

121 Mining Investment Cape Town

9 May 2022

Disclaimer & Important Notices



This document has been prepared by Base Resources Limited (**Base Resources**). Its release has been authorised by 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**) and Base Resources' announcements on 3 September 2021 "Bumamani PFS supports extension of Kwale mine life to mid-2024" and "Further supporting information for Bumamani PFS" (**Bumamani PFS Announcements**). Base Resources' ASX announcements are available at <https://baseresources.com.au/investors/announcements>.

DFS2 Announcement

Slides 15 to 16 disclose 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.

Bumamani PFS Announcements

Slide 9 discloses the summary outcome of the Bumamani PFS. The Bumamani PFS Announcement discloses the material assumptions and underlying methodologies adopted for deriving this outcome. Base Resources confirms that all the material assumptions underpinning the production information and forecast financial information disclosed in the Bumamani DFS Announcements continue to apply and have not materially changed.

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 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", "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.

Toliara Project
Madagascar
Mineral sands project progressing
towards development.

Base Resources
Perth
Company headquarters.

Building a unique mineral sands company

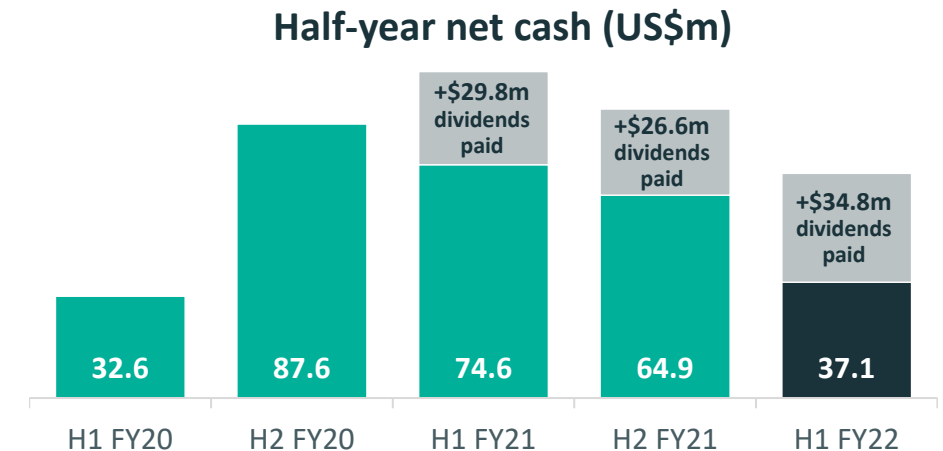
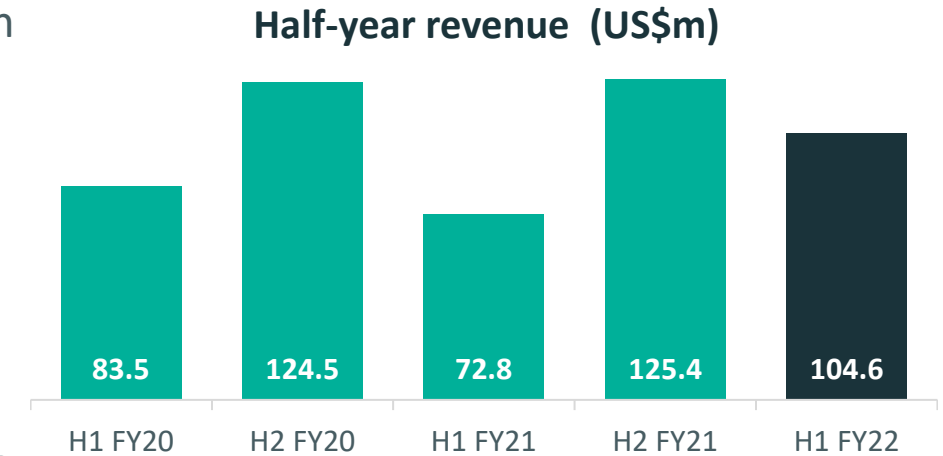
- “Mid cap” **pure mineral sands** company.
- Established **profitable** Kwale Operation in Kenya with extensional potential.
- A **world class mineral sands development project** in the Toliara Project in Madagascar.
- **Track record of excellence** in all aspects of sustainability - safety, community 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 a sector likely to continue to evolve.



Price rises support record quarterly revenue



- Kwale Operations maintained production consistency through the March quarter, in line with FY22 guidance.
- Ongoing strong demand supported further price increases for all products in the March quarter, delivering record revenue and a record revenue to cost of sales ratio of 3.3:1 for the quarter.
- Other highlights from the March quarter included:
 - Bumamani DFS progressed and remains on track for completion in the June quarter.
 - Fourth Tanzanian prospecting licence granted, and 15 metre auger rig acquired.
 - Discussions with the Government of Madagascar on Toliara Project fiscal terms progressed.
 - FY22 half-year dividend of AUD 3.0 cents per share (unfranked) paid, totalling US\$26.1m.



Outstanding safety outcomes indicative of performance culture



0.25

LTIFR

Lost Time Injury
Frequency Rate
per million hours

2

Lost Time Injuries

In 29.2 million hours worked since
commencing production at Kwale Operations
in December 2013

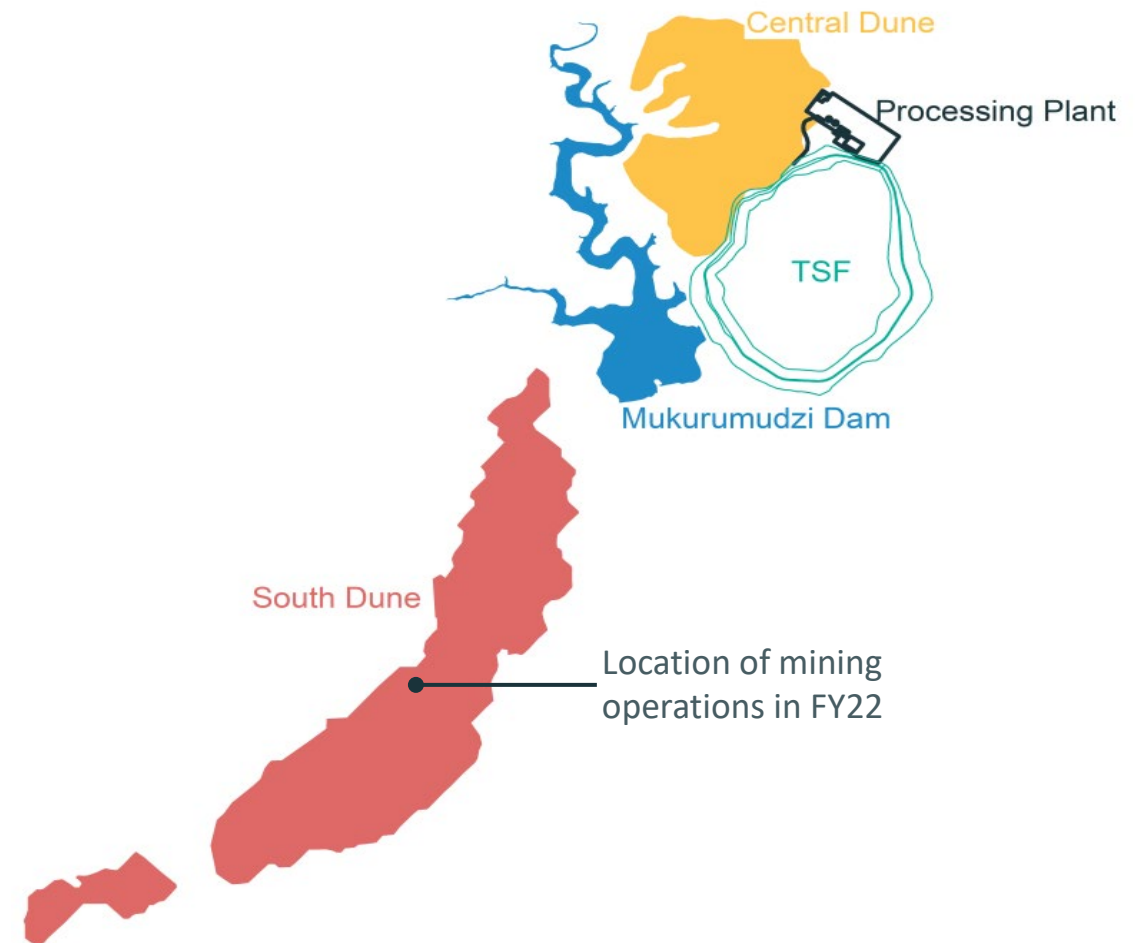
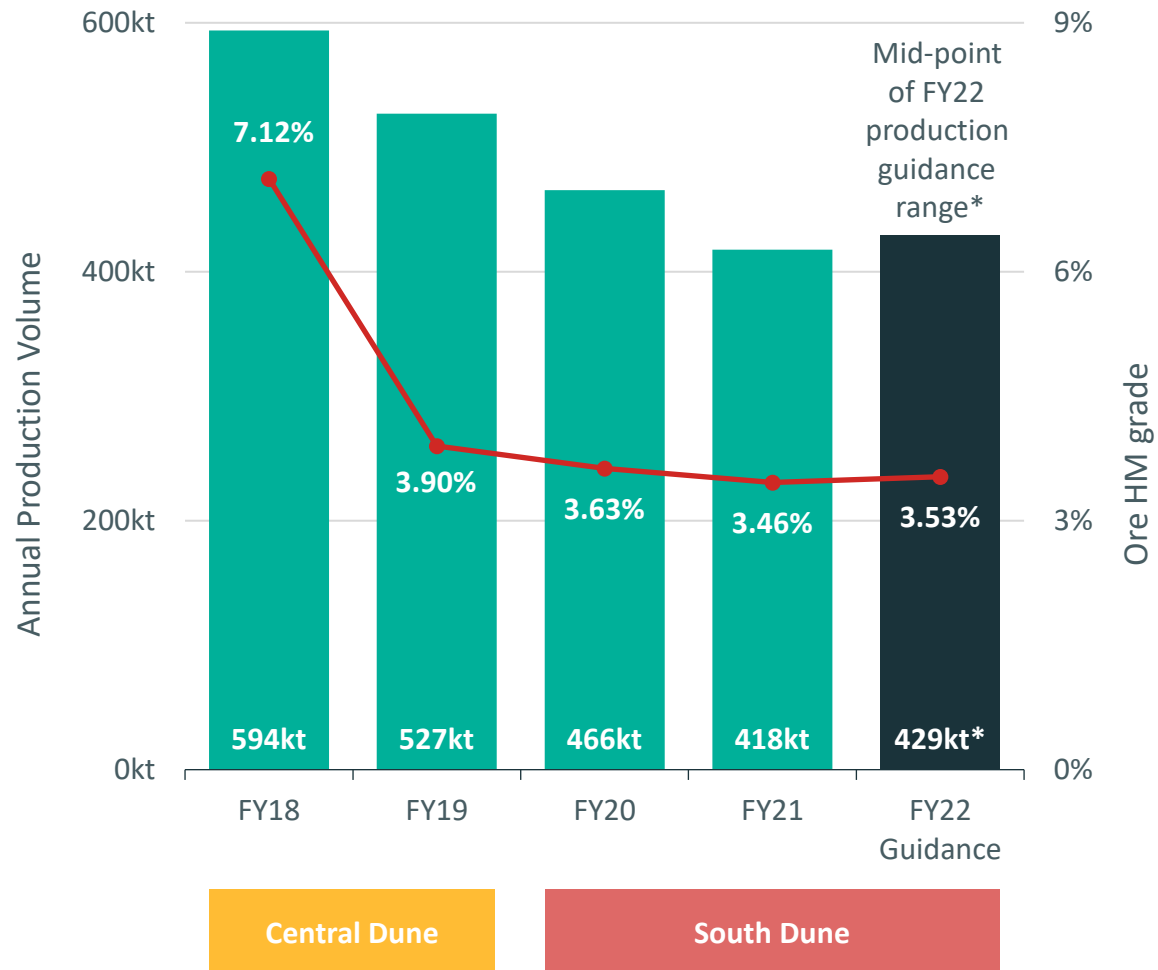
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Medical Treatment
Injuries

The foundation - The Kwale Operation

Video available at www.basetitanium.com

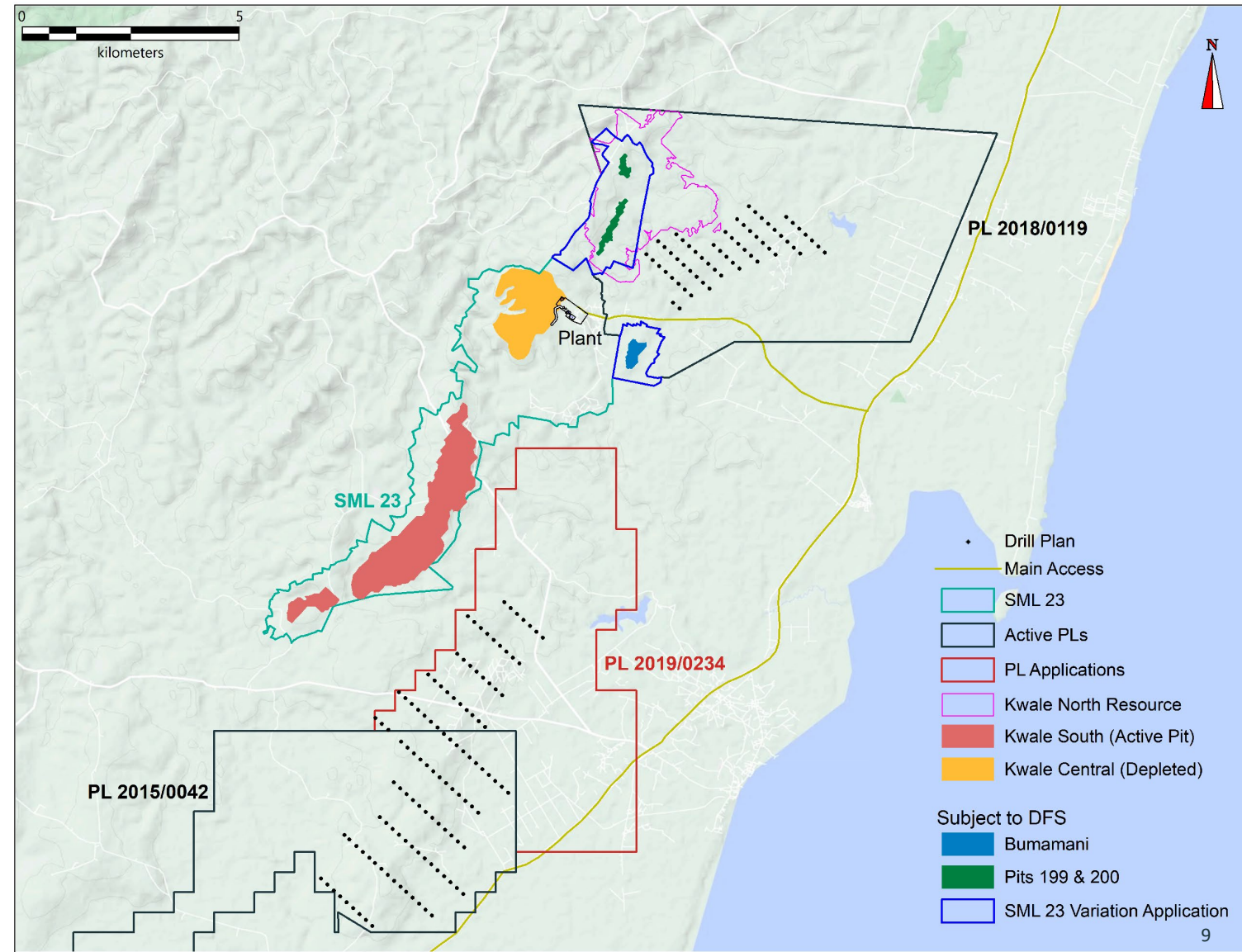
Consistent delivery to plan



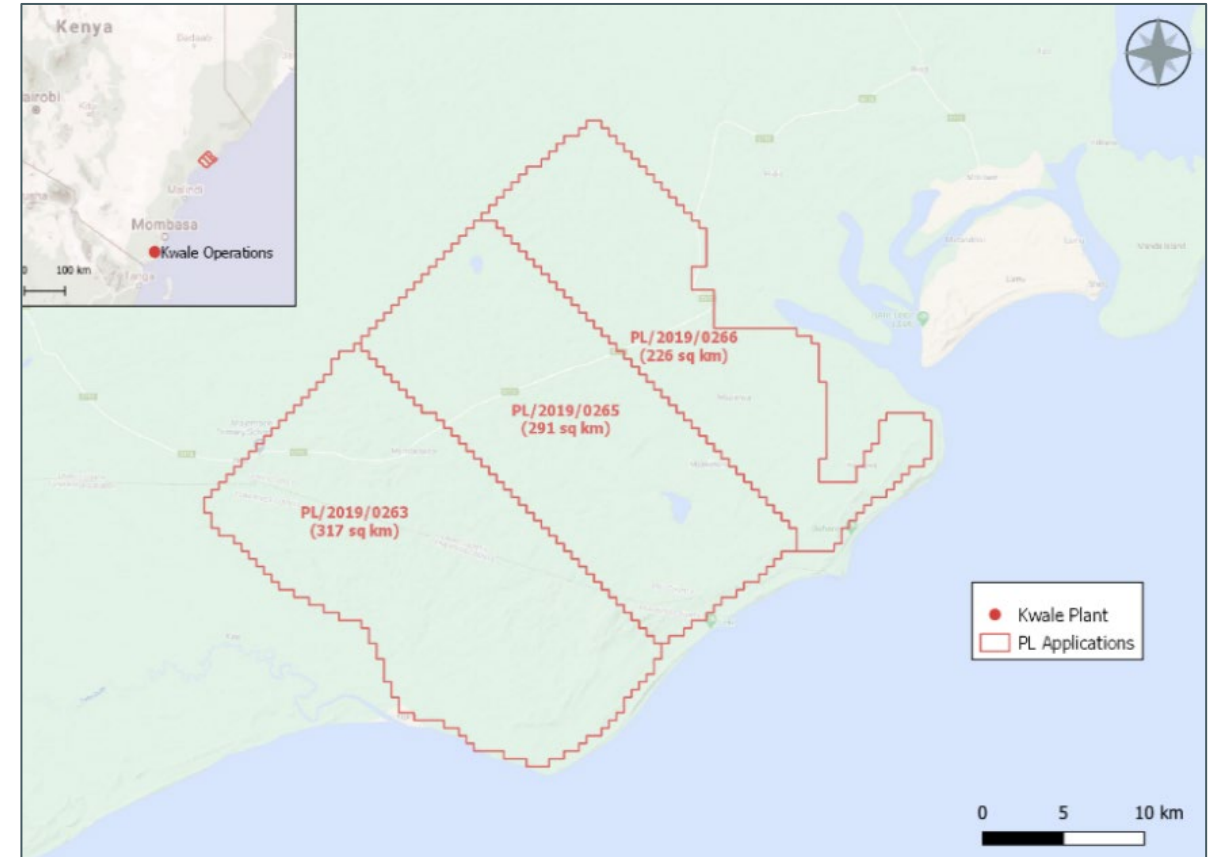
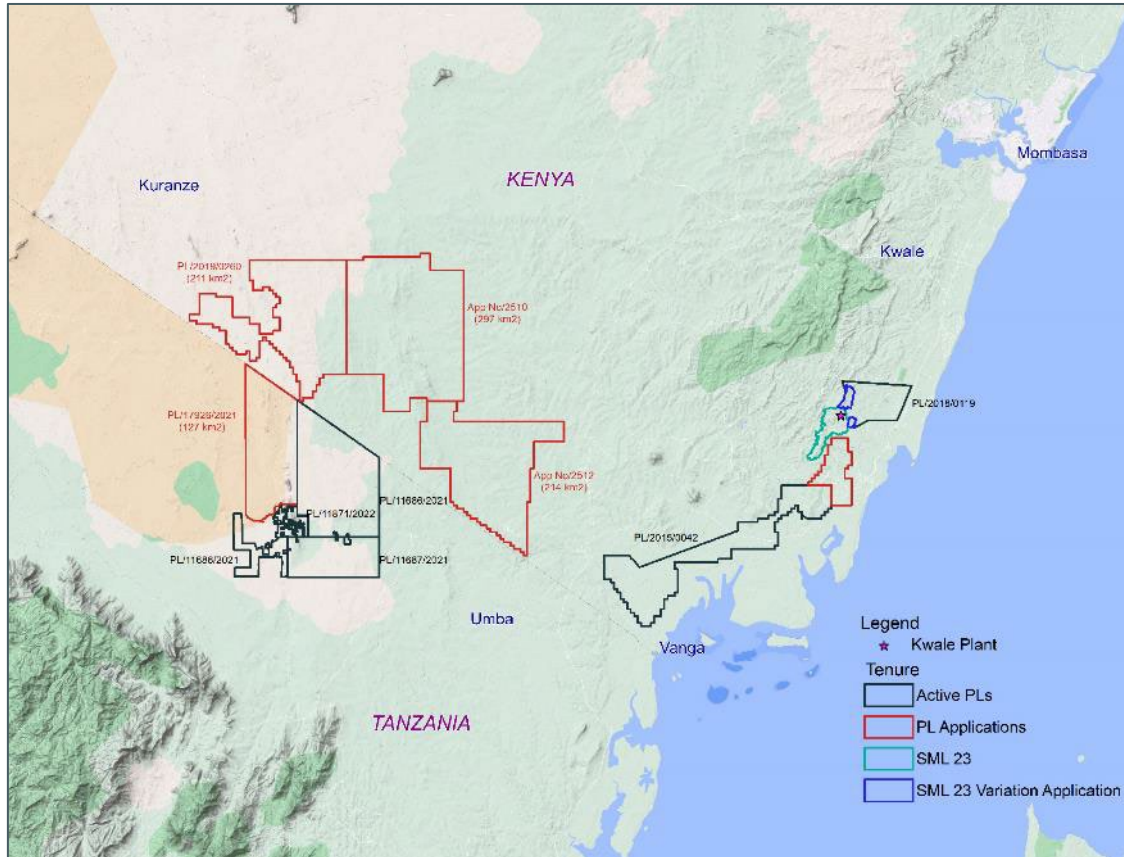
Mine life to late 2023...potential to late 2024



- Kwale South Dune Ore Reserves provide mine life to **late 2023**.
- Bumamani Project:
 - PFS supported a mine life extension to mid-2024.
 - DFS underway to support **extending mine life to late-2024** with the inclusion of additional resources.
 - DFS due for release in the June quarter.
- Looking to extensions **beyond 2024**, with recent positive progress toward obtaining requisite community support for exploration to commence in the North East zone.



...with opportunities further afield

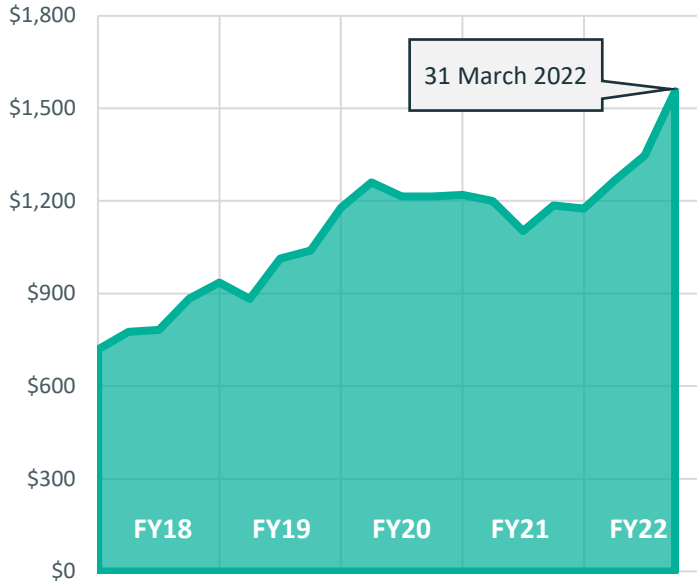


Four Tanzanian exploration licences granted, with a fifth progressing, and exploration activities underway. Base Resources is engaging with the Government of Kenya and other stakeholders to have the November 2019 moratorium on the issuance of prospecting licences lifted and issuance of mineral rights recommenced.

Strong demand for all products continues

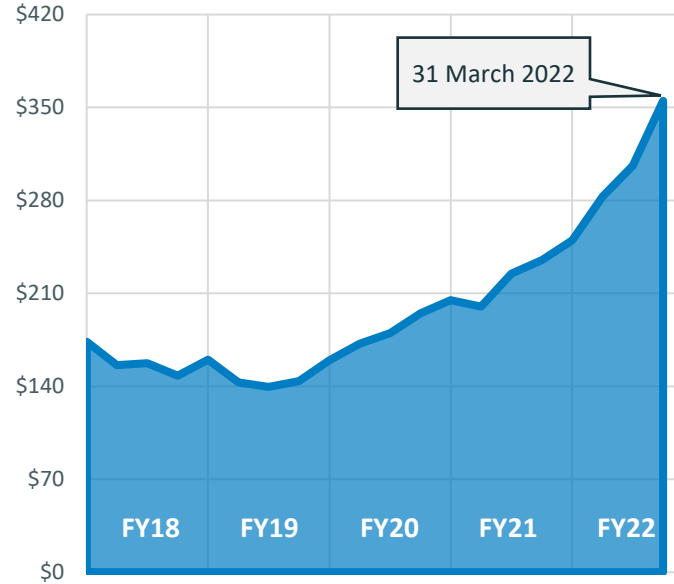


Historical rutile prices (US\$/t FOB)



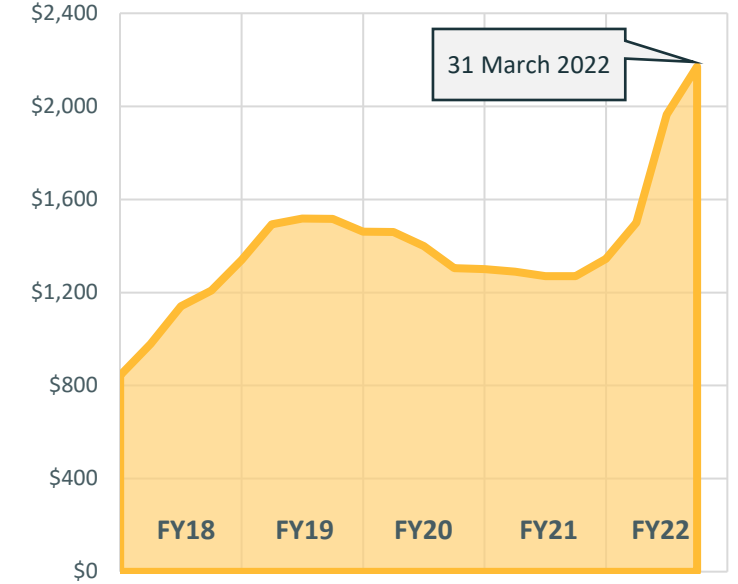
- Strong demand from all sectors and ongoing supply constraints.
- Lack of feedstock limiting western pigment production.
- Further price increases secured for the June quarter.

Historical ilmenite prices (US\$/t FOB)



- Global demand remains very strong - increased supply not keeping up with demand.
- Ukraine conflict disrupting supply into global market.
- Further price gains secured for the June quarter.

Historical zircon prices (US\$/t FOB)



- Tight market with strong demand from all sectors and limited supply.
- Prices increases in the March quarter and US\$285/t increase secured for June quarter contracts.

A sound financial platform



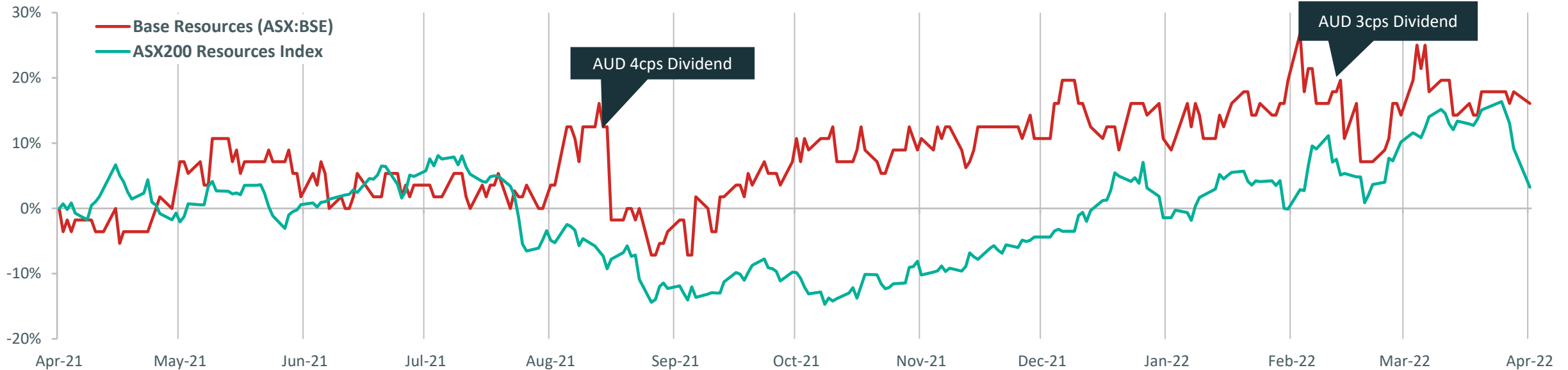
As at 31 March 2022

- Net cash position of US\$41.5m
 - Cash and cash equivalents of US\$41.5m
 - No debt

Solid equity base (ASX & AIM: BSE)

- A\$377m market capitalisation @ A\$0.32
- A tight, institutional register, including:*

 - Pacific Road Capital (26.5%)
 - Sustainable Capital (23.8%)
 - Regal Funds Management (11.3%)
 - Fidelity (10.0%)



* Based on substantial holders notices received and Base Resources' beneficial owner register analysis up to and including 6 May 2022

Capital management provides continued 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 to meet the Company's near-term growth and development requirements, or to maintain requisite balance sheet strength in light of prevailing circumstances, could be expected to be returned to shareholders.

- FY22 half-year dividend of AUD 3.0 cents per share (unfranked) wholly paid from conduit foreign income.
 - Totalling AUD\$35.3m (~US\$26.1m)
- Dividends distributed to shareholders since October 2020 total AUD 13.5 cents per share, equal to US\$117.3m.
- Continues to strike the right balance between delivering cash returns to shareholders, retaining balance sheet strength and allowing for sensible progression of the Toliara Project.

Toliara – a world class development opportunity

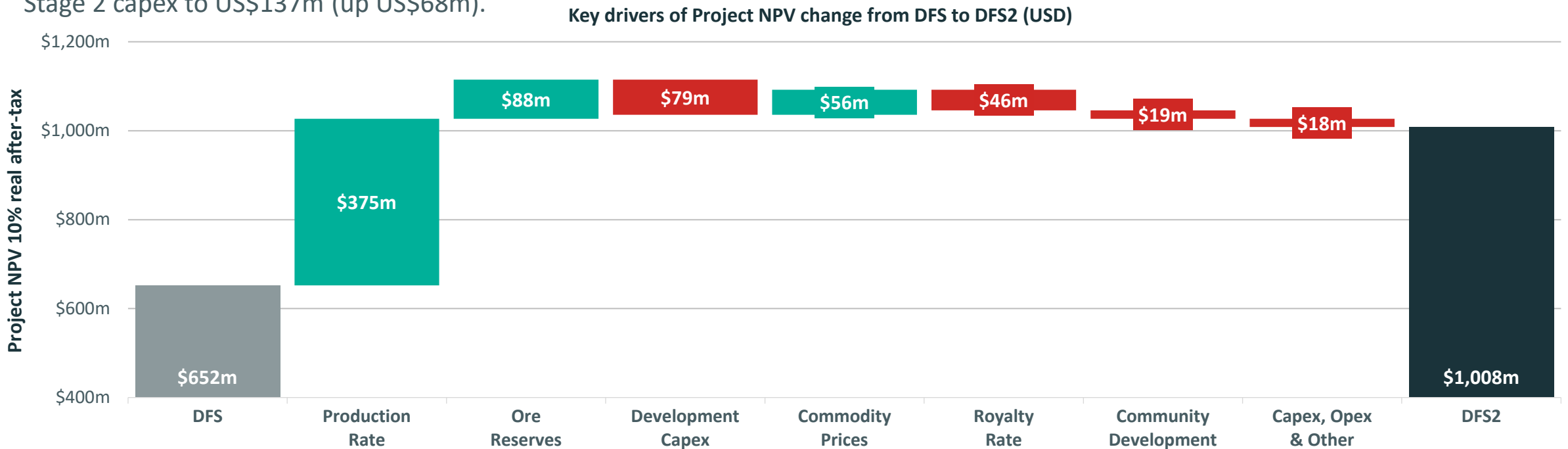
Project video available at
www.baseresources.com.au

DFS2 enhances Toliara Project scale...



Since release of the DFS in 2019, the Ranobe Mineral Resources and Ore Reserves estimates have substantially increased, which, when combined with the attractive long-term supply-demand outlook, have provided the opportunity to enhance project value by increasing its scale.

- Ranobe Ore Reserves estimate increased to 904Mt at an average heavy mineral grade of 6.1% – extending initial mine life to 38 years.
- Increased scale of Stage 2 lifts mining rates to ~25Mtpa (33% higher than the 2019 DFS) and adds ~47% to MSP production capacity (to 220tph).
- Stage 1 capex increased to US\$520m (up US\$78m), primarily due to input cost escalation, while the larger scale of Stage 2 increases Stage 2 capex to US\$137m (up US\$68m).



Refer to the Appendix to this document for further information about the Ranobe Ore Reserves estimate.

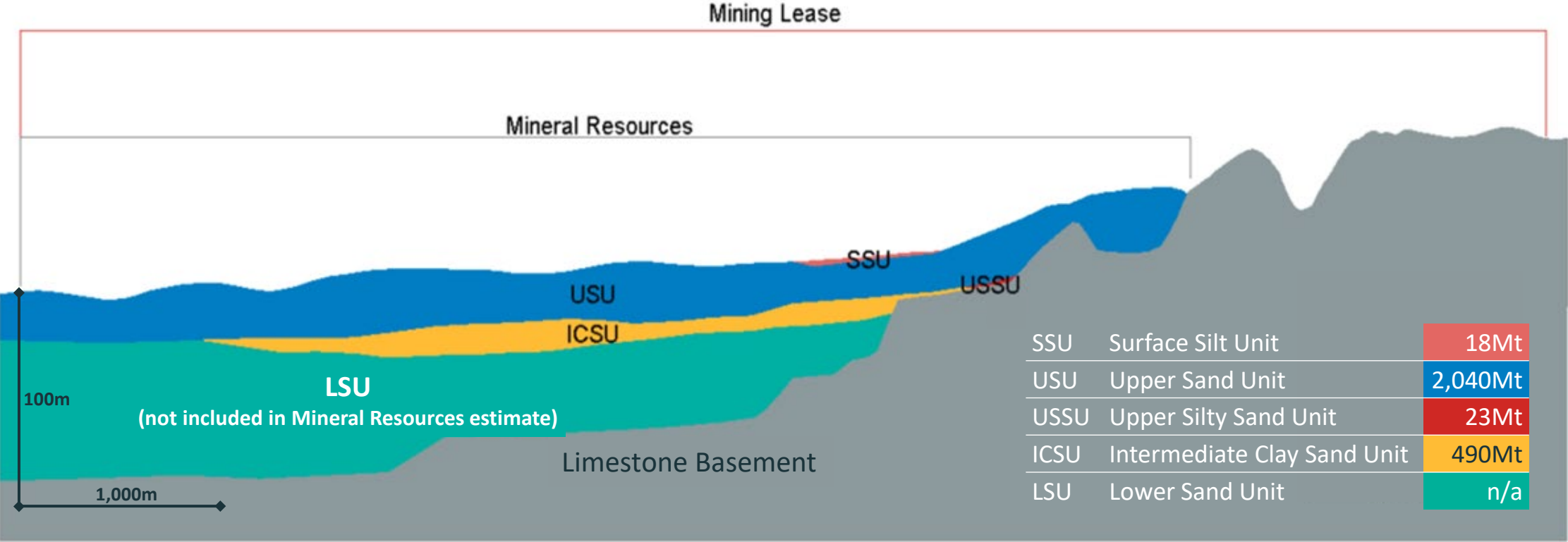
... and improves already strong economics



- 55% increase in post-tax / pre-debt (real) NPV @ 10% discount rate to US\$1,008m.
- Average revenue to cost of sales ratio improves to 3.5.
- LOM free cash flow increased by 60% to US\$5.9 billion, with the first 10 years averaging US\$210m per annum.
- Annual averages (excluding first and last partial operating years):
 - Revenue US\$317m - a 28% increase.
 - Operating costs of US\$90m (inclusive of 4% royalties) higher than the 2019 DFS due to increased scale of operation and royalties.
 - EBITDA US\$219m – 34% higher.
 - Free cash flow US\$174m – 32% higher.

	Unit	DFS2	DFS
NPV ₁₀ (discount rate of 10%), post tax, real	US\$ millions	1,008	652
IRR	%	23.8	21.4
Initial (Stage 1) capex	US\$ millions	520	442
Construction period (Stage 1)	Months	27	26
Stage 2 capex	US\$ millions	137	69
Construction period (Stage 2)	Months	21	12
Capital payback period (Stage 1 + 2)	Years	4.5	4.3
Life of mine	Years	38	33
LOM operating costs + royalty	US\$/t ore mined	3.78	4.31
LOM operating costs + royalty (A)	US\$/t produced	88	94
LOM revenue (B)	US\$/t produced	306	295
LOM cash margin (B-A)	US\$/t produced	218	201
LOM revenue : cost of sales ratio (B/A)	Ratio : 1	3.5	3.2
LOM free cash flow	US\$ millions	5,922	3,692

Toliara Project Mineral Resources increased...



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

- 68% increase in contained HM to 111Mt
- Measured & Indicated of 1,390Mt @ 5.1% HM
- LSU yet to be incorporated in estimate

Ranobe Ore Reserves - 904Mt @ 6.1% HM

- 45% increase in contained HM to 55Mt at 6.1%
- 50% of current Mineral Resources contained HM
- Only includes material from the SSU and USU

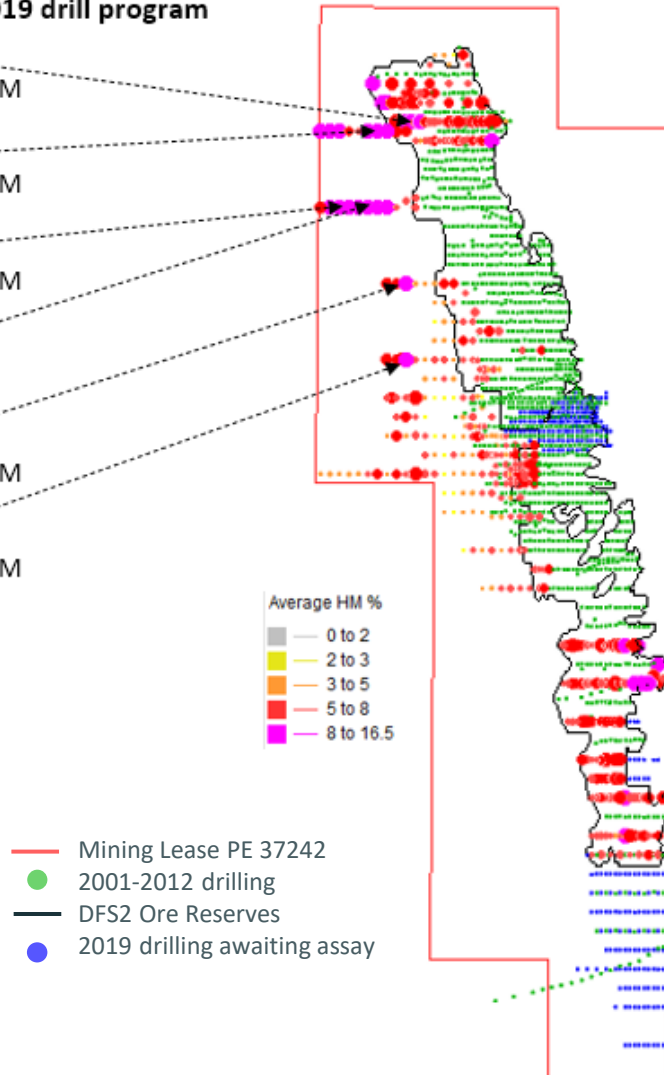
Refer to the Appendix to this document for further information about the Ranobe Mineral Resources and Ranobe Ore Reserves estimates.

...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



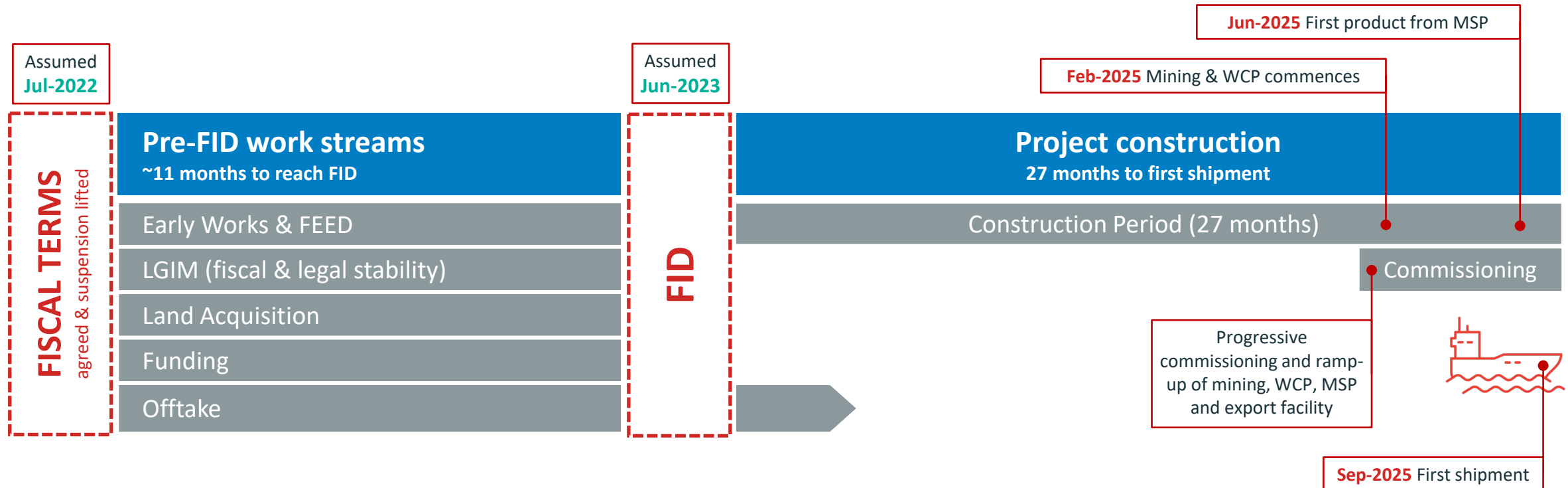
- The 2019 drill program identified significant heavy mineral intercepts in the LSU in the NW sector.
- Further drilling, and subsequent resource definition, targeting high-grade LSU zones in the NW sector to be completed as access to site becomes available.
- Mineral Resources HM estimate contains 2.0% monazite.
 - Represents a significant potential source of REO.
 - Concept study to assess the monazite and REO potential commenced.
- Higher garnet levels are evident in the LSU.
 - Potentially suitable for the waterjet and blast markets.

Notes:

- For further information in relation to the drill results on this slide, refer to Base Resources' announcement on 21 January 2020 "Toliara Project drill assays reveal significant high-grade mineralisation" available at <https://baseresources.com.au/investors/announcements>. Base Resources confirms that it is not aware of any new information that materially affects the information included in that announcement.
- The 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

Planned FID has been delayed due to the suspension of on-ground activities. Once fiscal terms are agreed and this suspension is lifted, there will be approximately 11 months' work to complete prior to FID, including finalising financing, completing the land acquisition process and concluding major construction contracts. We maintain readiness to accelerate progress when conditions support.



Positioned for growth

- Team with a **track record of delivery**.
- Consistent, **high cash flow Kwale Operations**, with extension potential.
- Reputation for **excellence in safety, community and environment**.
- A **robust financial position from** which to grow the business and **deliver returns** to shareholders.
- Market outlook supporting a **clear need for new supply**.
- A **world class development asset** in the long-life Toliara Project.





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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 estimate¹ at 27 September 2021											
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
Total	2,580	111	4.3	7.7	0.4	71	1.0	1.0	5.9	2.0	3.4
Ore Reserves estimate at 27 September 2021											
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		
Total	904	55	6.1	3.8	0.1	73	1.0	1.0	5.9		

- 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 27 September 2021

							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
	Total USU	2,040	93	4.5	3.3	0.1	72	1.0	1.0	5.9	1.9	3.3
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
	Total SSU	18	0.7	3.8	18	0.5	71	0.9	0.9	6.3	1.9	4.3
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
	Total USSU	23	1.5	6.4	25	1.6	72	0.8	0.8	6.5	1.6	4.6
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
	Total ICUSU	490	15	3.2	25	1.8	69	1.1	1.1	5.9	2.1	3.7
Total – all zones		2,580	111	4.3	7.7	0.4	71	1.0	1.0	5.9	2.0	3.4

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 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.