

H1 FY20 - Kwale Operations enters a new phase and Toliara Project progresses

Key achievements in the six-month period ended 31 December 2019 (**H1 FY20**) for African mineral sands producer and developer, **Base Resources Limited** (ASX & AIM: BSE) (**Base Resources** or the **Company**) were the successful ramp up of mining operations on the South Dune orebody at Kwale Operations in Kenya, and the continued progression of the Toliara Project in Madagascar.

Following the transition of mining from the high-grade Central Dune to the lower-grade South Dune orebody in July 2019, production from Kwale Operations was lower compared to the H1 FY19 comparative period. Demand for rutile and ilmenite remained strong throughout the period and prices continued to strengthen, while global economic uncertainties tempered demand for zircon.

Operational Highlights for H1 FY20

- Successful transition and ramp up of mining operations on the South Dune orebody.
- Production of 36,201 tonnes of rutile, 165,214 tonnes of ilmenite and 14,904 tonnes of zircon, reduced as a consequence of the lower grade of the South Dune orebody and the ramp up of operations.
- Continued strengthening of rutile and ilmenite prices.
- Kwale Operations mine life extension opportunities progressed, including commencement of the North Dune pre-feasibility study and submission of additional prospecting licence applications.
- Toliara Project definitive feasibility study (**DFS**) completed, with the findings reinforcing the Company's view that the Toliara Project is a world class mineral sands project.
- Toliara Project drilling revealed significant additional high-grade mineralisation within the existing mining permit.
- Total Recordable Injury Frequency Rate of zero, with there being no lost time due to injury since 2014.
- US\$1.8m invested in community and environmental programs, including scholarships and livelihood enhancement.

Financial Highlights for H1 FY20

- Revenue decreased to US\$83.5m, impacted by lower production and shipment timing.
- EBITDA decreased to US\$43.5m.
- NPAT decreased to US\$9.1m.
- Net cash position of US\$32.6m at 31 December 2019.
- Revenue to cash cost of sales ratio of 2.6:1.

Managing Director of Base Resources, Tim Carstens, said:

"With the transition of mining operations to the South Dune, we have entered the next phase of Kwale Operations. As was anticipated, overall production has been lower than was the case when mining the Central Dune due to the lower heavy mineral grade, but we were pleased to be able to increase our production guidance for FY20 in January as we continue to optimise mining and processing operations for the new orebody."

"We continued to pursue mine life extension opportunities at Kwale, with additional prospecting licence applications lodged and the commencement of the pre-feasibility study for mining the North Dune orebody."

"The Toliara Project is progressing well with the DFS completed and its findings released in December 2019, reinforcing the Company's view that the Toliara Project is a world class mineral sands project. We continue to engage with the Government of Madagascar regarding fiscal terms for the Toliara Project as well as progressing offtake and funding arrangements as we work towards a final investment decision in the second half of 2020."

Investor and shareholder call

Base Resources' Managing Director, Tim Carstens, CFO, Kevin Balloch and GM Marketing, Stephen Hay, will host two investor and shareholder conference calls to discuss Base Resources' H1 FY20 results.

Asia Pacific conference call

Date: Thursday, 27 February 2020

Time: 8.00am AWST / 11.00am AEDT

Conference ID: 10004379

Telephone dial in details:

Australia Toll Free:	1 800 558 698	China Wide:	4001 200 659	Malaysia:	1800 816 294
Other international:	61 7 3145 4010	Hong Kong:	800 966 806	Singapore:	800 101 2785
New Zealand Toll Free:	0800 453 055	Japan:	0053 116 1281		

Europe conference call

Date: Thursday, 27 February 2020

Time: 5.00pm AWST / 9.00am GMT

Conference ID: 10004382

Telephone dial in details:

United Kingdom:	0800 051 8245	Ireland:	1800 948 625	UAE:	8000 3570 2705
Belgium:	0800 72 111	Italy:	800 793 500	United States:	(855) 881 1339
Sweden:	020 791 959	Norway:	800 69 950	Canada:	(855) 881 1339
France:	080 098 1498	Switzerland:	0800 820 030	Other international:	61 7 3145 4010
Germany:	0800 182 7617	South Africa:	0800 999 976		

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This release has been authorised by the 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.