

## **Chair's Address to the Annual General Meeting Friday, 20 November 2020, 1.00pm (AWST)**

Ladies and gentlemen

In a volatile, uncertain and complex year globally, Base Resources has continued to deliver results, with our Kwale Operations in Kenya exceeding expectations in its first full year mining in the South Dune and good progress being made with the world class Toliara development project in Madagascar.

Base Resources adapted quickly to the COVID-19 pandemic, altering workplace conditions as required to maintain a safe environment for our people and the communities in which we operate. The fact that Kwale Operations maintained full production and met shipping schedules throughout the 2020 financial year is testament to the commitment and flexibility of the whole Base Resources team.

Our strong operational performance, combined with the healthy pricing environment, allowed the company to record revenue of US\$208.0 million, EBITDA of US\$108.7 million and a net profit after tax of US\$39.6 million for the financial year, and end the period with US\$87.6 million net cash. Following this result, the Board was pleased to determine a maiden dividend of AUD3.5 cents per share, unfranked, which was paid in early October.

On site, the company maintained its uncompromising focus on safety and health and wellbeing, with no workplace lost time injuries during the financial year. Kwale Operations also continued to set a benchmark for sustainability in mining project implementation and operation with a wide range of activities focused on our people, community and environment undertaken.

We remain focused on Kwale mine life extension to maximise value creation from the Kwale development for all stakeholders. A number of mine life extension and near mine exploration options continue to be pursued and a pre-feasibility study on mining the North Dune deposit was commenced in January 2020.

The Toliara Project in Madagascar represents a significant and attractive growth opportunity for the company. The definitive feasibility study released in December 2019 reinforced our view that we have secured one of the best undeveloped mineral sands assets in the world. Subsequently, front end engineering design was advanced and lenders' due diligence commenced. This was all achieved while complying with a temporary suspension of on-the-ground activity required by the Government of Madagascar pending the outcome of discussions on fiscal terms. We remain confident that acceptable terms should be able to be secured and, on this basis, the company remains committed to development of the Toliara Project.

The last 12 months have brought many challenges, but they have also highlighted the resilience of Base Resources. Kwale Operations remains a high cash generating asset with an enviable revenue to cost of sales ratio and extensional opportunities. We have a very strong balance sheet. Our product markets are proving relatively stable and we enjoy sound long term relationships with our customers. We are well positioned to deliver shareholder value while weathering future global uncertainty. The commencement of dividend flows to shareholders is both a statement and a major milestone on this journey.

Since the end of the financial year, we have announced changes to our Board composition as part of our succession plan. In October, we welcomed Janine Herzig as an independent non-executive director and Sam Willis will today retire from the Board. Sam has served as an independent non-executive director of Base Resources for 13 years and made a significant contribution to the company in that time, including as Chair of the Audit Committee. We wish Sam all the best with his future endeavours. With Sam's retirement from the Board, I am pleased to announce that Diane Radley has taken up the role of Chair of the Audit Committee.

As always, I'd like to thank the Board, our employees, suppliers, local communities and host governments for their steadfast support and commitment.

Finally, thank you to you, our shareholders, for your confidence, and patience. We appreciate your ongoing support as we continue to build a truly unique mineral sands company.

----- ENDS -----

**For further information contact:**

**James Fuller, Manager - Communications and Investor Relations**

Base Resources

Tel: +61 (8) 9413 7426

Mobile: +61 (0) 488 093 763

Email: [jfuller@baseresources.com.au](mailto:jfuller@baseresources.com.au)

**UK Media Relations**

Tavistock Communication

Jos Simson and Barnaby Hayward

Tel: +44 (0) 207 920 3150

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](http://www.baseresources.com.au).