

# Africa Down Under

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Managing Director

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# Disclaimer & Important Notices



This document has been prepared by Base Resources Limited (**Base Resources**). Its release has been authorised by the Base Resources Disclosure Committee. Information in this document should be read in conjunction with other announcements made by Base Resources to ASX, particularly Base Resources' announcement on 27 September 2021 "DFS2 enhances scale and economics of the Toliara Project" (**DFS2 Announcement**). Base Resources' ASX announcements are available at <https://baseresources.com.au/investors/announcements>.

## DFS2 Announcement

Slide 12 discloses the summary outcomes of DFS2. The DFS2 Announcement discloses the material assumptions and underlying methodologies adopted for deriving these outcomes, including the production information and forecast financial information. It also discloses key pre and post FID risks in respect of the Toliara Project. Base Resources confirms that all the material assumptions underpinning the production information and forecast financial information disclosed in the DFS2 Announcement continue to apply and have not materially changed.

## Explorations results

Slide 14 discloses exploration results for program carried out at the Toliara Project. For further information in relation to these results, refer to Base Resources' announcement on 21 January 2020 "Toliara Project drill assays reveal significant high-grade mineralisation". Base Resources confirms that it is not aware of any new information that materially affects the information included in this announcement.

## Forward-looking statements

Certain statements in or in connection with this document contain or comprise forward looking statements. Such statements include, but are not limited to, statements with regard to development timing, capital cost, capital expenditure capacity, future production and grades and financial performance and may be (but are not necessarily) identified by the use of phrases such as "will", "expect", "anticipate", "forecast", "believe" and "envisage". By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside Base Resources' control.

Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in product prices and exchange rates and business and operational risk management. Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, Base Resources undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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**All references to currency (\$ or US\$) are to United States Dollars unless otherwise stated**

# Australian based, African focused, producer



Kwale Operations  
Kenya  
Operational asset producing rutile, ilmenite and zircon

Tanzania  
Exploration program

Toliara Project  
Madagascar  
Mineral sands project progressing  
towards development

Base Resources  
Perth  
Company headquarters



# The foundation - The Kwale Operation

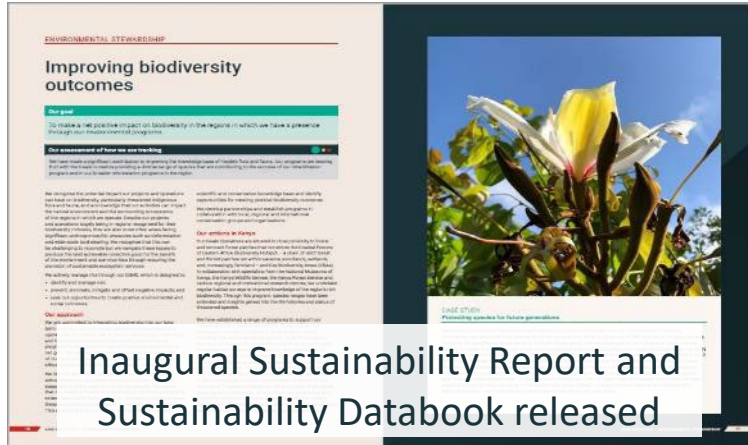
Video available at [www.basetitanium.com](http://www.basetitanium.com)



# Our purpose



To contribute to solving the problems of people and planet. We do so profitably, without profiting from causing problems.



# Outstanding safety outcomes indicative of the performance culture



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LTIFR

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Lost Time Injury  
Frequency Rate  
per million hours

2

Lost Time Injuries

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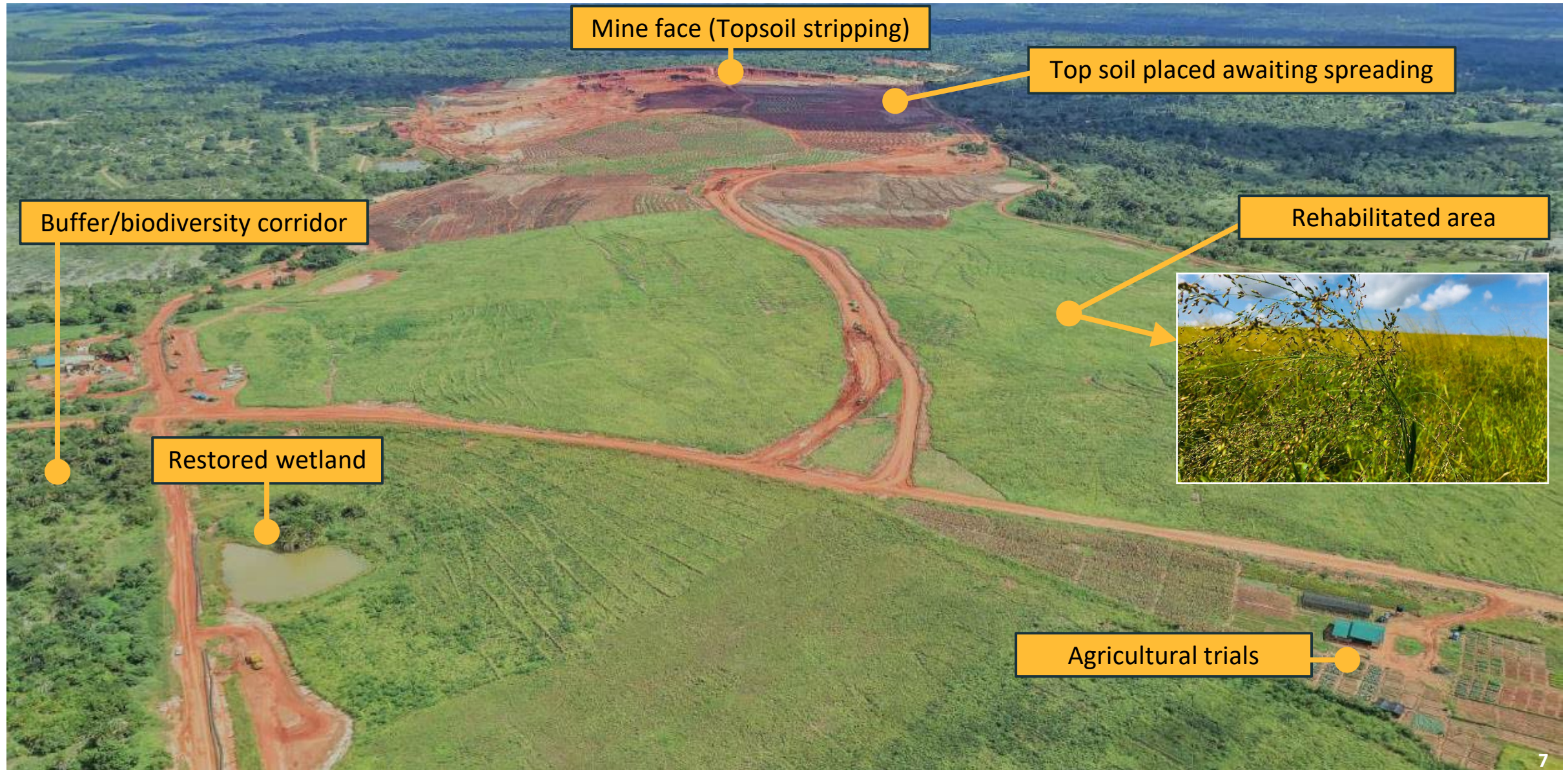
In 35.4 million hours worked since commencing  
production at Kwale Operations in December  
2013

16

Medical Treatment  
Injuries

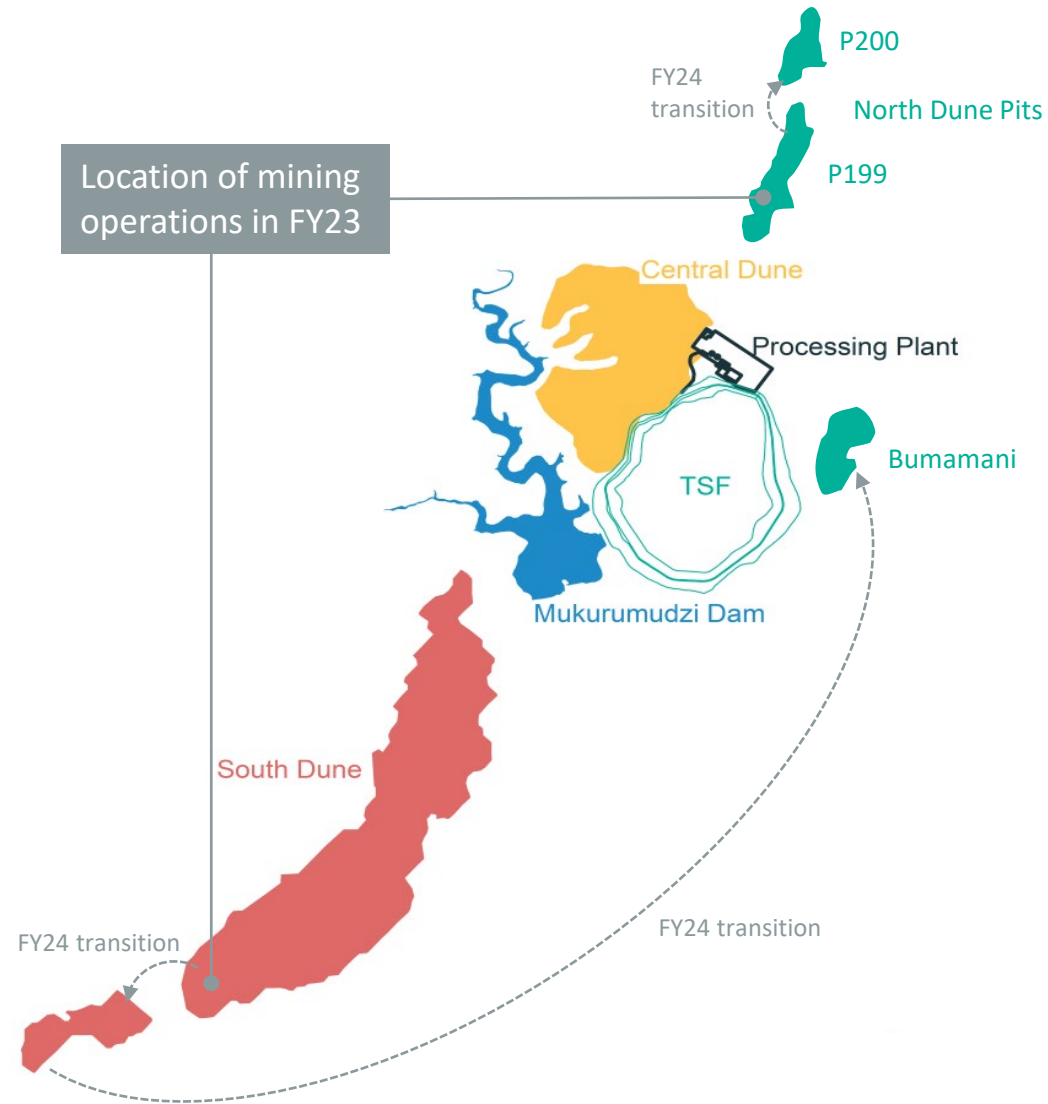
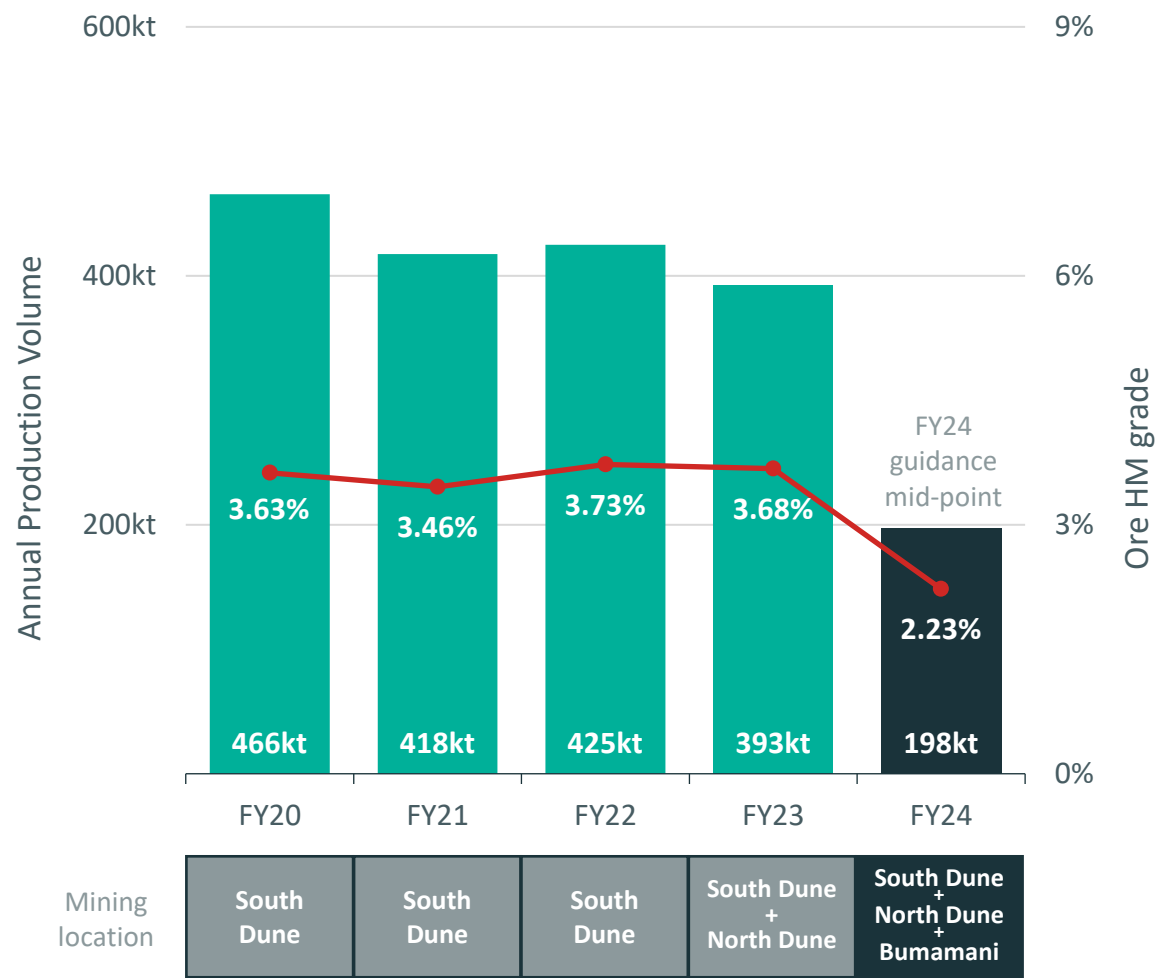


# Rehabilitation rapidly catching up to mining



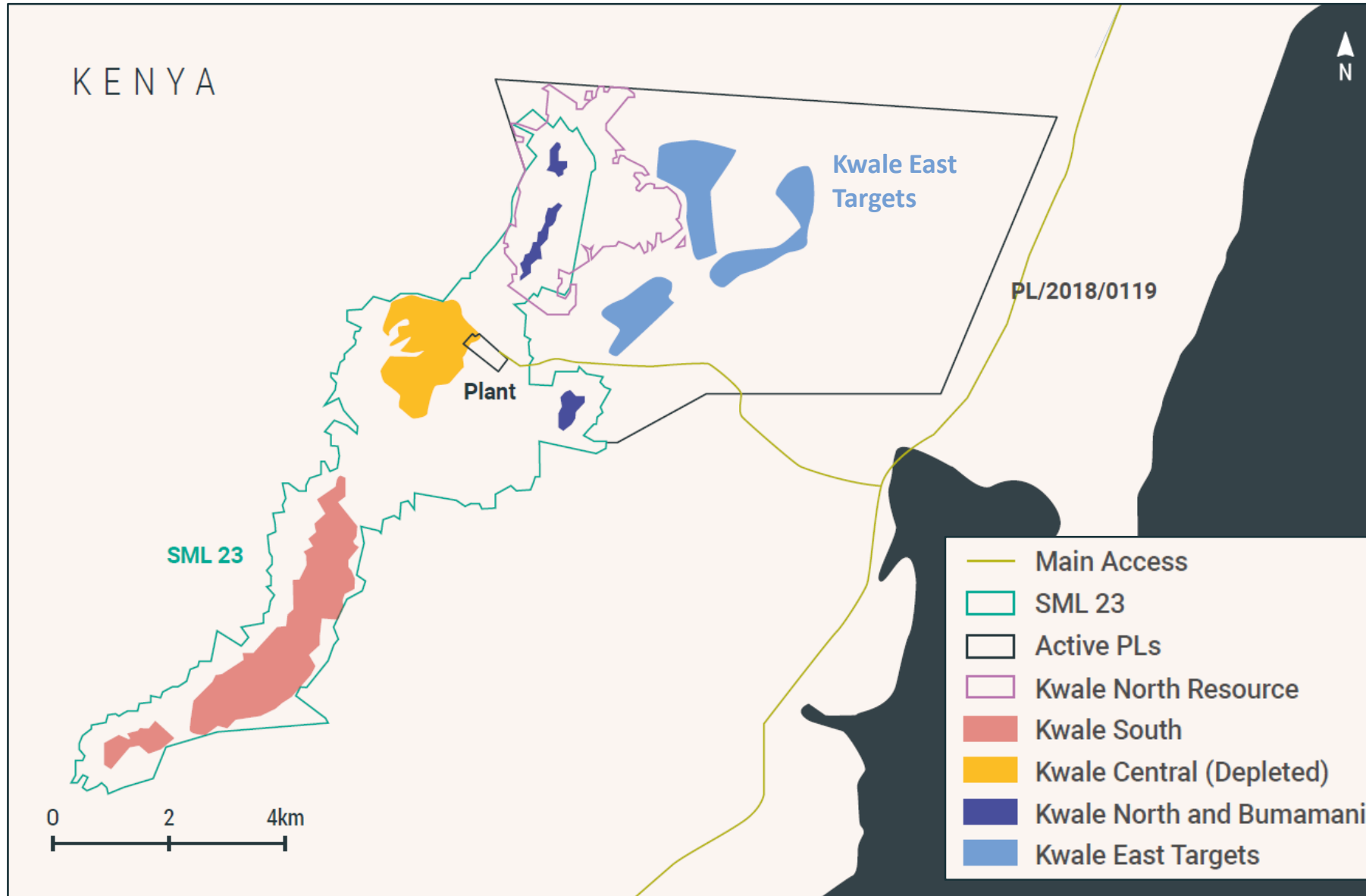


# Transition to North Dune and a lower grade paradigm





# Mine life to Dec 2024. Beyond?





# Capital management delivering returns to shareholders



## Our approach

Consistent with Base Resources' growth strategy, the Company seeks to provide returns to shareholders through both long-term growth in the Company's share price and appropriate cash distributions.

Cash not required for the Company's growth and development, or to maintain requisite balance sheet strength in light of prevailing circumstances, could be expected to be returned to shareholders.

## FY23 final dividend determined (unfranked)

- AUD 4.0 cents per share
- Totalling A\$47m

## FY23 interim dividend paid

- AUD 2.0 cents per share
- Totalling A\$24m

## Total dividends determined since September 2020

- AUD 22.5 cents per share
- Totalling A\$265m



# **Toliara Project a world class development opportunity**



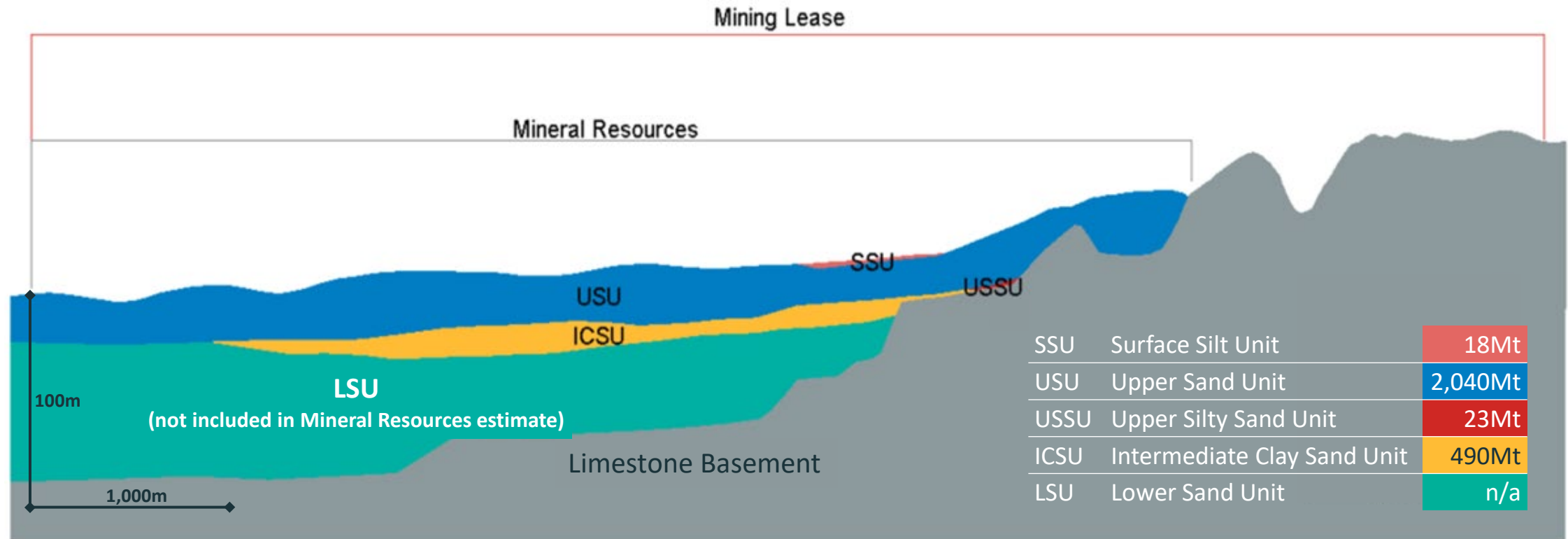
# Toliara Project DFS demonstrates exceptional economics



- Post-tax / pre-debt (real) NPV @ 10% of US\$1,008m.
- Average revenue to cost of sales ratio of 3.5.
- LOM free cash flow of US\$5.9 billion, with the first 10 years averaging US\$210m per annum.
- Annual averages (excluding first and last partial operating years):
  - Production of 960kt ilmenite, 66kt zircon and 8kt of rutile.
  - Revenue US\$317m.
  - Operating costs of US\$90m inclusive of 4% royalties.
  - EBITDA US\$219m.
  - Free cash flow US\$174m.

	Unit	DFS2
NPV <sub>10</sub> (discount rate of 10%), post tax, real	US\$ millions	1,008
IRR	%	23.8
Initial (Stage 1) capex	US\$ millions	520
Construction period (Stage 1)	Months	27
Stage 2 capex	US\$ millions	137
Construction period (Stage 2)	Months	21
Capital payback period (Stage 1 + 2)	Years	4.5
Life of mine	Years	38
LOM operating costs + royalty	US\$/t ore mined	3.78
LOM operating costs + royalty (A)	US\$/t produced	88
LOM revenue (B)	US\$/t produced	306
LOM cash margin (B-A)	US\$/t produced	218
LOM revenue : cost of sales ratio (B/A)	Ratio : 1	3.5
LOM free cash flow	US\$ millions	5,922

# World class mineral resource...



## Ranobe Mineral Resources - 2,580Mt @ 4.3% HM

- Contained HM of 111Mt.
- Measured & Indicated of 1,390Mt @ 5.1% HM.
- LSU yet to be incorporated in estimate.

## Ranobe Ore Reserves - 904Mt @ 6.1% HM

- Contained HM of 55Mt.
- 50% of contained HM in current Mineral Resources.
- Only includes material from the SSU and USU.

Refer to the Appendices to this document for further information about the Ranobe Mineral Resources and Ranobe Ore Reserves estimates.

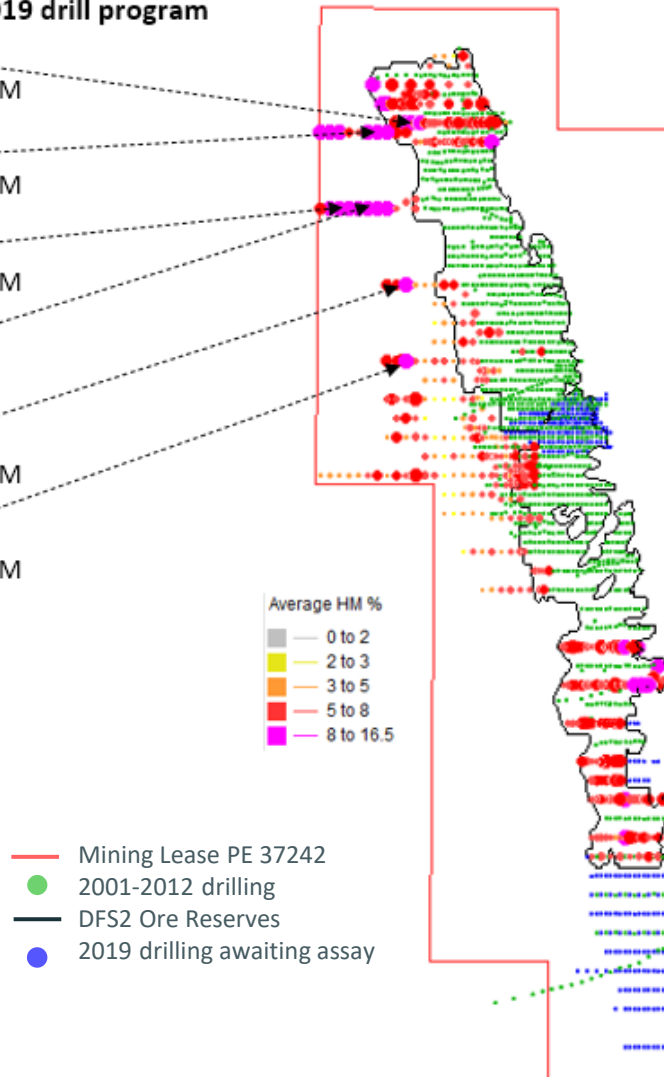


# ...with further expansion and value potential



## Significant results from 2019 drill program

- 71.5m @ 12.2% HM  
- with LSU of 41.5m @ 17.6% HM
- 72m @ 11.6% HM  
- with LSU of 43.5m @ 16.5% HM
- 81m @ 15.7% HM  
- with LSU of 67.5m @ 18.3% HM
- 87m @ 13.9% HM  
- with LSU of 69m @ 16.4% HM
- 78m @ 9.1% HM  
- with LSU of 46.5m @ 13.8% HM
- 87m @ 9.1% HM  
- with LSU of 52.5m @ 13.8% HM

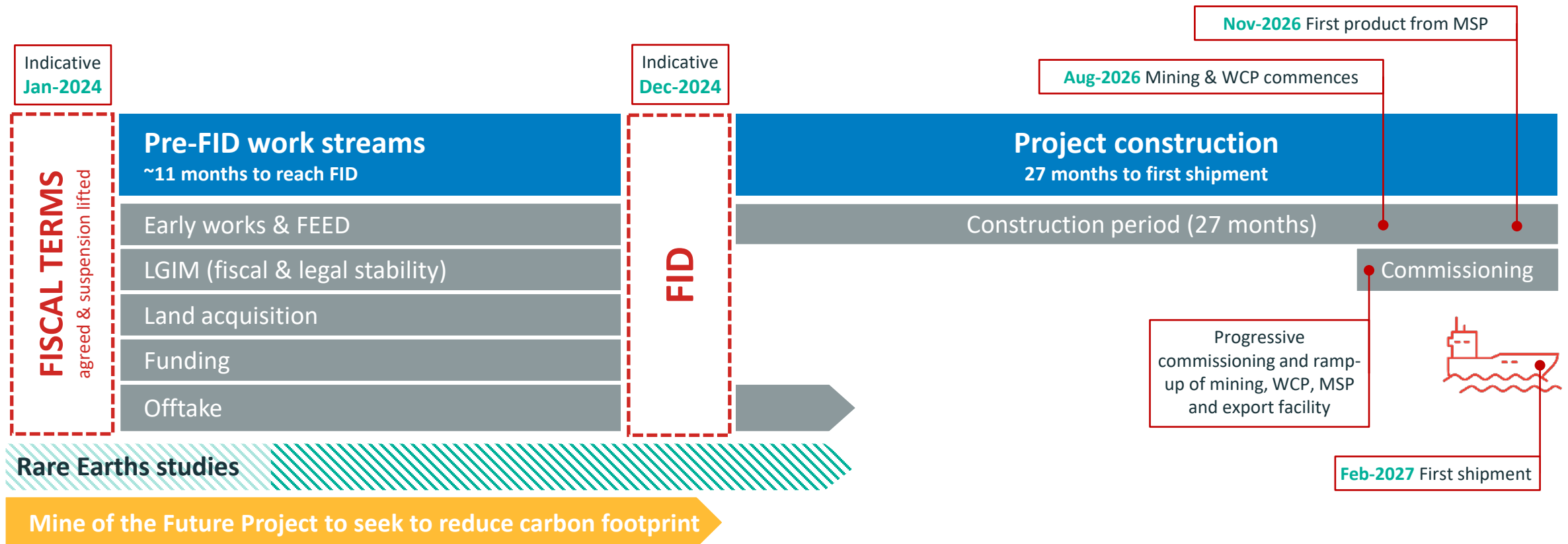


- The 2019 drill program identified significant heavy mineral intercepts in the LSU in the NW sector.
- Further drilling, and subsequent resource definition, to be completed as access to site becomes available.
- Mineral Resources HM estimate contains 2.0% monazite\*.
  - Represents a significant potential source of rare earth oxides (REOs) essential for a green energy future – rare earth magnets are a key component of the electric motors in wind turbines and electric vehicles.
  - Toliara Rare Earth Concept study completed, confirming the potential to add substantial value to the project. Pre-feasibility study now underway.
- Higher garnet levels are evident in the LSU.
  - Potentially suitable for the waterjet and blast markets.

\* The Toliara Project's existing mining tenure, *Permis D'Exploitation 37242*, does not currently provide the right to exploit monazite, rare earth oxides or garnet.

# Toliara Project indicative timeline

With the Government of Madagascar focused on finalising its overhaul of the Mining Code and preparations for the Presidential elections in late 2023, we are unlikely to see further material progress on fiscal terms discussions or lifting of the suspension until both are concluded. Once fiscal terms are agreed and the suspension lifted, there will be approximately 11 months' work to complete prior to FID, including the completion of land acquisition, funding, offtake agreements and major construction contracts.





# Building a unique mineral sands company

- Established **profitable** Kwale Operation in Kenya.
- A **world class development project** in Toliara in Madagascar that presents opportunity for rare earth diversification.
- **Track record of excellence** in all aspects of sustainability - safety, community development, environmental stewardship and ethics.
- An **experienced team** and capacity to execute well.
- A **robust financial position** from which to grow the business and continue to deliver returns to shareholders.
- Creating a company of **strategic relevance** in critical minerals.







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# Appendices



# Ranobe Ore Reserves and Mineral Resources



Category	Material	HM	HM	SL	OS	HM Assemblage as % of HM					
						ILM	RUT	LEUC*	ZIR	MON^	GARN^
	(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Mineral Resources estimate at 30 June 2023											
Measured	597	36	6.1	4.3	0.2	74	1.0	1.0	5.9	1.9	2.2
Indicated	793	35	4.4	7.1	0.5	71	1.0	1.0	5.9	2.0	3.6
Inferred	1,190	39	3.3	9.7	0.6	69	1.0	1.0	5.8	2.0	4.3
<b>Total</b>	<b>2,580</b>	<b>111</b>	<b>4.3</b>	<b>7.7</b>	<b>0.4</b>	<b>71</b>	<b>1.0</b>	<b>1.0</b>	<b>5.9</b>	<b>2.0</b>	<b>3.4</b>
Ore Reserves estimate at 30 June 2023											
Proved	433	30	6.9	3.8	0.1	75	1.0	1.0	6.0	-	-
Probable	472	25	5.3	3.9	0.2	72	1.0	1.0	5.8	-	-
<b>Total</b>	<b>904</b>	<b>55</b>	<b>6.1</b>	<b>3.8</b>	<b>0.1</b>	<b>73</b>	<b>1.0</b>	<b>1.0</b>	<b>5.9</b>	<b>-</b>	<b>-</b>

- Notes:**
- 1) Mineral Resources estimated at a 1.5% HM cut-off grade.
  - 2) Table subject to rounding differences.
  - 3) Mineral Resources are reported inclusive of Ore Reserves.
- ^ Monazite and garnet excluded from the Ore Reserves estimate because the existing mining tenure, PE 37242, does not currently provide the right to exploit these products.
- \*Recovered leucoxene will be split between rutile and chloride ilmenite products depending on product specification requirements.

For further information on the Ranobe deposit Mineral Resources and Ore Reserves estimates, refer to Base Resources' announcement on 27 September 2021 "Updated Ranobe Mineral Resources and Ore Reserves estimates", which is available at <https://baseresources.com.au/investors/announcements/>. Base Resources confirms that it is not aware of any new information or data that materially affects the information included in the 27 September 2021 announcement and all material assumptions and technical parameters underpinning the estimates in the 27 September 2021 announcement continue to apply and have not materially changed.



# Ranobe Mineral Resources by Zone



Ranobe Deposit Mineral Resources estimate as at 30 June 2023

							HM Assemblage as % of HM					
Zone	Category	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	ILM (%)	RUT (%)	LEUC (%)	ZIR (%)	MON (%)	GARN (%)
USU Upper Sand Unit	Measured	575	36	6.2	3.7	0.1	74	1.0	1.0	5.9	1.9	2.2
	Indicated	654	30	4.6	3.6	0.2	71	1.0	1.0	5.9	1.9	3.6
	Inferred	820	27	3.3	2.8	0.1	69	1.0	1.0	5.8	2.0	4.5
	<b>Total USU</b>	<b>2,049</b>	<b>93</b>	<b>4.5</b>	<b>3.3</b>	<b>0.1</b>	<b>72</b>	<b>1.0</b>	<b>1.0</b>	<b>5.9</b>	<b>1.9</b>	<b>3.3</b>
SSU Surface Silt Unit	Measured	4	0.2	5.2	21	0.4	73	1.1	0.8	5.9	2.0	4.0
	Indicated	8	0.3	3.7	16	0.7	69	0.8	1.0	5.7	2.0	4.2
	Inferred	6	0.2	3.0	18	0.4	70	0.7	1.0	7.7	1.7	4.7
	<b>Total SSU</b>	<b>18</b>	<b>0.7</b>	<b>3.8</b>	<b>18</b>	<b>0.5</b>	<b>71</b>	<b>0.9</b>	<b>0.9</b>	<b>6.3</b>	<b>1.9</b>	<b>4.3</b>
USSU Upper Silty Sand Unit	Indicated	13	0.8	6.3	23	2.3	72	0.9	0.8	6.5	1.5	4.4
	Inferred	10	0.7	6.6	26	0.7	73	0.8	0.8	6.4	1.6	4.8
	<b>Total USSU</b>	<b>23</b>	<b>1.5</b>	<b>6.4</b>	<b>25</b>	<b>1.6</b>	<b>72</b>	<b>0.8</b>	<b>0.8</b>	<b>6.5</b>	<b>1.6</b>	<b>4.6</b>
ICSU Intermediate Clay Sand Unit	Measured	18	0.5	3.0	23	3.0	68	1.3	1.2	6.4	2.2	2.3
	Indicated	118	3.6	3.0	24	1.8	68	1.1	1.1	6.1	2.2	3.5
	Inferred	354	11	3.2	25	1.8	69	1.0	1.0	5.8	2.1	3.8
	<b>Total ICUSU</b>	<b>490</b>	<b>15</b>	<b>3.2</b>	<b>25</b>	<b>1.8</b>	<b>69</b>	<b>1.1</b>	<b>1.1</b>	<b>5.9</b>	<b>2.1</b>	<b>3.7</b>
<b>Total – all zones</b>		<b>2,580</b>	<b>111</b>	<b>4.3</b>	<b>7.7</b>	<b>0.4</b>	<b>71</b>	<b>1.0</b>	<b>1.0</b>	<b>5.9</b>	<b>2.0</b>	<b>3.4</b>

Table subject to rounding differences. Mineral Resources estimated at 1.5% HM cut off grade.

\*Mineral Resources are reported inclusive of Ore Reserves

The Ranobe deposit Mineral Resources estimates on a mineralised unit basis have been re-issued from the DFS2 Announcement, which was issued with the consent of Competent Person, Mr Ian Reudavey. They are zonal estimates in respect of the Mineral Resources estimate included in Base Resources' announcement on 27 September 2021 "Updated Ranobe Mineral Resources and Ore Reserves estimates". Together with the DFS2 Announcement, this announcement is available at <https://baseresources.com.au/investors/announcements/>. Base Resources confirms that it is not aware of any new information or data that materially affects the information included in the 27 September 2021 announcement (and therefore the information on a mineralised unit basis included in the DFS2 Announcement) and all material assumptions and technical parameters underpinning the estimates in the 27 September 2021 announcement (and therefore the estimates on a mineralised unit basis included in the DFS2 Announcement) continue to apply and have not materially changed. Base Resources confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.