

ASX and Media Release
25 November 2022

Chair's Address to the Annual General Meeting Friday, 25 November 2022, 11.00am (AWST)

Ladies and gentlemen,

The 2022 financial year saw the continuation of the buoyant mineral sands markets that characterised the last few years. Kwale Operations was once again metronomic in its reliability, achieving production guidance and meeting customer shipping schedules consistently despite COVID-induced challenges and some unplanned stoppages. Costs were managed tightly, despite inflationary headwinds, contributing to record financial outcomes. The team maintained its focus on safety, health and wellbeing, though the first lost time injury since 2014 was recorded in the year.

With consistent operational performance and a robust pricing environment, the Group generated record EBITDA of US\$158.7 million and net profit after tax of US\$80.7 million. Strong underlying cashflow enabled the Company to end the financial year with US\$55.4 million net cash and the Board determined a final dividend of AUD 3.0 cents per share, unfranked, which was paid in late September. Together with the AUD 3.0 cents paid in March 2022, this brought the total distributions to shareholders determined in respect of the 2022 financial year to AUD 6.0 cents per share, unfranked, totalling US\$48.8 million.

The Company remains very focused on extending Kwale Operations' mine life to maximise value for all stakeholders. The addition of a further two years taking production to the end of 2024 through the Kwale South Dune extension and the Bumamani Project were significant steps and ones that provide the Company with some additional time to pursue further extensions. With exploration tenure in place, the near-mine Kwale East sector represents the most immediate extensional opportunity and we were pleased to commence drilling in that area earlier this month.

Slightly further afield, and a longer dated opportunity, exploration on the prospective geological feature that extends from the Kuranze region of Kenya across the border into Tanzania is underway, albeit limited at present to the Tanzanian side. Following an initial reconnaissance program, we recently completed a more extensive 3,000m drill program. In Kenya, the government-imposed industry-wide moratorium on issuance of mineral rights, which has been in place since 2019, continues to impede the Company's ability to undertake any exploration in the Kuranze region. Following recent general elections, and the appointment of a new Minister, we are hopeful that the issuance of prospecting licences will resume soon.

The Toliara Project in Madagascar continues to represent a significant and attractive growth opportunity for the Company. Following a major update and increase to the Ranobe Ore Reserves estimate, the Toliara Project definitive feasibility study was updated in October last year, significantly increasing both the scale and economic value of the Project. The team is now assessing the commercial potential of the monazite mineralisation in the deposit to seek to further add significant value to the project.

We continue to progress discussions with the Government of Madagascar in relation to the fiscal terms applicable to the project and the lifting of the on-ground suspension. Tim will provide more colour on this in his presentation.

Sustainability has always been a key component of the Base Resources business model and we were pleased to recently publish the Company's inaugural sustainability report. I would encourage all shareholders to read this report, and also to review the associated Sustainability Databook, to see how we go about demonstrating that sustainable mining of essential resources can be a reality, whilst generating requisite shareholder returns and improving the environmental, social and economic outcomes for all stakeholders.

Since the 2021 AGM, we have seen some change in the composition of your Board. I would like to thank Colin Bwyne, Executive Director Operations and Development, who retired after providing valuable leadership while on the Board and as a key member of our senior management team since 2010, and also Janine Herzig who resigned as a Non-Executive Director during the year. We intend to reshape the Board further in the coming months as part of our approach to both renewal and ensuring the right mix of skills for the coming years' challenges.



Finally, on behalf of the Board, I'd like to extend my sincere thanks and appreciation to management and all staff of the Base Resources Group, both for "living the Base Way" and for another highly commendable year of achievement.

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This release has been authorised by Base Resources' Disclosure Committee.

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 Project in Madagascar. Base Resources is an ASX and AIM listed company. Further details about Base Resources are available at www.baseresources.com.au.