and processing operations following the transition
- Achieved mining rates equivalent to 19.6Mtpa in the September quarter, exceeding the 18Mtpa plan
- Total project cost of US\$12m, delivered on budget, on time and safely



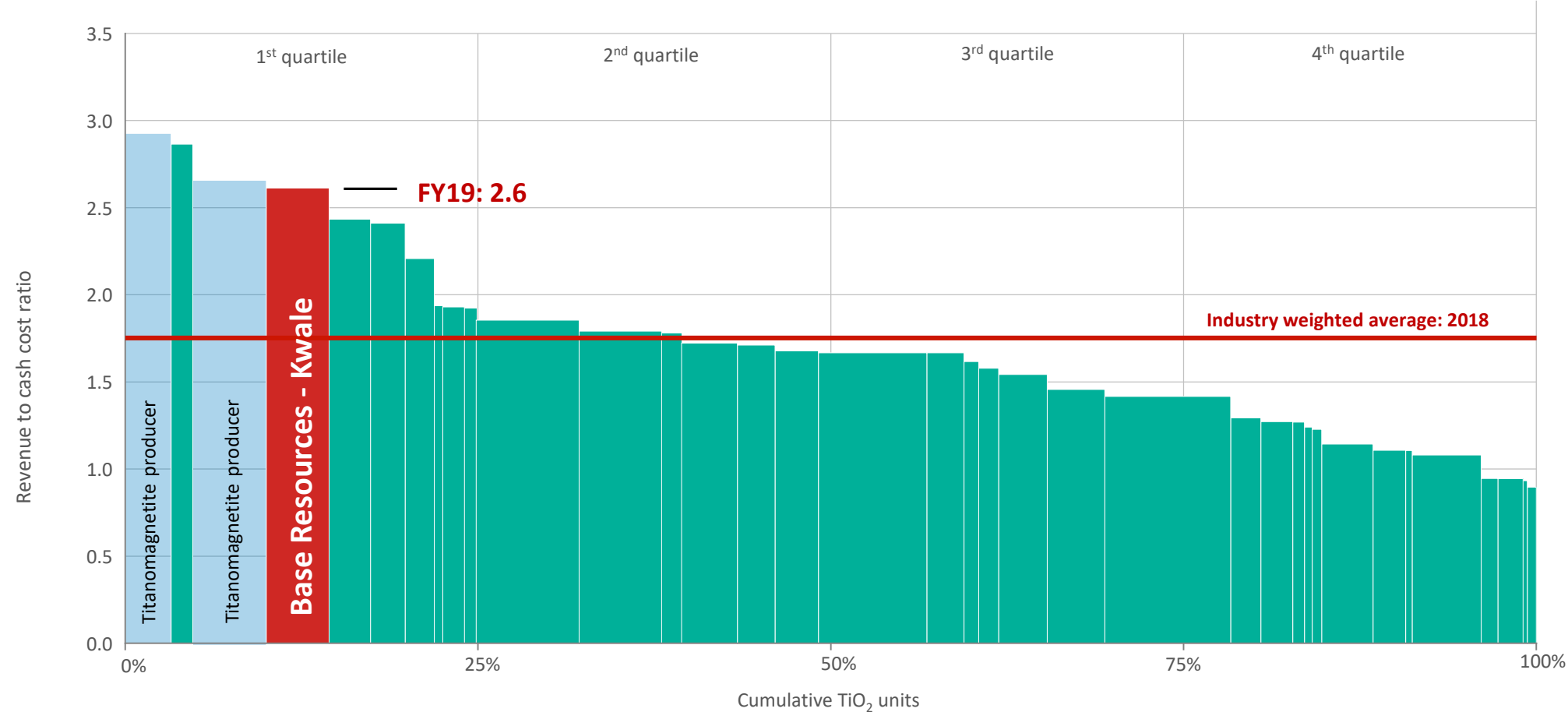
...with South Dune production levels the new normal



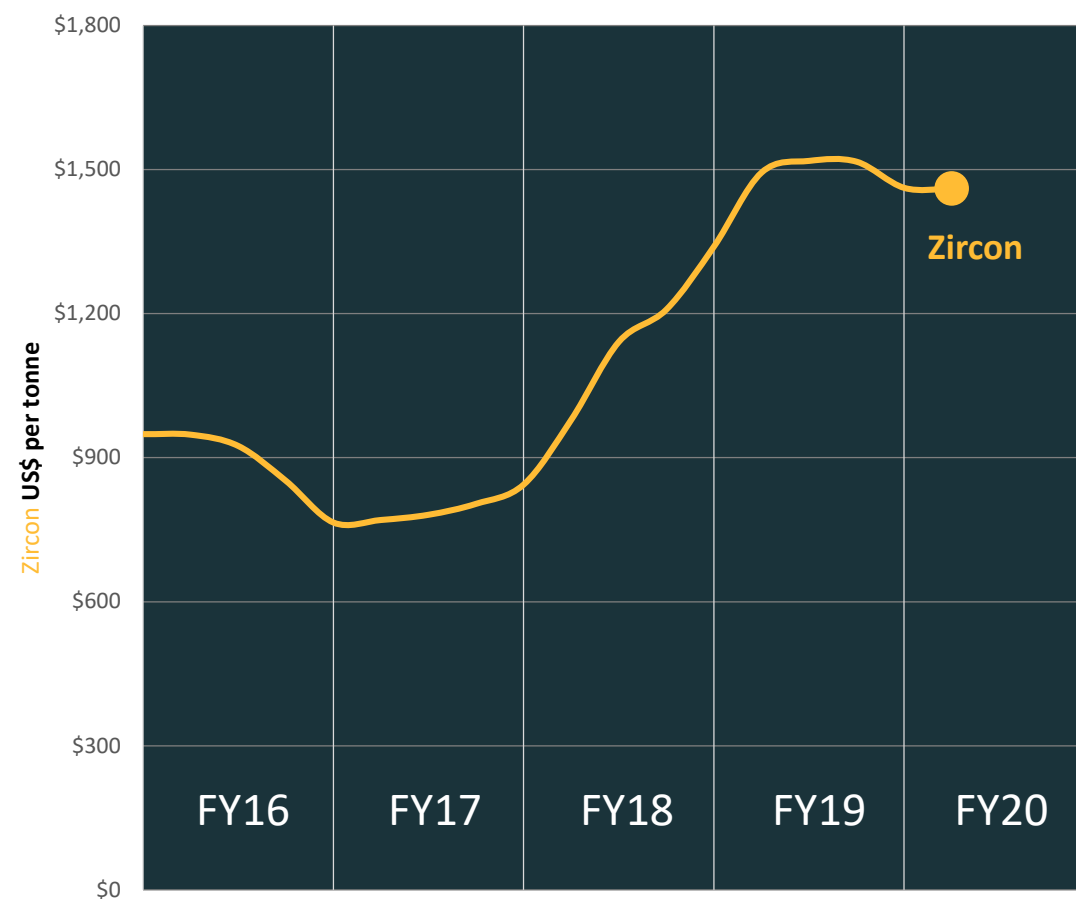
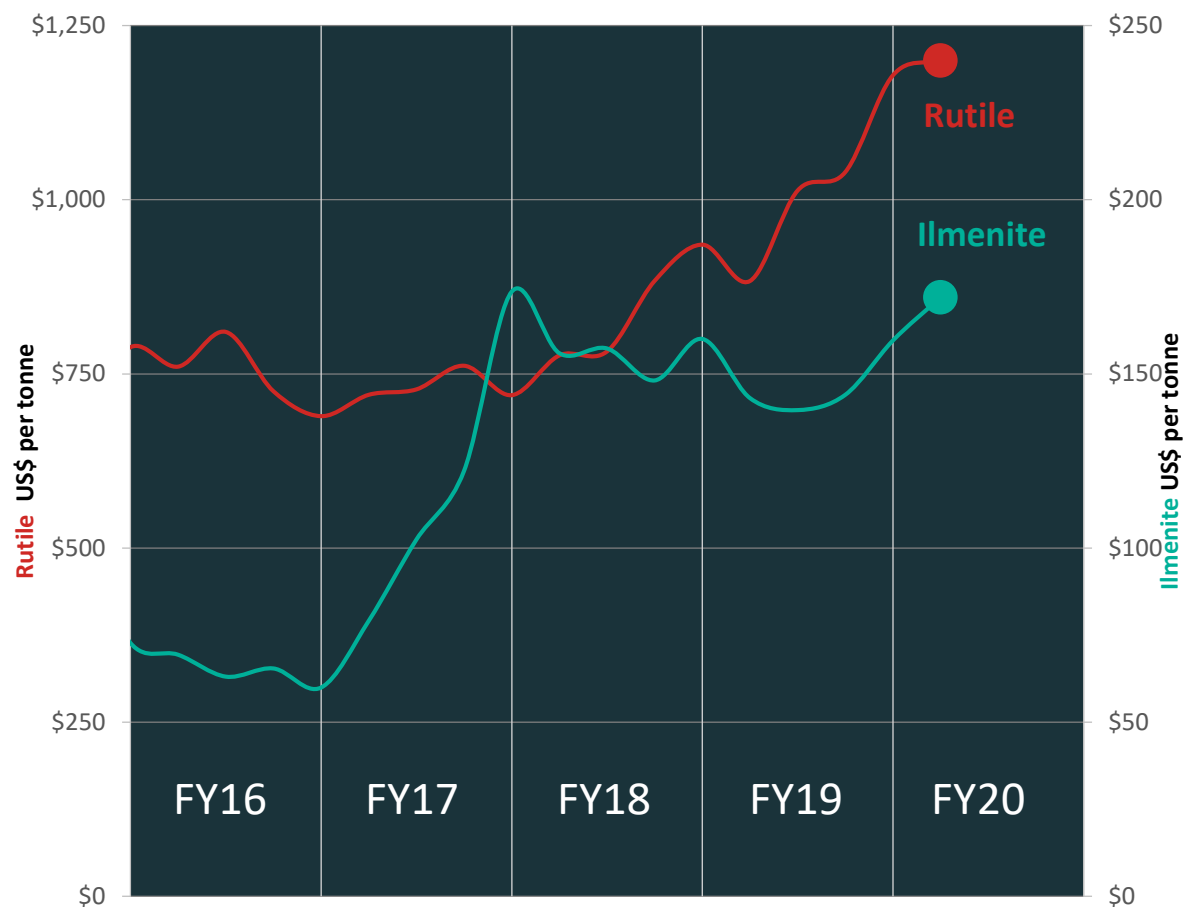
1. For further information, refer to Base Resources' announcement on 10 April 2019 "Production Guidance for FY20" available at <https://www.baseresources.com.au/investor-centre/asx-releases/>

Maintaining a first quartile revenue-to-cost ratio

Industry revenue-to-cash cost curve: 2018



Rutile and ilmenite prices strengthen while zircon moderates



Outstanding safety outcomes indicative of performance culture

18.0
Million

Hours worked with
zero Lost-Time
Injuries

67
Months

Since last Lost-Time
Injury

8.3
Million

Hours worked
without a medical
treatment injury

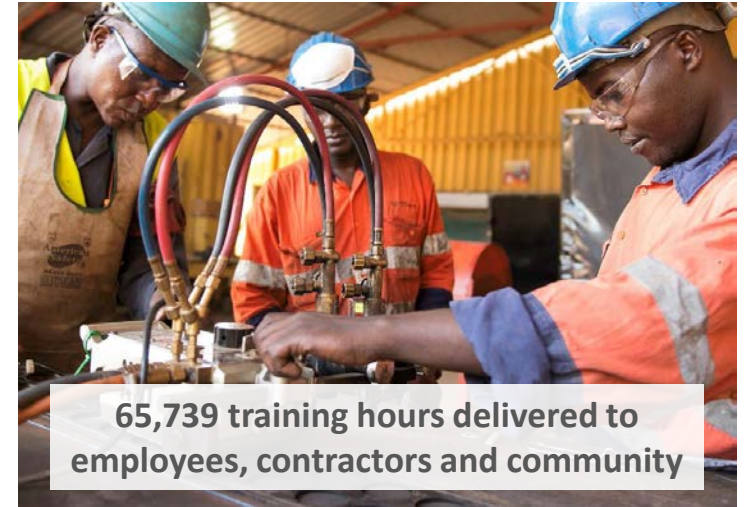
Delivering “mutual benefit” – US\$3.8 million investment in FY19



380 secondary and 170 tertiary full scholarships provided



2,500 smallholders participating in the Kwale Cotton Project



65,739 training hours delivered to employees, contractors and community



120 interns, apprentices, graduates and trainees

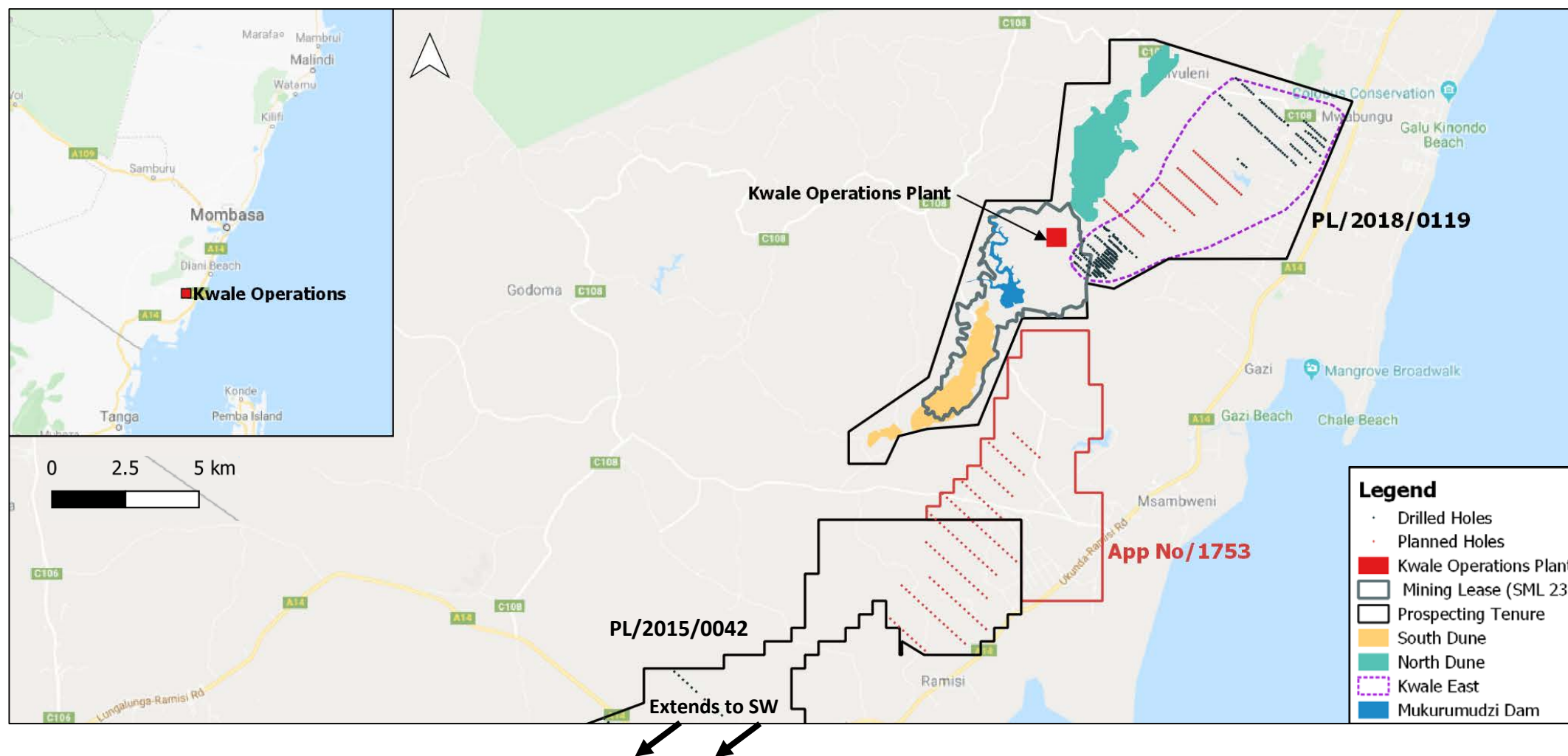


9,046 trees planted

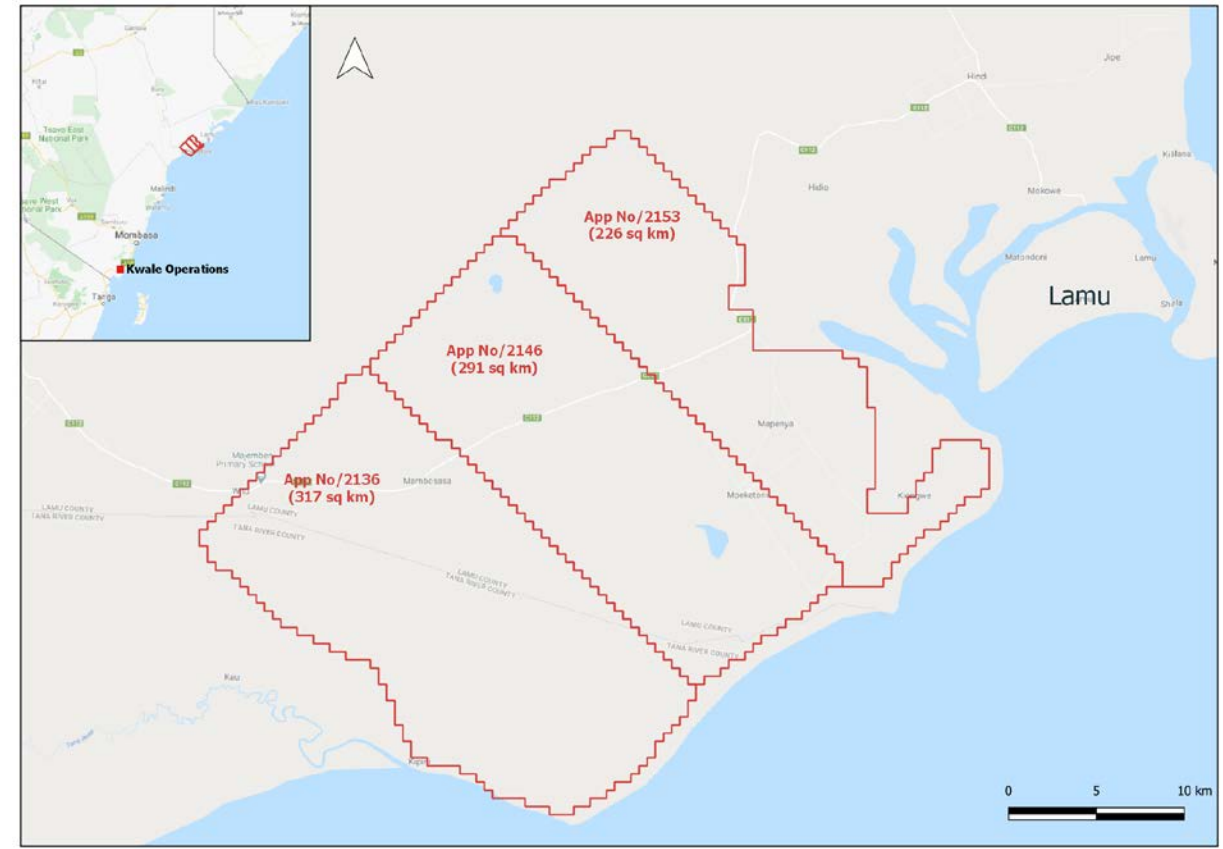
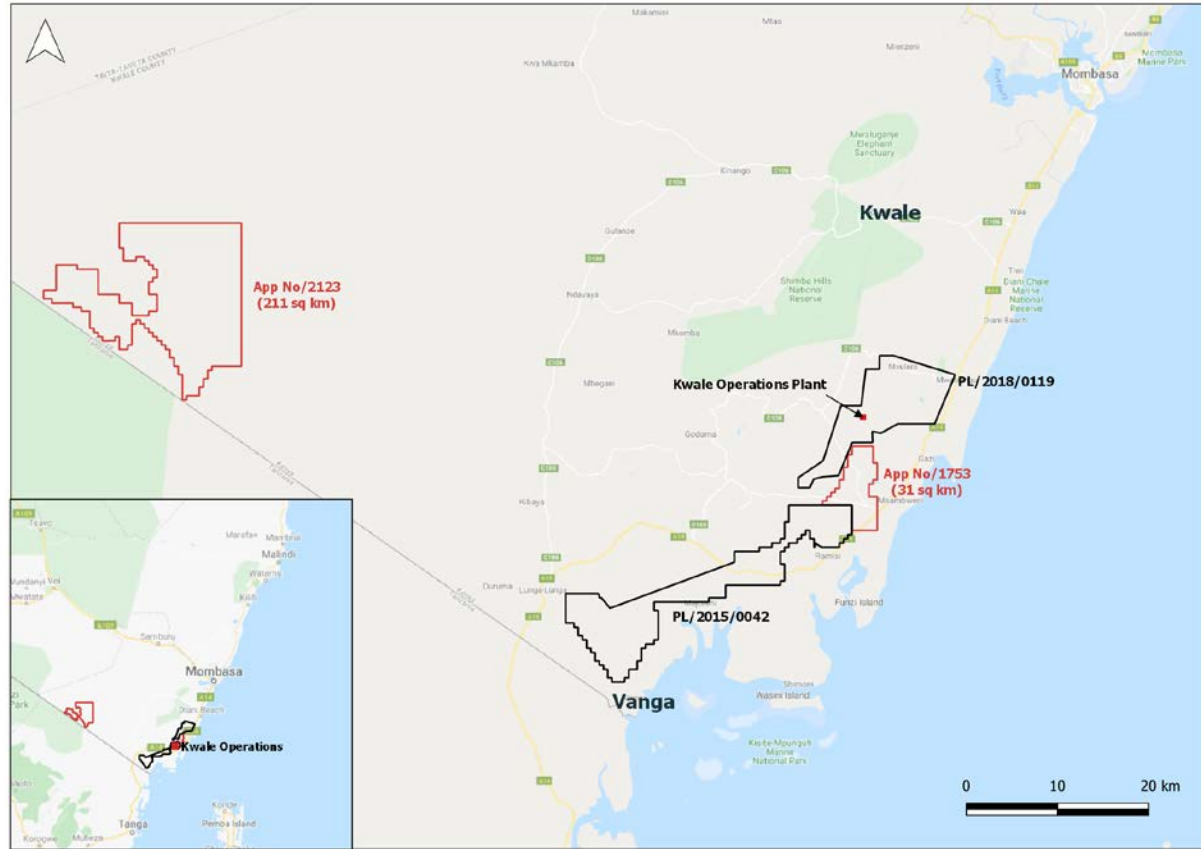


240 volunteer health workers supported

Multiple mine life extension opportunities being explored



As well as Kenyan opportunities further afield



A sound financial platform



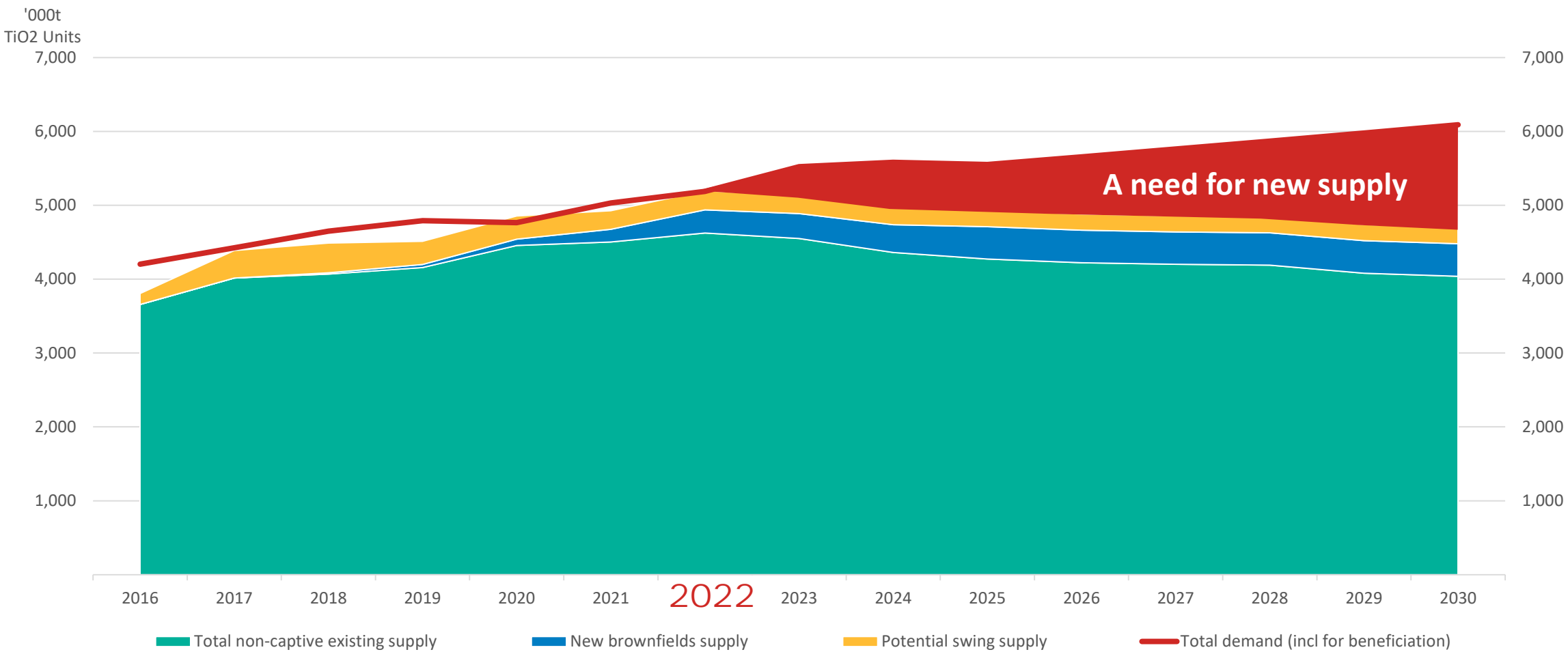
As at 30 September 2019

- Net cash position of US\$30.6m
 - Cash and cash equivalents of US\$45.6m
 - Revolving Credit Facility drawn to US\$15.0m
- US\$2.5m VAT refund received in September quarter
 - US\$22.7m total VAT refund claim

Solid equity base (ASX & AIM: BSE)

- A\$275m market capitalisation @ A\$0.235
- A tight, institutional register, including:
 - Pacific Road Capital (26.7%)
 - Sustainable Capital (19.8%)
 - Regal Funds Management (11.0%)
 - Fidelity (8.5%)

An emerging supply gap for sulphate feedstocks

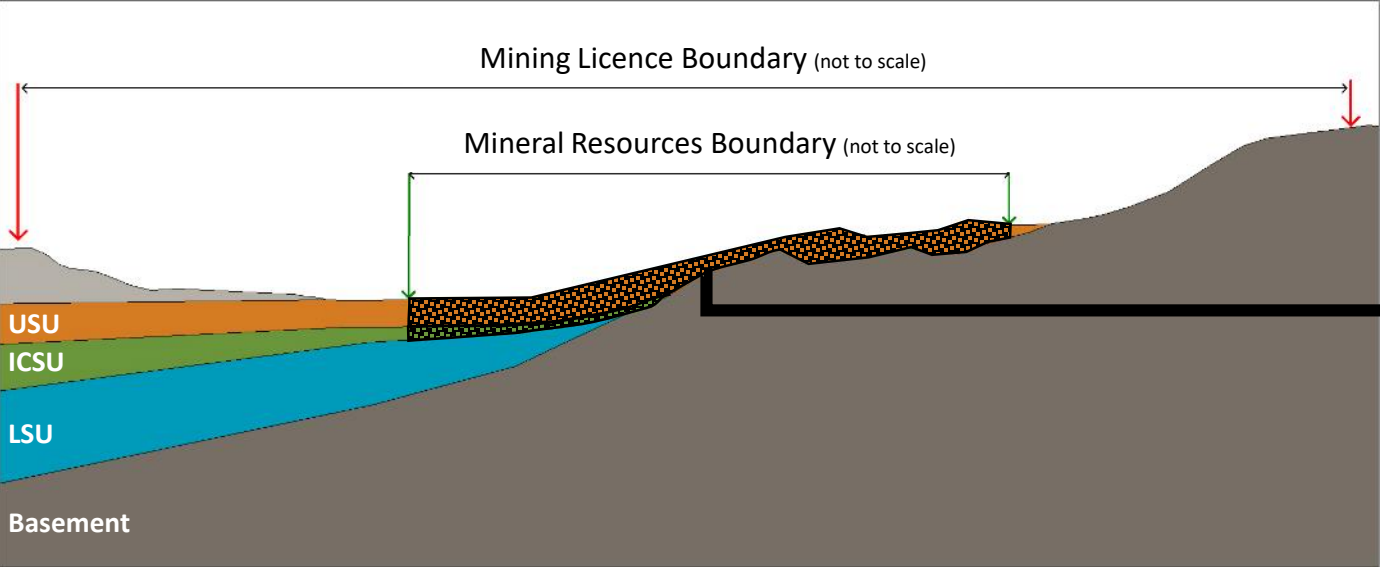


Toliara Project flyover video

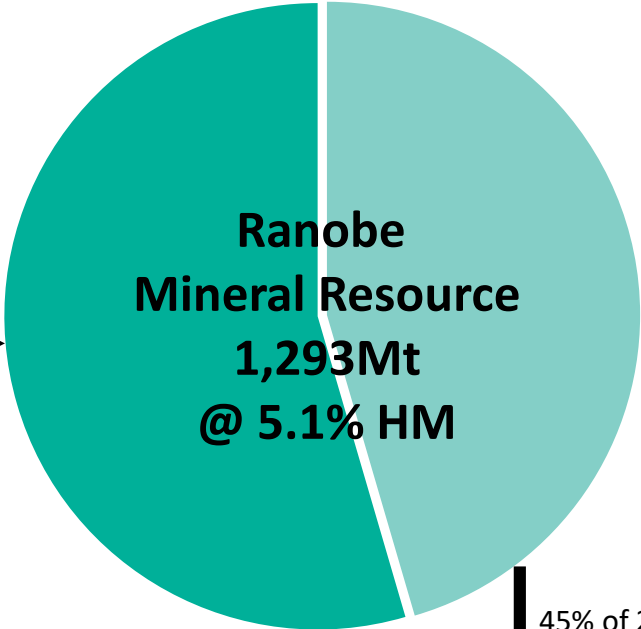
available at
www.baseresources.com.au



Mineral Resources afford long mine life with expansion potential



Stylised cross section



45% of 2019
Mineral Resources

33 year mine life

Average annual production:

Ilmenite 806kt

Zircon 54kt

Rutile 8kt

**Toliara Project PFS
Mineral Resource mined
588Mt
@ 6.6% HM**

Toliara PFS confirms a world-class mineral sands development

- NPV₁₀ post tax, pre-debt, real **US\$671m** & IRR of **22.4%**
- Revenue to cost of sales ratio of **3.06**
- Stage 1 capex **US\$439m** for 13Mtpa
- Stage 2 capex **US\$67m** to increase to 19Mtpa
- LOM average annual revenue of **US\$254m**
 - 62% ilmenite, 34% zircon, 4% rutile
- LOM average annual EBITDA of **US\$165m**
- LOM average annual free cash flow of **US\$133m**



DFS is on track for release in December



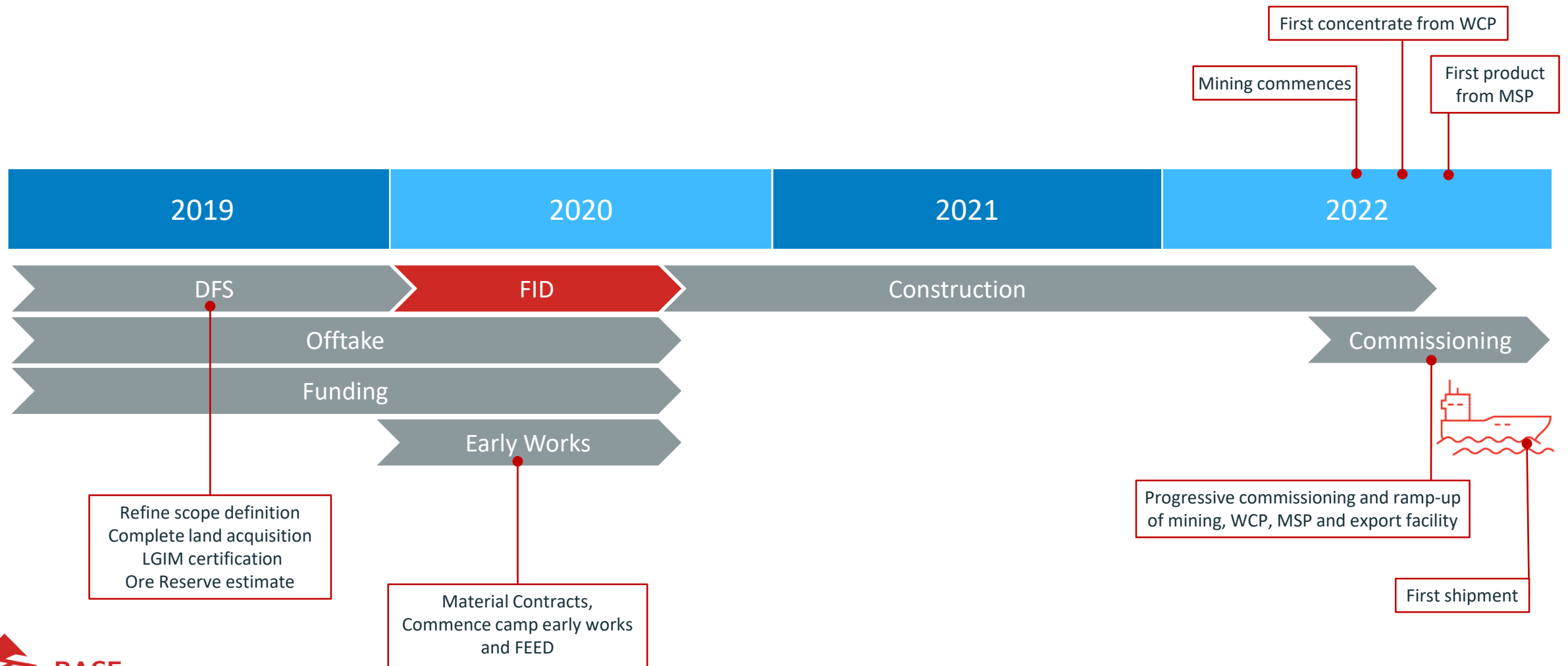
- 26,141m of definitional drilling in 692 holes completed as the first stage of a Ranobe Mineral Resource update
- Process plant test work and flowsheet verification completed
- Geotechnical and hydrogeological investigations completed
- Tender submissions or budget quotations received for all major capex items
- Capacity building programs ongoing
- Land acquisition process well advanced
- Preparation of LGIM application well advanced
- Debt funding process well progressed

Temporary suspension of on-ground activities at Toliara Project

- Required by Government of Madagascar while discussions on fiscal terms are progressed
- No impact on DFS timing
- Primary impact is on community development and training programs
- Toliara Project enjoys broad community and government support as the next major mining project with national significance
- We are seeking to engage in transparent and respectful dialogue with government to secure sustainable and mutually beneficial fiscal terms
- A request to lift the suspension has been submitted



A pathway to production in 2022



Building a unique mineral sands company



- Team with a track record of delivery
- Consistent, high cash flow Kwale Operations, with extension potential
- Reputation for excellence in project execution, operations, safety, community and environment
- A sound financial platform from which to grow the business
- Improving markets are supporting a need for new supply
- A world class development in the Toliara Project



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