ANNUAL REPORT 2023

BASE RESOURCES

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Forward Looking Statements

Certain statements made in or in connection with this Annual Report contain or comprise forward-looking statements, including statements regarding capital cost, capacity, future production, grades, sales projections, financial performance, estimated mineral resources and ore reserves, trends in or expectations for commodity prices, demand for commodities (in particular mineral sands), plans, strategies and objectives of management, operating costs, anticipated production life, provisions and contingent liabilities, and tax and regulatory developments. Such statements may be (but are not necessarily) identified by the use of phrases such as "will", "expect", "anticipate", "believe", "envisage", "target" and "guidance".

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that are beyond Base Resources' control.

No representation, warranty, assurance or guarantee can be given that such forward-looking statements will in fact be achieved or prove to be correct. Results or outcomes could differ materially from those expressed or implied by the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives and strategies, changes in the regulatory environment and other government actions, fluctuations in product prices and exchange rates and business and operational risk management.

To the maximum extent permitted by law, Base Resources and its related bodies corporate and affiliates, and their respective directors, officers, employees, agents and advisers, disclaim any liability (including, without limitation, any liability arising from negligence or negligent misstatement) for any direct or indirect loss or damage arising from any use or reliance on this Annual Report or its contents, including any error or omission or otherwise in connection with it.

Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, Base Resources does not undertake to publicly update, review or release any revisions to these forward-looking statements to reflect new information or future events or circumstances.

WE ARE BASE RESOURCES

About us

Base Resources (ASX and AIM: BSE) is an Australian-based, African-focused, mineral sands producer and developer headquartered in Perth, Western Australia. We operate the established Kwale Operations in Kenya which produces a suite of mineral sands products, namely ilmenite, rutile and zircon. We are also developing the world class Toliara Project in Madagascar.

Where we're going

Our audacious goal is to be the pre-eminent African-focused mining company with a portfolio of exceptional operations and opportunities, fully valued by our stakeholders, by 2031. This means:

> We will be the first thought of company when considering truly successful resource development in Africa.

> We will be leveraging the expertise developed and honed in Africa and successfully applying it elsewhere.

> Our opportunities will emerge from clever exploration, acquisition and collaboration. They will represent an optioned pathway to sustained performance.

> Governments and communities will invite us in and employees will seek us out.

> Shareholders will fully value our sustained, predictable and growing earnings.

Our commitment to sustainability is framed by our North Star purpose

Base Resources has a clear understanding of, and commitment to, our purpose being to contribute to solving the problems of people and planet. We do so profitably, without profiting from causing problems.

Our approach to developing and operating mines is anchored in this purpose, with foundational philosophies that place sustainability at the centre of our business:

> We demonstrate that sustainable mining can be a reality, where essential resource extraction is undertaken, generating requisite shareholder returns, whilst improving environmental, social and economic outcomes.

> We minimise environmental disturbance, restore land we do disturb and seek opportunities for enhancement to ultimately leave a physical environment that is richer for our presence.

> We facilitate meaningful and lasting improvement in the lives of those in the communities in which we operate.

> As we seek to identify issues and opportunities to be addressed, and develop and implement solutions, we know we do better when we listen respectfully to those with different perspectives, act in partnership with others, and consider the full lifecycle of mining.

> We recognise that trade-offs between impacts – social and environmental, local and global – will naturally exist, may be challenging to reconcile but need to be navigated to produce the best collective outcome.

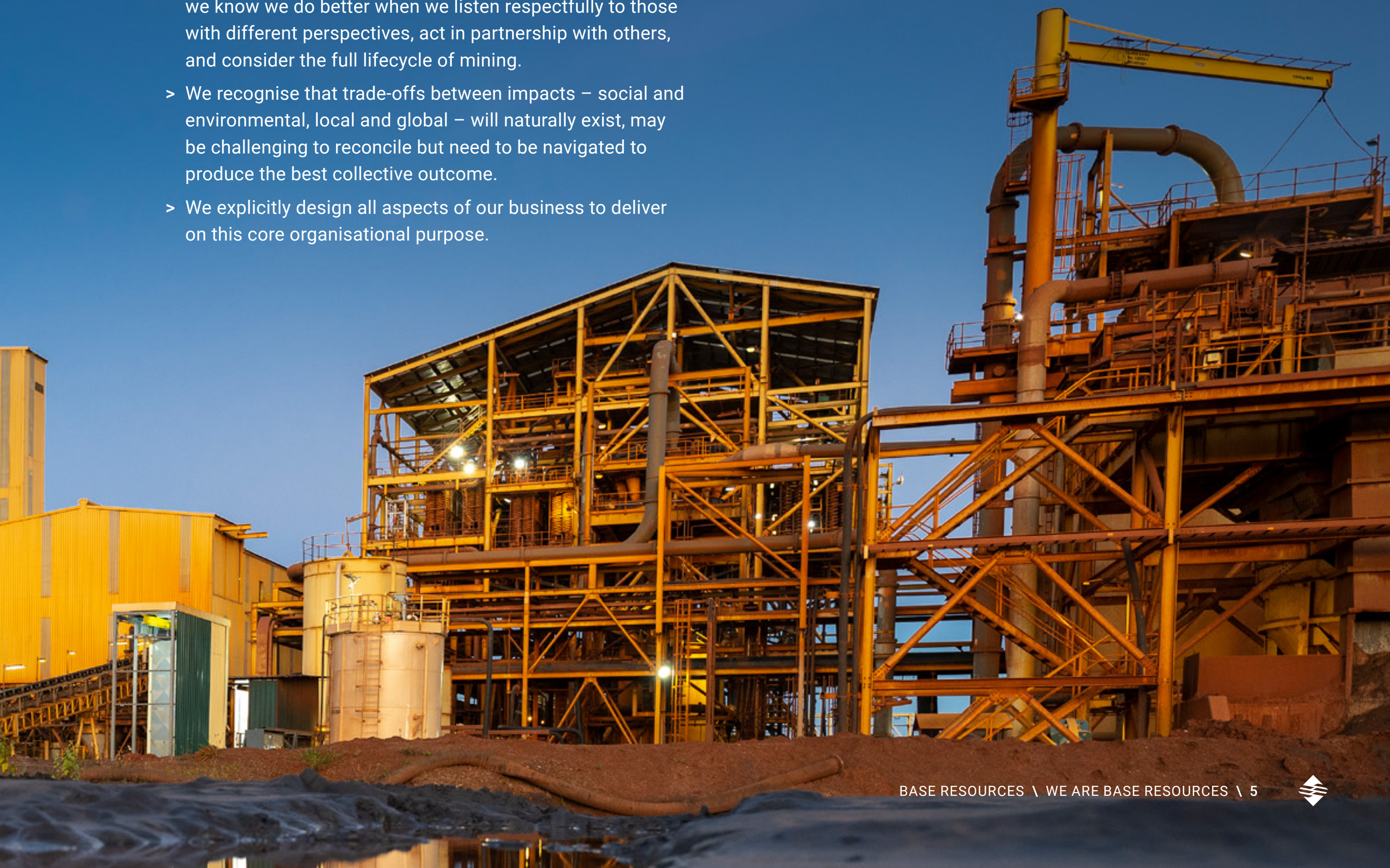
> We explicitly design all aspects of our business to deliver on this core organisational purpose.

The Base Way

We are guided by The Base Way – a set of beliefs and principles that permeate every aspect of our business and our culture. The Base Way is grounded in our belief in the potential of our people, the power of the team, the value of resources and absolute integrity.

Everyone who works for us, whether an employee, a contractor or a consultant, is empowered to act with absolute integrity, to uphold respect for human rights, to value resources, and to maximise their potential as individuals and as a team. The Base Way also extends to our suppliers and partners.

All our people are held to account for behaviour consistent with The Base Way. We reflect The Base Way in our Code of Conduct for personnel, our Supplier Code of Conduct and company System documents.



FY23 HIGHLIGHTS & ACHIEVEMENTS

REVENUE

271.4

US$ MILLION

EBITDA

158.6

US$ MILLION

TOTAL FY23 DIVIDENDS

6.0

CENTS PER SHARE (AUD)

REVENUE TO COST OF SALES RATIO

3.2

INVESTMENT IN COMMUNITY & ENVIRONMENT PROGRAMS

7.9

US$ MILLION

Inaugural Sustainability Report released

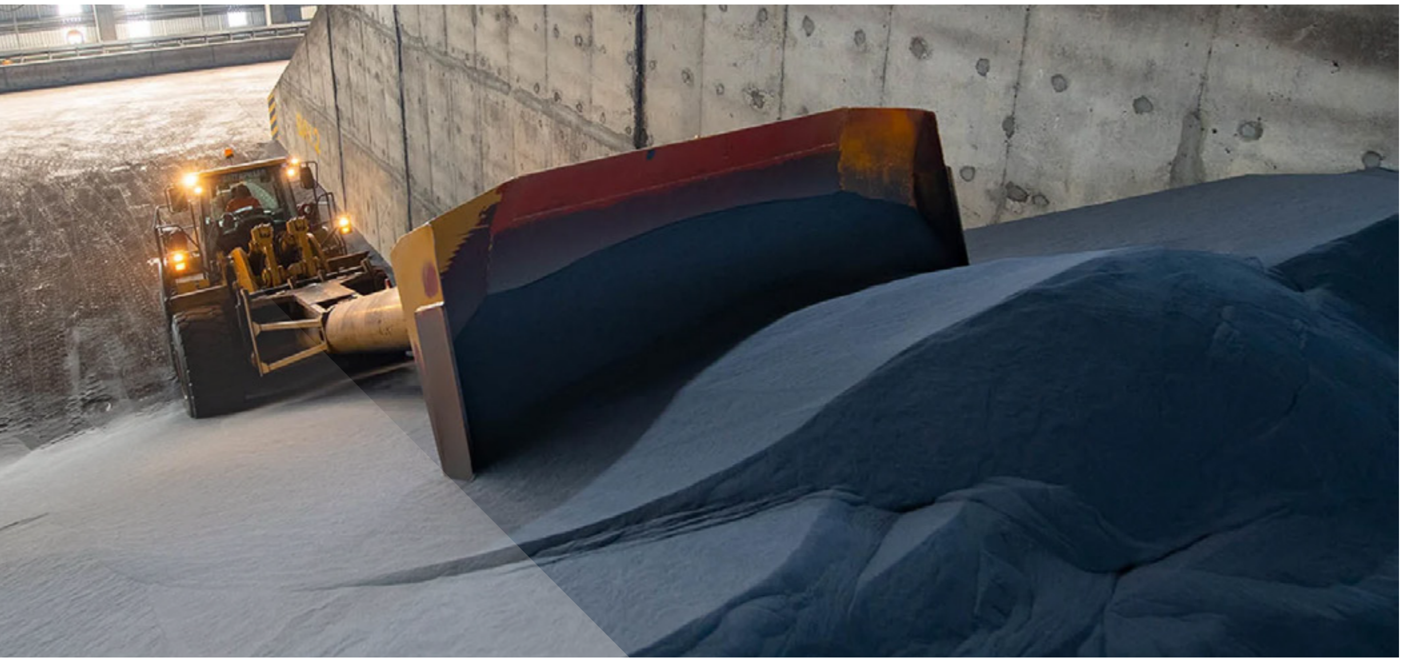
Successful transition of Kwale Operations mining to North Dune

Extensional exploration drilling commenced at Kwale East

Won two of the nine ESG awards at the 2023 African Mining Indaba

Toliara Rare Earths Concept Study confirms significant additional economic potential

CHAIR'S LETTER



Dear Shareholders

The 2023 financial year has been another operationally and financially successful one, in which Base Resources has continued to deliver robust results at our Kwale Operations in Kenya, even as we made the transition to the more challenging and lower grade ore sources that will characterise the final years of the operation. Helpfully, 2023 has seen the continuation of the buoyant mineral sands markets that we have enjoyed over the last few years, supporting further significant cash returns to shareholders in concert with pursuing our growth strategy.

Notwithstanding the current global economic uncertainties, demand for our products remains robust, albeit with some headwinds emerging. In the longer term, a forecast structural supply shortfall is expected to require multiple Toliara size projects to be developed by the end of the decade. Both short and long-term markets present attractive opportunities for Base Resources as an established and experienced mineral sands producer and developer.

Kwale Operations has been a remarkably predictable operation from the very commencement of production in late 2013. The 2023 financial year was no exception, meeting guidance and shipping schedules whilst introducing a new orebody. The commencement of mining operations on the lower-grade North Dune orebody in February as part of the implementation of the Bumamani Project did bring with it some mining and processing challenges that the operations team have been able to mitigate with commendable creativity and resolve. Notwithstanding the complexity and intensity of the year, the Kwale team maintained its focus on health, safety and wellbeing, with frequency rates (per million hours worked) for both Lost Time Injuries and Total Recordable Injuries at zero at the time of writing.

The introduction of the North Dune does herald the arrival of a lower-grade and lower production paradigm for Kwale Operations, as highlighted in the FY2024 production guidance released in June. With tight control of costs and a supportive pricing environment, the economics of Kwale remain sound with a revenue to cost of sales ratio (operating margin) for the June 2023 quarter of 2.6:1.

Despite lower production following the introduction of the North Dune, and benefiting from a robust pricing environment, sales revenue for the Group of US$271 million was only 3% lower than FY2022 and underlying EBITDA of US$158.6 million was only marginally below the record set in FY2022. Despite this, a net loss of US$4.8 million was recorded, with profitability impacted by a non-cash impairment of US$88.9 million following a reassessment of the carrying value of Kwale Operations and reflects the increased operating costs of mining the North Dune, the softening outlook for mineral sands product prices over the remaining mine life and an improved understanding of the ultimate costs of closure.

Strong underlying cashflow enabled the Company to end the year with US$92.9 million net cash, after paying out an aggregate of US$38.3 million in dividends and investing US$38.2 million in capital projects over the course of the financial year.

On the back of this strong financial performance, and in line with the Company's capital management policy, the Board has determined a final dividend of AUD 4.0 cents per share, unfranked, which will be payable on 28 September 2023. Together with the AUD 2.0 cents paid in March, this brings the total distributions to shareholders determined in respect of the reporting period to AUD 6.0 cents per share, unfranked. This will see sufficient cash retained for the Company to execute its strategic growth plan, including the sensible progression of the Toliara Project.

The Company remains intensely focused on ensuring that Kwale Operations maximises value for all stakeholders by exploiting all viable ore sources whilst ensuring an optimised closure. The on-schedule and within budget implementation of the Bumamani Project to extend mine life through to the end of the 2024 calendar year was a significant step. The near-mine Kwale East sector presents a further extensional opportunity with three areas of mineralisation identified for targeted exploration in the second phase air core drilling program currently underway. The remnant North Dune resource outside the current mine plan is large scale but its grade is too low to carry the expected operating and capital costs required to exploit it at this time.

Recognising the uncertainty of further mine life extension beyond December 2024, significant effort is now going into planning for the ultimate closure of Kwale Operations and the transition to post-mining land use, with the clear objective of cementing a reputation for excellence in the full life cycle of mining.

The Toliara Project in Madagascar continues to represent a transformational growth opportunity for the Company. Building on the updated Definitive Feasibility Study released in FY2022, which significantly increased both the scale and economic value of the mineral sands project, a concept study assessing the commercial potential of Toliara's monazite content, a source of valuable rare earth products, has been completed. This study confirmed substantial economic potential and further reinforced our belief that the Toliara Project is the best undeveloped mineral sands asset in the world. We look forward to sharing more with shareholders on this opportunity as we complete the study phases and clear regulatory hurdles.

After making sound progress in our discussions with the Government of Madagascar in relation to the fiscal terms applicable to the project and the lifting of the on-ground suspension, engagement has slowed due to the Government's focus on an overhaul of the Malagasy Mining Code and preparations for the upcoming Presidential elections. However, strategic engagement with key stakeholders has facilitated a further groundswell of support for the Toliara Project, both regionally and nationally. This has brought the transformational value of the project to Madagascar, the Atsimo-Andrefana region and our local communities into sharp focus.

Until the Mining Code reform is completed and the elections finalised in the coming months, we don't expect to achieve material progress in securing fiscal terms or lifting of the project's on-ground suspension. While acknowledging that the pace of engagement with host governments has been frustrating for some shareholders, we are clear that our patient approach is the right one to secure outcomes that will support the realisation of optimum shareholder value from our growth opportunities.

With the delay in advancing the Toliara Project while fiscal terms are secured, substantial effort is being applied to the identification of attractive business development opportunities to provide broader funding options for Toliara development and secure optionality in pursuit of our longer-term Vision 2031 objective of multiple concurrent operations.

Base Resources has a clear understanding of, and commitment to, our purpose being to contribute to solving the problems of people and planet. We do so profitably, without profiting from causing problems. Consequently, sustainability has always been central to our business model – embedded across every phase of our approach to developing mineral sands mines from exploration, through mining and then post mine land use. We had previously refrained from publishing a standalone sustainability report, preferring to concentrate on actions and outcomes, but decided that the time was right to communicate our achievements, reflect on our learnings from Kwale Operations and talk to our ambitions for the Toliara Project with the release of the Company's inaugural sustainability report in October 2022. While we are most proud of the impacts of our actions, the recognition of our peers through two sustainability awards at the 2023 Mining Indaba conference is pleasing and hopefully an indication that we are encouraging others on a similar path.

As an experienced and well-established producer and developer, the Company is ideally positioned to leverage opportunities in the evolving mineral sands sector. While we are completely cognisant of the challenges before us, we are confident we have the team, approach, reputation and support to successfully navigate them.

As part of our approach to both renewal and ensuring the right mix of skills for the coming years' challenges, the Board was bolstered by the addition of Sheila Khama as a Non-Executive Director. As well as a deep personal connection to Africa, Ms Khama brings a wealth of valuable experience and expertise in managing relations and working collaboratively with host governments and in the sustainable development of natural resources, all critical to Base Resources' future growth and success.

I would like to sincerely thank you, our shareholders, for your ongoing belief in the Company and our exceptional team. We appreciate your support as we seek to evolve our company and capitalise on the significant opportunities we have before us.

Michael Stirzaker
Chair

YEAR AT A GLANCE

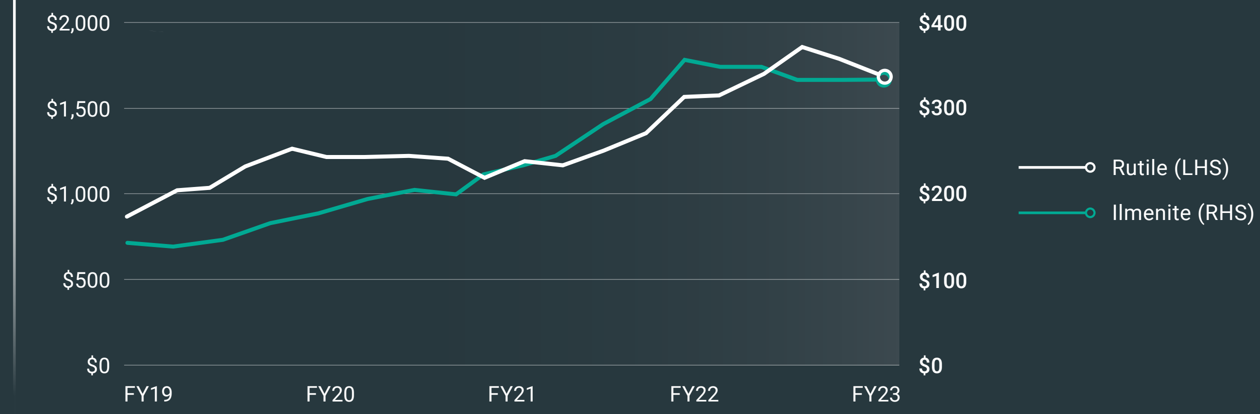
PRODUCTION TONNES

297,861	68,814	25,954
ILMENITE	RUTILE	ZIRCON

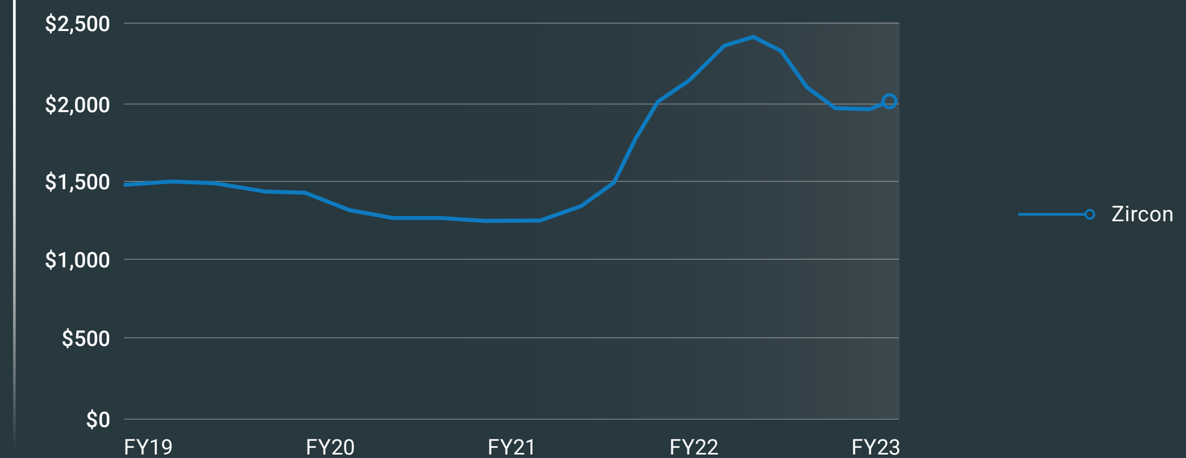
FULL YEAR FINANCIAL SUMMARY

US$millions	2023	2022
Revenue	271.4	279.1
EBITDA	158.6	158.7
Net depreciation	(37.0)	(40.7)
Underlying EBIT	121.5	118.0
Net finance expense	(2.7)	(4.1)
Income tax expense	(22.2)	(19.6)
Kenyan dividend withholding tax	(12.6)	(13.5)
Underlying NPAT	**84.0**	**80.7**
Impairment loss	(88.9)	-
Net profit (loss) after tax	(4.8)	80.7
(Loss) Earnings per share (US cents)	(0.42)	6.92
Revenue to cost of sales ratio	3.2	3.2

HISTORIC ILMENITE / RUTILE PRICES ($US/t FOB)



HISTORIC ZIRCON PRICE ($US/t FOB)



OPERATING AND FINANCIAL REVIEW

OPERATIONS

Base Resources operates the 100% owned Kwale Operations in Kenya, which commenced production in late 2013. Kwale Operations is located 50 kilometres south of Mombasa, the principal port facility for East Africa.

Kwale Operations is designed to process ore to recover three main products: rutile, ilmenite and zircon. Base Resources employs a hydraulic mining method which has proven cost effective and well suited to the Kwale deposit and involves blasting the mining face directly with high pressure jets of water to create an ore slurry. The ore slurry is then pumped to the wet concentrator plant where slimes are removed before a number of gravity separation steps reject most of the non-valuable, lighter gangue minerals to produce a heavy mineral concentrate. The heavy mineral concentrate is then processed in the mineral separation plant which cleans and separates the rutile, ilmenite and zircon minerals into finished products for sale. The Company also produces low grade zircon and rutile products.

Mining

As part of implementation of the Bumamani Project to extend Kwale Operations mine life to late 2024, mining operations commenced on the North Dune in the reporting period. Mining now operates concurrently on the South and North Dunes, split equally between the two deposits.

Mining volume in the reporting period was slightly lower than the prior period, at approximately 16.3 million tonnes, primarily due to the stoppage required to transition mining operations to the North Dune. Additionally, slower mining rates have been experienced in the lower ore zones of the North Dune due to higher compaction from the elevated oversize and slimes. The average heavy mineral grade of ore mined decreased slightly to 3.68% (prior period: 3.73%) as a consequence of the lower grade of the North Dune.

Heavy mineral concentrate production in FY23 of 532,049 tonnes was lower than the prior period (565,461 tonnes) due to lower mining volumes and grade of ore mined. As HMC is the primary constraint on production, all available HMC was fed to the mineral separation plant and HMC stocks closed the year at 2,454 tonnes (prior period: 9,713 tonnes).

Mining and Wet Concentrator Plant	2023	2022
Ore mined (tonnes)	**16,264,017**	16,485,132
Heavy mineral content of ore mined (%)	**3.68**	3.73
Valuable heavy mineral content of ore mined (%)	**2.83**	2.86
WCP heavy mineral concentrate production (tonnes)	**532,049**	565,461

Processing

With a reduced volume of HMC fed to the MSP during the reporting period and marginally lower recoveries than the prior period, production of ilmenite and rutile was lower. Zircon production of 25,954 tonnes was slightly higher than the prior period (25,569 tonnes) due to an increase in the proportion of contained zircon in the ore mined relative to the prior period.

The ongoing production of low-grade zircon and low-grade rutile products is maximising the recovery and sale of the valuable heavy minerals in the orebody.

Mineral Separation Plant	2023	2022
MSP feed (tonnes of heavy mineral concentrate)	**539,308**	575,589
MSP recovery %		
Ilmenite	**98**	101
Rutile	**98**	101
Zircon	**85**	84
Production (tonnes)		
Ilmenite	**297,861**	325,148
Rutile	**68,814**	74,349
Zircon	**25,954**	25,569
Zircon low grade	**2,156**	2,555
Rutile low grade	**16,174**	10,725

Sales

The Company maintains a balance of multi-year and quarterly offtake agreements with long term customers, as well as ongoing spot sales.

These multi-year and quarterly agreements, in place with some of the world's largest consumers of titanium dioxide feedstocks and zircon products, provide certainty for Kwale Operations by securing minimum offtake quantities for the applicable period. Sales prices in these agreements are typically negotiated on a shipment-by-shipment basis or for periods of up to six months, and are derived from prevailing market prices.

The strength of the mineral sands market during the year for all products ensured that sales continued to closely match production, with minimal inventories maintained.

Product Sales	2023	2022
Sales (tonnes)		
Ilmenite	**297,536**	335,203
Rutile	**63,627**	75,315
Zircon	**25,118**	25,783
Zircon low grade	**2,318**	2,497
Rutile low grade	**15,401**	9,049

BUSINESS DEVELOPMENT

Business development remained a core focus, with the Toliara Project and opportunities to extend Kwale Operations' mine life both progressed.

Toliara Project

The Toliara Project in Madagascar is considered one of the best undeveloped mineral sands opportunities in the world. It is founded on the Ranobe deposit, located approximately 45 kilometres north of the regional town of Toliara in southwest Madagascar. The Company acquired the Toliara Project in 2018 and is currently progressing the project towards development.

In November 2019, the Government of Madagascar required the Company to suspend on-the-ground activity on the Toliara Project while discussions on fiscal terms applying to the project were progressed. Fiscal terms are yet to be agreed and the suspension remains in place, constraining development activities.

Once fiscal terms are secured and suspension lifted, there will be approximately 11 months' work to complete prior to reaching a final investment decision, including finalisation of funding, completion of land acquisitions, conclusion of major construction contracts and entering offtake agreements with customers. The Company maintains readiness to accelerate progress when conditions allow.

While progress towards development was limited during the reporting period, activities to enhance the Toliara Project continued to be advanced.

Notably, the Toliara Rare Earths Concept Study was completed, confirming the significant economic potential of the monazite contained in the Toliara Project's Ranobe Mineral Resources estimate. As any production of monazite from the Toliara Project would be a by-product from the mineral sands operation, this would make the project a very low-cost source of the rare earth elements essential for the green energy transition. A pre-feasibility study to assess potential development options is now underway and planned for completion in early 2024. A decarbonisation study for the Toliara Project, aimed at identifying potential credible pathways for achieving net zero carbon emissions for the project as soon as reasonably possible, was also undertaken and a proposed pathway for further consideration and investigation has been selected.

Kwale Operations extensional initiatives

Significant progress was made to extend Kwale Operations' mine life over the year through implementation of the Bumamani Project, which will extend mine life until late 2024. Further mine life extension beyond this is dependent on the discovery of near-mine economically viable deposits.

Kwale East is located between 2 and 6 kilometres from the Kwale Operations infrastructure and within PL0119, and is the eastern expression of a large dune system also covering the Kwale Central, South and North Dunes and the Bumamani deposit. Assay results from the first phase of scout auger drilling, undertaken during the reporting period, have identified three areas of mineralisation for further targeted exploration in the second phase air core drilling program[1]. Mineral assemblage analysis also indicates elevated concentrations of rutile and zircon relative to the Kwale deposits currently being mined.

Additional prospecting licences applied for in the Kuranze region of Kwale county, as well as over an area south of Lamu, remained in the granting process. Currently, a general moratorium on the issuance of all exploration and mining licences is in force. The Company continues to work with the Government of Kenya and other mining sector stakeholders, to see the moratorium lifted and recommencement of the issuance of mineral rights.

1. For further information, refer to Base Resources' announcement on 3 July 2023 "Kwale East exploration drilling update" 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.

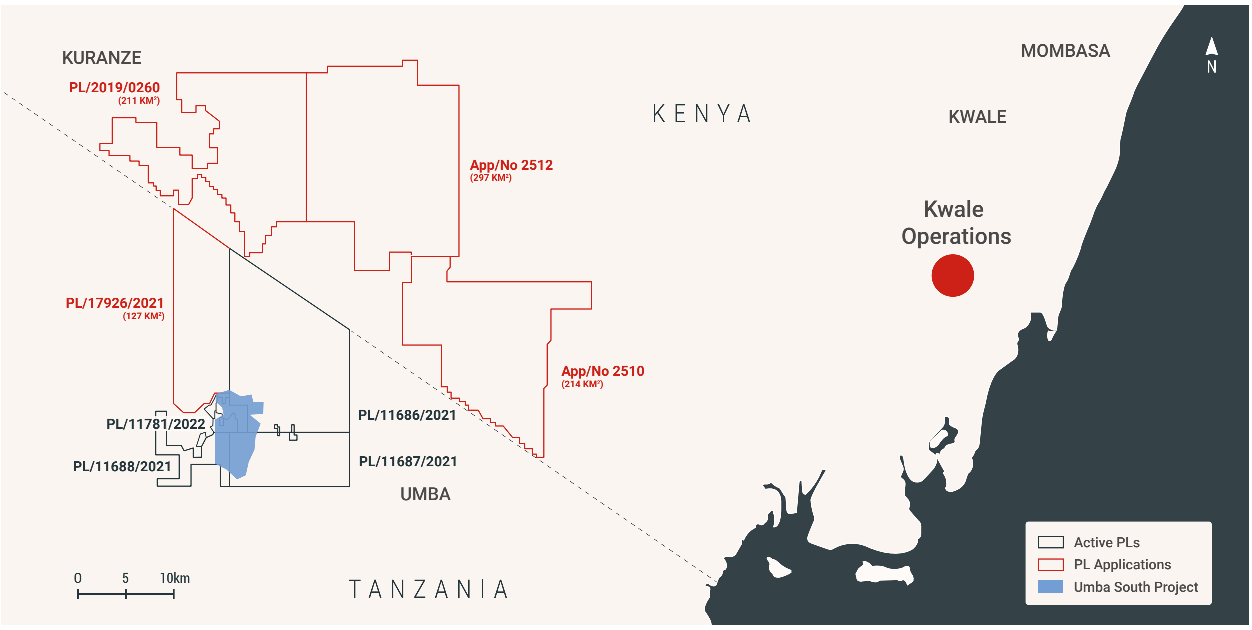
Tanzania

The Company has four prospecting licences in Tanzania covering over 263km², with a fifth application pending.

During the reporting period, the Company carried out exploration activities at its Umba South Project in northern Tanzania, located approximately 75 kilometres west-south-west of the Company's Kwale Operations in Kenya. Exploration at Umba South was designed to test the southern extremity of a prominent north-south trending ridge of quartzite and gneiss that extends 35km north to the Kuranze region of Kenya, where initial rock chip and soil sampling indicated the presence of rutile. Exploration activity in this area has so far been confined to areas south of the Umba River, while the Company seeks the necessary approvals from various government departments to explore in the Mkomazi Game Controlled Area to the north which hosts the target ridge feature extending north to the Kenyan border.

Results from the first phase reconnaissance exploration program identified three primary geological domains[2]. While rutile mineralisation was present in each domain, factors unique to each domain were identified which would be expected to limit any significant economic potential. They included a lack of mineralisation thickness, a lack of continuity of mineralisation, or the presence of known deleterious elements for mineral sands processing.

With the first phase drill spacing unable to establish geological and grade continuity of saprolite mineralisation, a second phase infill drilling program was undertaken. The results should provide a more fulsome understanding of the Umba South mineralisation, which will assist in planning future exploration activity along the prospective geological zone once necessary land access approvals are obtained.



2. For further information, refer to Base Resources' announcement on 8 May 2023 "Tanzanian exploration – Umba South Phase 1 drill results" 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

SUSTAINABILITY

Sustainability is at the core of Base Resources' business model and embedded across every stage of mine development – from exploration through to operation and beyond.

Base Resources aspires to demonstrate that sustainable mining can be a reality, where essential resource extraction is undertaken, generating requisite shareholder returns, whilst improving environmental, social and economic outcomes.

The Company designs and operates mines with the full life cycle in mind and is committed to operating in line with global best practice and employing sector-specific social and environmental performance standards. Base Resources believes that environmental and social risks and impacts are interconnected, and the Company manages them as such. As an African-focused mining company, Base Resources takes great pride in working with members of its host communities through its preferential system of employment and procurement, ensuring that those nearest to or most affected by mining activities have the greatest opportunity to benefit from those activities.

Respect for human rights is fundamental. The Company consults with local communities and its host nations at every step, and works in partnership with other interested parties to deliver on the outcomes it aims to achieve. Base Resources' operations are designed to avoid human health and ecosystem impacts wherever possible, and the Company employs restorative and regenerative land management practices in an effort to leave the surrounding environment better than it was found.

The Board has ultimate responsibility for overseeing the Company's approach to sustainability and ensuring that Base Resources' overall vision, strategy, systems and practices are all aligned. The Environment, Social and Ethics Committee assists the Board to fulfill its oversight responsibility in respect of sustainability matters. During the year, the ESE Committee met on three occasions.

Notably, during the reporting period, Base Resources released its Sustainability Policy and inaugural (2022) Sustainability Report. The Sustainability Policy sets out the Company's approach to sustainability which is then reflected in individual policies addressing specific aspects of sustainability, providing policy intent across five themes – People, Environment, Social, Ethics and Responsible Business. The 2022 Sustainability Report focuses on the sustainability issues and risks considered most impactful to Base Resources' corporate strategy and how it manages those issues and risks.

Base Resources' Sustainability Policy and 2022 Sustainability Report are available at *baseresources.com.au*.

People

Health, safety and wellbeing

Base Resources believes that a healthy and safe workforce is an essential contributor to business success and is committed to the health, safety, and wellbeing of its people and communities. The Company strives for zero harm and effective management of risks through a culture which does not accept unsafe behaviours, where employees hold each other to account, and where continual improvement and honest communication of safety issues is entrenched in the workplace.

With no lost time injuries recorded during the reporting period, Base Resources' lost time injury frequency rate for that period was zero. Up to the end of the reporting period, 6.8 million hours had also been worked without a single lost time injury. There was one medical treatment injury during the year, resulting in Base Resources' total recordable injury frequency being 0.2 per million hours worked at year end.

Local employment and workforce development

Base Resources prioritises the recruitment of local people via a system that is specifically designed to maximise employment opportunities and project benefits for local communities.

Through a 'fencing system', established in consultation with its stakeholders, Base Resources gives preference to those residing in the immediate environs of a mine with progressively lower priority given to those living further away.

Base Resources' employee fencing system has proved highly effective at Kwale Operations and, of the 1,744 employees and contractors, 99% are Kenyan with 74% drawn from Kwale County. The same approach adapted for local conditions is being implemented in Madagascar for the Toliara Project.

Base Resources has structured training and skills transfer programs covering on-the-job training for permanent employees, as well as tailored programs for graduates, interns, apprentices and high school students. Implemented in both Kenya and Madagascar, the programs focus not only on employees, but also on building skills and capacity in the broader community.

Reflecting the Company's continued commitment to skills transfer, Base Resources invested US$330,000 in training and development across its operations during the reporting period.

Diversity

Base Resources believes that having a diverse workforce and an inclusive working environment enhances business performance because it leads to a broader range of perspectives and insights on issues facing the business and potential opportunities. The Company is focused on enhancing gender diversity and inclusion at all levels within its organisation. While Base Resources is seeing improvements in female representation and inclusion, the Company acknowledges it has some way to go to achieve its gender diversity targets and eliminate all forms of harassment in the workplace.

Refer to the Company's 2023 Corporate Governance Statement, available at *baseresources.com.au*, for Base Resources' gender diversity targets for FY23, its results against those targets and its gender diversity targets for FY24.

Environment

Base Resources is committed to minimising its environmental disturbance, improving biodiversity outcomes, restoring land it disturbs and seeking opportunities to ultimately leave a physical environment richer for its presence.

The Company recognises the potential impact its projects and operations can have on biodiversity, particularly threatened indigenous flora and fauna, and acknowledges that its activities can impact the natural environment and the surrounding ecosystems of the regions in which it operates. Despite the Company's projects and operations largely being in regions recognised for their biodiversity richness, they are also most often areas facing significant anthropomorphic pressures such as deforestation and wide-scale land clearing. Base Resources recognises that this can be challenging to reconcile but navigates these issues to produce the best achievable collective good for the benefit of the environment and communities through ensuring the provision of sustainable ecosystem services.

The Company actively manages this through its ESMS, which is designed to:

> identify and manage risk
> prevent, eliminate, mitigate and offset negative impacts
> seek out opportunities to create positive environmental and social outcomes.

Rehabilitation of Kwale Operations continued to progress well during the reporting period, both in terms of the area rehabilitated and development and refinement of post-mining land use opportunities for agriculture and conservation.

Rehabilitation of the tailings storage facility external walls continued during the reporting period with vegetation now established on approximately 46.3 hectares (98%). Rehabilitation of the mined out Central Dune progressed with 29.5 hectares planted with indigenous vegetation or agricultural crops. As mining operations advance through the South Dune, the mined-out area is also being progressively rehabilitated with 80.6 hectares undergoing planting in FY23, taking the total South Dune area that has been planted to 308.6 hectares (80% of the disturbed area) by the end of the reporting period.

Agriculture research trials carried out on previously mined areas have allowed the Company to refine its methodologies to establish rehabilitated land that can successfully support both subsistence and economic agricultural crops.

The use of indigenous grass seed purchased from local women's groups, and planting of endemic trees grown in the Kwale Operations nursery, in rehabilitated mine areas set aside for expansion of biodiversity corridors has resulted in endemic vegetation that support high flora and fauna biodiversity.

Base Resources acknowledges climate change as a global challenge and the Company supports the objectives of the Paris Agreement. In both Kenya and Madagascar, the impacts of climate change on the environment and communities is readily apparent.

Kwale Operations currently accounts for almost all Group emissions. However, because of the likely short remaining mine life at Kwale Operations, opportunities to introduce new technology or operational changes to materially reduce emissions are limited. Instead, Base Resources is taking advantage of the delay in progression of the Toliara Project to assess how development of the project could be adapted to benefit from emerging technologies and practices to improve efficiency and achieve lower greenhouse gas emissions. A decarbonisation study for the Toliara Project, aimed at identifying potential credible pathways for achieving net zero as soon as reasonably possible, was also undertaken and a proposed pathway for further consideration and investigation has been selected. The study results, to be described in more detail in the 2023 Sustainability Reporting suite, will be used to inform Base Resources' greenhouse gas reduction strategy for the Toliara Project, which will be based on a staged implementation approach as advances in key technologies become available.

Community

Base Resources understands that achieving its long-term goals is reliant on building beneficial relationships with the communities in which it operates and creating a balanced flow of mutual benefit. Through these mutual benefits, the Company aims to maximise the positive outcomes of its operations for all its stakeholders.

One of Base Resources' core objectives is to maximise long-term social and economic benefits by contributing to the sustainable development of its communities both during and after mining operations. The Company seeks to reduce community dependence on its operations through economic empowerment, training, and development. The Company's community programs are centred around the key pillar of livelihood improvement with education, community infrastructure and community health initiatives all playing supporting roles.

Base Resources is committed to upholding fundamental human rights in a manner aligned to the United Nations Guiding Principles on Business and Human Rights and believes in engaging with all its stakeholders in a continual, honest and transparent manner that prioritises meaningful and tangible outcomes. In Kenya, the Company's formal stakeholder engagement forums include committees intended to manage expectations, address grievances or concerns, and establish mechanisms for achieving more participatory and inclusive outcomes. The committees include:

- Resettlement and community committees which allow for direct engagement with the Company's impacted and neighbouring communities.
- The Kwale Mining Alliance which brings together Base Resources, national government representatives and officials from the Ministry of Mining, Blue Economy and Maritime Affairs, Kwale County government officials and 50 NGOs to foster collaborative partnerships that work to improve the lives of Kwale communities.
- Three Community Development Agreement Committees established to oversee expenditure of 1% of gross sales revenue from Kwale Operations on community projects, as required by Kenya's mining law.

Ethics

Base Resources is committed to conducting its business with absolute integrity, and in a legal, honest and ethical manner. This commitment flows from the unifying set of beliefs and behavioural expectations of The Base Way and is considered critical to achieving its long-term goals in a manner consistent with Base Resources' guiding North Star purpose.

The Company recognises that the perception of integrity is as important as the fact, and it holds itself and others to account for this. Base Resources is committed to building respectful relations through conducting its business in this way, with the Company's Code of Conduct and Integrity System applying equally to directors, employees and consultants acting on its behalf. Similarly, Base Resources' Supplier Code of Conduct, sets out its core requirements and expectations for its suppliers to ensure they act with integrity and in a legal, honest, and ethical manner.

The Company's Whistleblower System also provides transparent and confidential mechanisms, including via *IntegrityLine*, for reporting any instances of improper conduct by its employees, directors and consultants.

Responsible Business

Base Resources conducts business in a responsible and transparent manner to achieve enduring positive outcomes for its stakeholders, while also ensuring compliance with regulations, policies and international best practice guidelines and standards.

The Company is committed to paying its fair share of tax and ensuring that all taxes are paid in accordance with the requirements set by its host governments. The Company publicly discloses tax payments from Kwale Operations online and will do the same in Madagascar upon commencement of operations at the Toliara Project. Base Resources is a signatory to the EITI, reflecting its belief that trust and transparency with its host nations and communities is important to building and maintaining strong relationships. In FY23, total taxes paid to governments across the Group were US$53 million.

Prioritising procurement from local suppliers to create regional economic opportunities through its supply chain provides an opportunity to maximise economic benefits for the communities in which Base Resources operates through supporting jobs and injecting more money into the local economy. Without compromising on the quality of goods or the standard of services received, 80% of Kwale Operations' purchases were sourced from Kenyan suppliers in FY23.

MARKETS

The reporting period once again saw strong demand for all Base Resources' products across all sectors and regions. All products achieved higher average prices than the prior period.

Ilmenite and rutile

Ilmenite and rutile are different grades of titanium dioxide (TiO_2) minerals and are used predominantly to produce pigments for paint, paper, plastics, textiles and inks. TiO_2 pigment is prized for its opacity, brightness and whiteness and its ability to absorb and reflect ultraviolet radiation. It is also non-toxic and inert to most chemical reagents. Major western pigment producers typically use high grade TiO_2 feedstocks (which includes rutile), although a limited number use ilmenite, while Chinese pigment producers typically rely on ilmenite as their main feedstock, making China the primary global market for ilmenite.

High grade TiO_2 minerals (which include rutile) can also be used to produce titanium metal, which is corrosion resistant and has the highest strength to weight ratio of any metal. Titanium metal is used across the aerospace and defence industries as well as in medical devices, sporting equipment and jewellery. High grade TiO_2 minerals are also used in the flux in welding consumables such as welding rods and flux-cored wire which is extensively used in ship building.

The market for TiO_2 feedstock was tight at the commencement of the reporting period. However, a slowdown in pigment consumption, driven by a deterioration in global economic conditions, led to de-stocking and a sharp downturn in pigment demand through the first half – which weighed on feedstock demand.

The second half of the reporting period started with renewed optimism as downstream de-stocking had largely run its course, western markets had held up better than expected through the northern hemisphere winter and government imposed COVID-19 restrictions in China were eased. This led to the expectation of a firm rebound in global pigment demand and major pigment producers implemented plans to ramp up production rates. However, the rebound was not as strong as anticipated and pigment producers adopted a cautious approach to increasing production rates. This series of developments resulted in a period of surging demand for TiO_2 feedstocks (including ilmenite and rutile) through February and March 2023 followed by more cautious feedstock buying behaviour for the remainder of the reporting period.

Notwithstanding the temporary improvement in conditions following Chinese New Year, domestic demand for TiO_2 pigment was weak through most of the reporting period and major pigment producers in China became increasingly dependent on export sales. With rapidly rising costs, European sulphate pigment plants (which use ilmenite as feed) cut production during the year which provided a further opportunity for Chinese pigment exports to Europe.

For quality and logistics reasons, most major pigment producers in China, which typically maintain a high exposure to export sales, have a heavy dependence on imported ilmenite. While overall pigment production in China declined over the year, the ongoing need for imported ilmenite continued to provide solid support for Base Resources' ilmenite. After a small dip at the end of the first half, ilmenite prices remained stable through to the end of the period.

The average price for Base Resources' ilmenite in the reporting period was 3% higher than the prior period.

On the back of the strong start to the year, prices for bulk rutile sales to the pigment sector strengthened and, despite some pressure through the remainder of the period, remained relatively high throughout.

Demand for rutile into the welding and titanium metal sectors was very strong throughout the year. A booming ship-building industry drove demand for welding consumables and the sharp increase in aerospace manufacturing, combined with sanctions on Russian-supply of raw materials, did the same for titanium metal. This enabled rutile prices into these sectors to remain relatively stable at high levels and sustain a substantial premium over the prices of bulk rutile into the pigment sector.

The average price for Base Resources' rutile in the reporting period was 18% higher than the prior period.

Zircon

Zircon has a range of end-uses, including in the production of ceramic tiles, which accounts for more than 50% of global zircon consumption. Milled zircon enables ceramic tile manufacturers to achieve brilliant opacity, whiteness and brightness in their products. Zircon's unique properties include heat and wear resistance, stability, opacity, hardness and strength, making it sought after for other applications such as refractories, foundries and specialty chemicals. Demand for zircon is closely linked to growth in global construction and increasing urbanisation in the developing world. Generally, there is a close link between zircon demand growth and global GDP growth.

Despite the subdued global markets, demand for zircon held up well throughout the reporting period.

During the early part of the period, Chinese zircon demand remained firm before easing due to mounting concerns around housing demand, power cuts, environmental controls and COVID-19 policy. Chinese New Year was followed by a period of optimism, with a solid rebound in sentiment and renewed gains in zircon prices, but it was short lived as it became evident that the rebound in demand was weaker than expected.

Zircon demand in Europe, the next biggest zircon market after China, maintained positive momentum through most of the reporting period with zircon millers unable to secure sufficient supply to meet their production targets. The momentum eased towards the end of the reporting period as uncertainty over the condition of the major end markets increased.

Zircon prices started the reporting period on a high note, moderated through the middle of the year and recovered slightly again after Chinese New Year. The overall average price for Base Resources' zircon in the reporting period was 3% higher than the prior period.

CORPORATE

Base Resources achieved revenue of US$271.4 million and underlying net profit of US$84.0 million for the reporting period.

	2023				2022			
Reportable segment	**Kwale Operations US$000s**	**Toliara Project US$000s**	**Other US$000s**	**Total US$000s**	**Kwale Operations US$000s**	**Toliara Project US$000s**	**Other US$000s**	**Total US$000s**
Sales revenue	**271,434**	**-**	**-**	**271,434**	**279,117**	**-**	**-**	**279,117**
Cost of goods sold excluding depreciation & amortisation								
Operating costs	(77,048)	-	-	(77,048)	(70,113)	-	-	(70,113)
Inventory movement	6,993	-	-	6,993	(3,434)	-	-	(3,434)
Royalties expense	(14,583)	-	-	(14,583)	(18,019)	-	-	(18,019)
Total cost of goods sold	**(84,638)**	**-**	**-**	**(84,638)**	**(91,566)**	**-**	**-**	**(91,566)**
Corporate & external affairs	(5,323)	(91)	(8,419)	(13,833)	(3,787)	(101)	(7,976)	(11,864)
Community development	(7,927)	-	-	(7,927)	(6,178)	-	-	(6,178)
Selling & distribution costs	(2,165)	-	-	(2,165)	(2,954)	-	-	(2,954)
Net write-off of Kenyan VAT receivable and royalty payable	-	-	-	-	(3,012)	-	-	(3,012)
Business development	-	-	(395)	(395)	-	-	(1,753)	(1,753)
Other income (expense)	(2,396)	-	(1,513)	(3,909)	(2,821)	(170)	(140)	(3,131)
EBITDA	**168,985**	**(91)**	**(10,327)**	**158,567**	**168,799**	**(271)**	**(9,869)**	**158,659**
Depreciation & amortisation	(36,450)	(181)	(396)	(37,027)	(40,090)	(184)	(398)	(40,672)
Underlying EBIT	**132,535**	**(272)**	**(10,723)**	**121,540**	**128,709**	**(455)**	**(10,267)**	**117,987**
Net financing expenses	(3,554)	29	790	(2,735)	(4,064)	(52)	(22)	(4,138)
Income tax expenses:								
Corporate income tax	(22,189)	-	-	(22,189)	(19,608)	-	-	(19,608)
Dividend withholding tax	-	-	(12,600)	(12,600)	-	-	(13,500)	(13,500)
Underlying NPAT	**106,792**	**(243)**	**(22,533)**	**84,016**	**105,037**	**(507)**	**(23,789)**	**80,741**
Impairment loss	(88,857)	-	-	(88,857)	-	-	-	-
NPAT	**17,935**	**(243)**	**(22,533)**	**(4,841)**	**105,037**	**(507)**	**(23,789)**	**80,741**

Base Resources' financial results are reported under International Financial Reporting Standards (IFRS). The above financial summary includes certain non-IFRS measures including EBITDA, Underlying EBIT and Underlying NPAT, which exclude impairment loss. These measures are presented to enable understanding of the underlying performance of the Group and have not been audited.

Sales revenue decreased 3% to US$271.4 million for FY23 (prior period: US$279.1 million), due to lower sales volumes offset by an 8% increase in the average price of product sold to US$672 per tonne (prior period: US$621 per tonne), with higher prices achieved across all products.

Total operating costs of US$77.0 million represented an increase of 10% compared to the prior period (US$70.1 million), due to higher unit fuel and power costs. With higher operating costs and lower production volume, operating costs per tonne increased to US$188 per tonne (prior period: US$155 per tonne).

Cost of goods sold (operating costs, adjusted for stockpile movements and royalties) was US$212 per tonne of product sold, 8% higher than the prior period (US$196 per tonne) due to higher operating costs and inventory movements. With an operating margin of US$460 per tonne sold (prior period: US$425 per tonne) a revenue to cash cost of sales ratio of 3.2 was achieved (prior period: 3.2).

The Company continued to fulfill its obligations under Kwale Operations' Community Development Agreements, contributing one percent of sales revenue to projects implemented under those agreements, in addition to continuing with other long-standing commitments, such as the scholarship programs, resulting in community development expenditure increasing by US$1.7 million compared to the prior period.

Despite the higher operating costs and decrease in sales revenue, Kwale Operations delivered record EBITDA for FY23 of US$169.0 million (prior period: US$168.8 million) and Group EBITDA remained consistent at US$158.6 million (prior period: US$158.7 million).

The majority of Kwale Operations assets are depreciated on a straight-line basis over the remaining mine life. In June 2022, the release of the Kwale North Dune and Bumamani Ore Reserves estimates further extended mine life by 13 months to December 2024, allowing depreciation and amortisation charges to be prospectively spread over a longer remaining mine life. Accordingly, depreciation and amortisation in the reporting period decreased 9% to US$37.0 million (prior period: US$40.7 million) representing the first full year impact of this change.

During the reporting period, the Group's Kenyan subsidiary and owner and operator of Kwale Operations, Base Titanium, distributed US$84 million of surplus cash, via dividend, to the Group's ultimate parent entity, Base Resources. The dividend distribution by Base Titanium incurred Kenyan dividend withholding tax at a rate of 15%, totalling US$12.6 million, which is recorded as an income tax expense, resulting in an underlying NPAT for the Group of $84.0 million (prior period: $80.7 million).

An impairment assessment performed on the carrying value of Kwale Operations at 30 June 2023 identified the recoverable amount of Kwale Operations was $45.0 million, resulting in a non-cash impairment loss of US$88.9 million. The impairment loss is the result of the higher operating costs associated with mining in the North Dune, higher rehabilitation and mine closure estimated costs following further work on the closure plan, and conservative future sales price assumptions in light of the current economic outlook in the primary markets for the Company's products.

As a result of the impairment loss, Kwale Operations recorded a Net Profit After Tax of US$17.9 million (prior period: US$105.0 million) and a Group Net Loss After Tax of US$4.8 million was recorded (prior period: NPAT US$80.7 million). Basic loss per share for the Group was US$0.42 cents per share (prior period: EPS US$ 6.92 cents per share).

Cash flow from operations was US$117.4 million for FY23 (prior period: US$78.3 million). This was the net result of an increase in cash receipts of US$9.3 million due to the timing of sales, a US$4.8 million increase in operating costs and a reduction in spend following:

> a US$18.2 million decrease in royalty payments (due to the prior year payments including a US$18.8 million catch-up payment made as a result of the royalty rate increase having retrospective effect);

> decreased Base Titanium corporate tax payments of US$19.4 million (prior period: US$23.8 million) as a result of a $5.4 million offset against the Kenyan VAT receivable; and

> decreased Kenyan dividend withholding tax paid in the reporting period of US$8.9 million (prior period: US$18.0 million) on the distribution of surplus cash to Base Resources, as a result of dividend timing and the offset of US$3.7 million against the Kenyan VAT receivable.

Operating cash flows were used to fund capital expenditure at Kwale Operations, Toliara Project progression and dividend payments.

Total capital expenditure for the Group was US$38.2 million in the reporting period (prior period: US$19.0 million) and comprised:

> US$28.5 million at Kwale Operations (prior period: US$12.2 million), primarily for land acquisition, construction and earthworks for the Bumamani Project, which extends Kwale Operations mine life to late 2024, as well as exploration activities at Kwale East; and

> US$8.3 million for the progression of the Toliara Project (prior period: US$6.3 million).

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 strategic growth and development, or to maintain requisite balance sheet strength in light of prevailing circumstances, could be expected to be returned to shareholders.

Applying this approach, the Board determined a final dividend of AUD 4.0 cents per share, unfranked, with a record date of 11 September 2023 and payment date of 28 September 2023. This follows the AUD 2.0 cent per share, unfranked interim dividend paid to shareholders in March 2023 and brings total dividends in respect of the reporting period to AUD 6.0 cents per share, unfranked.

MINERAL RESOURCES AND ORE RESERVES STATEMENT

The 2023 Mineral Resources and Ore Reserves estimates for Base Resources are summarised in the table below, together with the 2022 Mineral Resources and Ore Reserves estimates for comparison.

	2023(i) as at 30 June 2023									2022(i) as at 30 June 2022								
						HM Assemblage									HM Assemblage			
	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	ILM (%)	RUT (%)	LEUC (%)	ZIR (%)	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	ILM (%)	RUT (%)	LEUC (%)	ZIR (%)
Mineral Resources (Measured + Indicated + Inferred, inclusive of Ore Reserves)																		
Kwale(ii)	**184**	**2.8**	**1.5**	**36**	**1.9**	**45**	**13(iii)**	**-**	**5.8**	205	3.5	1.7	35	2.0	47	13(iii)	-	5.8
Ranobe(iv)	**2,580**	**111**	**4.3**	**7.7**	**0.4**	**71**	**1.0**	**1.0**	**5.9**	2,580	111	4.3	7.7	0.4	71	1.0	1.0	5.9
Ore Reserves (Proved + Probable)																		
Kwale	**21**	**0.5**	**2.2**	**32**	**2.1**	**52**	**14**	**-**	**6.1**	40	1.1	2.7	28	2.3	55	14	-	6.0
Ranobe	**904**	**55**	**6.1**	**3.8**	**0.1**	**73**	**1.0**	**1.0**	**5.9**	904	55	6.1	3.8	0.1	73	1.0	1.0	5.9

Notes:
(i) Table may be subject to slight arithmetic differences due to rounding.
(ii) Kwale incorporates the Kwale South Dune, Kwale North Dune and Bumamani deposits.
(iii) Kwale rutile reported is rutile + leucoxene minerals.
(iv) The Ranobe Mineral Resources estimate also specifies the monazite and garnet within the mineral assemblage as a percentage of HM, refer to the standalone table for the Ranobe Mineral Resources estimate below for these percentages.

The Mineral Resources and Ore Reserves estimates in this statement are reported in accordance with the JORC Code.

For further information about the estimates in this statement, including information that is material to understanding the estimates in relation to the applicable criteria in Table 1 of the JORC Code, refer to the following announcements[3].

Deposit(s)		Announcement Title	Estimate Date	Release Date
Kwale South Dune	Mineral Resources & Ore Reserves	Updated Kwale South Dune Mineral Resources and Ore Reserves estimates	30 June 2021	20 August 2021
Kwale North Dune and Bumamani	Mineral Resources	Updated Kwale North Dune and maiden Bumamani Mineral Resources estimates[4]	19 February 2021	19 February 2021
Kwale North Dune and Bumamani	Ore Reserves	Maiden Kwale North Dune and Bumamani Ore Reserves estimates	20 June 2022	20 June 2022
Ranobe (Toliara)	Mineral Resources & Ore Reserves	Updated Ranobe Mineral Resources and Ore Reserves estimates	27 September 2021	27 September 2021
2022 Comparatives	Mineral Resources & Ore Reserves	2022 Mineral Resources and Ore Reserves Statement	30 June 2022	12 August 2022

3. ASX announcements are available at https://baseresources.com.au/investors/announcements/.
4. The Kwale North Mineral Resources estimate was updated as at 20 June 2022 and disclosed in the announcement titled 'Maiden Kwale North Dune and Bumamani Ore Reserves estimates' released on 20 June 2022. Refer to this announcement for the most recent JORC Code Table 1 information for both the Kwale North Dune and Bumamani Mineral Resources estimates.

Kwale Deposits

The Company's 100% owned Kwale Operations in Kenya is located in Kwale County and approximately 50 kilometres south of Mombasa and 10 kilometres inland from the Kenyan coast. The Company's wholly-owned subsidiary, Base Titanium, holds Prospecting Licence 2018/0119 and Special Mining Lease No. 23, which contain the Kwale South Dune, the Kwale North Dune and Bumamani deposits.

Mineral Resources

The 2023 Kwale Mineral Resources, as at 30 June 2023, are estimated to be 184Mt at an average HM grade of 1.5% for 2.8Mt of contained HM, at a 1% HM cut-off grade.

The 2023 Kwale Mineral Resources estimate represents a decrease of approximately 21Mt (or 10%) in material tonnes containing 0.7Mt of HM compared to the 2022 Kwale Mineral Resources estimate. This was due to mining depletion and sterilisation of unmined material in the Kwale South Dune Mineral Resources due to a combination of an elevated basement floor in some areas compared to that predicted in the underlying model, induration at the base of the mineralised profile that could not be readily mined and infrastructure buffers, and mining depletion of the Kwale North Dune Mineral Resources.

The Kwale South Dune Mineral Resources are estimated to be 8.9Mt at an average HM grade of 2.2% for 0.19Mt of contained HM as at 30 June 2023, a decrease of 18.8Mt containing 0.61Mt of HM compared to the 2022 Kwale South Dune Mineral Resources estimate.

The 2023 Kwale North Dune Mineral Resources are estimated to be 169Mt at an average HM grade of 1.5% for 2.51Mt of contained HM as at 30 June 2023, a decrease of 2.4Mt containing 0.05Mt of HM compared to the 2022 Kwale North Dune Mineral Resources estimate.

The 2023 Bumamani Mineral Resources are estimated to be 5.9Mt at an average HM grade of 1.9% for 0.12Mt of contained HM. The Bumamani Mineral Resources at 30 June 2023 are unchanged from the 2022 estimate.

Ore Reserves

Included within the Kwale Mineral Resources are the Kwale Ore Reserves, estimated to be 21.3Mt at an average HM grade of 2.2% for 0.48Mt of contained HM as at 30 June 2023.

Compared to the 2022 Kwale Ore Reserves estimate, there was a decrease of 56% in contained HM tonnes.

The Kwale South Dune Ore Reserves decreased by 16.9Mt containing 0.57Mt of HM due to mining depletion and sterilisation of unmined material due to a combination of an elevated basement floor in some areas compared to that predicted in the underlying model, induration at the base of the mineralised profile that could not be readily mined and infrastructure buffers.

The Kwale North Dune Ore Reserves decreased by 1.8Mt containing 0.04Mt of HM due to mining depletion. There was no sterilisation of unmined material as the design pit floor is yet to be reached.

2023 Kwale Mineral Resources estimate compared with the 2022 estimate at a 1% HM cut-off grade.

	2023 as at 30 June 2023								2022 as at 30 June 2022							
						HM Assemblage								HM Assemblage		
Category	**Tonnes (Mt)**	**HM (Mt)**	**HM (%)**	**SL (%)**	**OS (%)**	**ILM (%)**	**RUT (%)**	**ZIR (%)**	**Tonnes (Mt)**	**HM (Mt)**	**HM (%)**	**SL (%)**	**OS (%)**	**ILM (%)**	**RUT (%)**	**ZIR (%)**
Kwale South Dune Mineral Resources																
Measured	4.9	0.11	2.2	26	2.3	59	14	6.1	17	0.49	3.0	24	1.3	59	14	5.8
Indicated	4.0	0.09	2.2	27	6.1	57	14	6.0	11	0.31	2.9	25	6.1	56	13	5.9
Total	**8.9**	**0.19**	**2.2**	**26**	**4.0**	**58**	**14**	**6.1**	**28**	**0.81**	**2.9**	**24**	**3.2**	**58**	**14**	**5.8**
Kwale North Dune Mineral Resources																
Measured	104	1.60	1.5	37	1.5	40	13	5.4	106	1.6	1.5	37	1.5	40	13	5.4
Indicated	62	0.89	1.4	37	2.1	49	14	6.1	63	0.9	1.4	37	2.1	49	14	6.1
Inferred	2	0.03	1.2	37	2.9	49	15	6.5	2	0.03	1.2	37	2.9	49	15	6.5
Total	**169**	**2.51**	**1.5**	**37**	**1.8**	**43**	**13**	**5.7**	**171**	**2.6**	**1.5**	**37**	**1.8**	**44**	**13**	**5.7**
Bumamani Mineral Resources																
Measured	3.0	0.066	2.2	19	2.2	48	15	7.5	3.0	0.066	2.2	19	2.2	48	15	7.5
Indicated	2.6	0.045	1.7	23	5.2	47	16	7.7	2.6	0.045	1.7	23	5.2	47	16	7.7
Inferred	0.3	0.004	1.4	27	6.1	41	14	7.8	0.3	0.004	1.4	27	6.1	41	14	7.8
Total	**5.9**	**0.115**	**1.9**	**21**	**3.8**	**47**	**15**	**7.6**	**5.9**	**0.115**	**1.9**	**21**	**3.8**	**47**	**15**	**7.6**
Total Kwale Mineral Resources																
Measured	112	1.77	1.6	36	1.6	41	13	5.5	125	2.2	1.7	35	1.5	45	13	5.6
Indicated	69	1.02	1.5	36	2.5	50	14	6.2	77	1.3	1.6	35	2.8	51	14	6.1
Inferred	3	0.03	1.2	36	3.3	48	15	6.7	3	0.0	1.2	36	3.3	48	15	6.7
Total	**184**	**2.82**	**1.5**	**36**	**1.9**	**45**	**13**	**5.8**	**205**	**3.5**	**1.7**	**35**	**2.0**	**47**	**13**	**5.8**

Table may be subject to slight arithmetic differences due to rounding. Mineral Resources are reported inclusive of Ore Reserves.

2023 Kwale Ore Reserves estimate compared with the 2022 estimate.

	2023 as at 30 June 2023								2022 as at 30 June 2022							
						HM Assemblage								HM Assemblage		
Category	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	ILM (%)	RUT (%)	ZIR (%)	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	ILM (%)	RUT (%)	ZIR (%)
Kwale South Dune Ore Reserves																
Proved	3.6	0.09	2.4	27	2.2	59	14	6.1	15	0.46	3.1	25	1.2	59	14	5.7
Probable	1.6	0.05	3.0	26	7.4	57	13	6.1	7	0.25	3.3	24	5.8	57	13	5.9
Total	**5.2**	**0.13**	**2.6**	**27**	**3.8**	**58**	**14**	**6.1**	**22**	**0.71**	**3.2**	**24**	**2.8**	**58**	**14**	**5.8**
Kwale North Dune Ore Reserves																
Proved	7.3	0.15	2.1	39	0.7	48	13	5.5	8.3	0.17	2.1	37	0.9	50	13	6.1
Probable	4.9	0.10	2.1	38	1.6	52	13	5.9	5.6	0.12	2.1	37	1.8	53	13	5.9
Total	**12.1**	**0.25**	**2.1**	**39**	**1.1**	**50**	**13**	**5.6**	**13.9**	**0.29**	**2.1**	**37**	**1.2**	**51**	**13**	**6.0**
Bumamani Ore Reserves																
Proved	2.6	0.06	2.3	19	2.2	48	16	7.5	2.6	0.06	2.3	19	2.2	48	16	7.5
Probable	1.3	0.03	2.2	19	5.3	48	16	7.6	1.3	0.03	2.2	19	5.3	48	16	7.6
Total	**3.9**	**0.09**	**2.3**	**19**	**3.2**	**48**	**16**	**7.5**	**3.9**	**0.09**	**2.3**	**19**	**3.2**	**48**	**16**	**7.5**
Total Kwale Ore Reserves																
Proved	13.5	0.30	2.2	32	1.4	51	14	6.1	26	0.69	2.7	28	1.2	56	14	6.0
Probable	7.8	0.18	2.3	33	3.4	53	14	6.2	14	0.40	2.7	29	4.2	55	13	6.0
Total	**21.3**	**0.48**	**2.2**	**32**	**2.1**	**52**	**14**	**6.1**	**40**	**1.1**	**2.7**	**28**	**2.3**	**55**	**14**	**6.0**

Table may be subject to slight arithmetic differences due to rounding.

Ranobe Deposit

The Company's 100% owned Toliara Project is based on the Ranobe deposit, located approximately 45 kilometres north of the town of Toliara and 15 kilometres inland from the coast in south-west Madagascar. The Ranobe deposit sits within *Permis d'Exploitation 37242*, which is a mining lease under Malagasy law. The Company is currently progressing the project towards development.

Mineral Resources

The 2023 Ranobe Mineral Resources was unchanged from the 2022 estimate of 2,580Mt at an average HM grade of 4.3% for 111Mt of contained HM, based on a 1.5% HM cut-off grade.

Ore Reserves

Included within the Ranobe Mineral Resources are the Ranobe Ore Reserves, estimated to be 904Mt at an average HM grade of 6.1% for 55Mt of contained HM as at 30 June 2023, which are unchanged from the 2022 estimate. No monazite or garnet is incorporated in the Ranobe Ore Reserves estimate because the existing mining tenure, *Permis D'Exploitation 37242*, does not currently provide the right to exploit these minerals.

The 2023 Ranobe Mineral Resources estimate at a 1.5% HM cut-off grade.

						Mineral Assemblage as % of HM					
Category	**Tonnes (Mt)**	**HM (Mt)**	**HM (%)**	**SL (%)**	**OS (%)**	**ILM (%)**	**RUT (%)**	**LEUC (%)**	**ZIR (%)**	**MON (%)**	**GARN (%)**
2023 Ranobe Mineral Resources (as 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
Total	**2,580**	**111**	**4.3**	**7.7**	**0.4**	**71**	**1.0**	**1.0**	**5.9**	**2.0**	**3.4**

Table may be subject to slight arithmetic differences due to rounding. Mineral Resources are reported inclusive of Ore Reserves.

The 2023 Ranobe Ore Reserves estimate.

						Mineral Assemblage as % of HM			
Category	**Tonnes (Mt)**	**HM (Mt)**	**HM (%)**	**SL (%)**	**OS (%)**	**ILM (%)**	**RUT (%)**	**LEUC^ (%)**	**ZIR (%)**
2023 Ranobe Ore Reserves (as 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
Total	**904**	**55**	**6.1**	**3.8**	**0.1**	**73**	**1.0**	**1.0**	**5.9**

Table may be subject to slight arithmetic differences due to rounding.
^Recovered Leucoxene will be split between Rutile and Chloride Ilmenite products depending on product specification requirements.

Mineral Resources and Ore Reserves Governance

A summary of the governance, internal controls and estimation process applicable to Base Resources' Mineral Resources and Ore Reserves estimates is as follows:

Mineral Resources

> Review and validation of drilling and sampling methodology and data spacing, geological logging, data collection and storage, sampling and analytical quality control.

> Geological interpretation – review of known and interpreted structure, lithology and weathering controls.

> Estimation methodology – relevant to mineralisation style and proposed mining methodology.

> Comparison of estimation results with previous mineral resources models, and with results using alternate modelling methodologies.

> Visual validation of block model against raw composite data.

> Use of external Competent Persons to assist in preparation of Mineral Resources estimate updates.

Ore Reserves

> Review of potential mining methodology to suit deposit and mineralisation characteristics.

> Review of potential Modifying Factors, including cost assumptions and commodity prices to be utilised in mining evaluation.

> Ore Reserves estimate updates initiated following material changes in the relevant Modifying Factor assumptions.

> Optimisation using appropriate software packages for open pit evaluation.

> Design based on optimisation results.

> Use of external Competent Persons to assist in preparation of Ore Reserves estimates.

Competent Persons' Statements

The information in this statement that relates to Mineral Resources and Ore Reserves is based on, and fairly represents, information and supporting documentation prepared by the Competent Persons named in the table below. Each Competent Person:

> is a Member or Fellow of The Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists

> has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the JORC Code and as a qualified person for the purposes of the AIM Rules for Companies; and

> consents to the inclusion in this statement of the relevant estimate(s) listed alongside their name in table below in the form and context in which the estimate and the relevant information are presented.

Mr Ian Reudavey has also approved this statement as a whole. Mr Ian Reudavey also consents to inclusion of this statement in the Annual Report in the form and context in which it appears.

Mr Ian Reudavey is employed by Base Resources, does not presently hold equity securities in Base Resources, and is entitled to participate in Base Resources' long-term incentive plan and receive equity securities under that plan. Mr Scott Carruthers is employed by Base Titanium, Base Resources' wholly owned subsidiary. Mr Carruthers holds equity securities in Base Resources, and is also entitled to participate in Base Resources' long-term incentive plan and receive equity securities under that plan. Details about that plan are included in the Remuneration Report.

Name	Estimate(s)	Employer
Ian Reudavey	Kwale Mineral Resources and Ore Reserves (overall), Kwale South Dune Mineral Resources, Kwale North Dune Mineral Resources, Ranobe Mineral Resources, Kwale South Dune Ore Reserves and Kwale North Dune Ore Reserves	Base Resources, full-time employee
Scott Carruthers	Kwale South Dune Mineral Resources, Bumamani Mineral Resources, Kwale South Dune Ore Reserves, Kwale North Dune Ore Reserves, Bumamani Ore Reserves and Ranobe Ore Reserves	Base Titanium, full-time employee
Greg Jones	Kwale North Dune Mineral Resources	IHC Robbins, consultant geologist to Base Resources
Per Scrimshaw	Bumamani Ore Reserves	Entech, a mining consultancy engaged by Base Resources

DIRECTORS' REPORT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DIRECTORS AND OTHER DETAILS

Your directors present their report, together with the financial statements of the Group, being the Company, Base Resources, and its controlled entities, for the financial year ended 30 June 2023 compared with the financial year ended 30 June 2022.

Directors

The names of the directors in office at any time during or since the end of the reporting period are:

Mr Michael Stirzaker	Mr Malcolm Macpherson
Mr Tim Carstens	Ms Diane Radley
Mr Scot Sobey	Ms Sheila Khama (appointed 1 March 2023)

Other than as noted above, all Directors have been in office since the start of the financial year to the date of this report.

Company Secretary

Mr Chadwick Poletti held the position of company secretary during the financial year.

Principal activities and significant changes in nature of activities

The principal activity of the Group is the operation of the Kwale Mineral Sands Operation in Kenya and development of the Toliara Project in Madagascar.

Operating results

The Group recorded a loss after tax of US$4,841,000 for the reporting period (2022: profit after tax US$80,741,000).

Dividends paid or recommended

During the reporting period, Base Resources paid a final dividend of AUD 3.0 cents per share, unfranked, in September 2022, and paid an interim dividend of AUD 2.0 cents per share, unfranked, in March 2023. The total value of dividends paid during the reporting period amounted to US$38.3 million.

Since the end of the reporting period, the Board determined a final dividend of AUD 4.0 cents per share, unfranked, with a record date of 11 September 2023 and payment date of 28 September 2023. The financial impact of the dividend, amounting to an estimated US$31.3 million, has not been recognised in the Consolidated Financial Statements for the year-ended 30 June 2023.

Significant changes in state of affairs

There were no other significant changes in the state of affairs of the Group during the reporting period.

After balance date events

There have been no other significant events since the reporting date.

Future developments, prospects and business strategies

Base Resources' strategy is to continue to pursue mine life extension at Kwale Operations through the assessment and development of existing near mine deposits and exploration, and progress the Toliara Project towards development and complete necessary studies to assess and determine the preferred development approach for the monazite identified in Ranobe Mineral Resources estimate.

Director biographies

Mr Michael Stirzaker	Non-Executive Chair
Qualifications:	BCom, CA
Appointed:	19 November 2014 (previously acted as an alternate since November 2011 and appointed Non-Executive Chair on 26 November 2021)
Experience:	Mr Stirzaker has over 30 years' commercial experience, mainly in mining finance and mining investment. He began his career in Sydney as a Chartered Accountant with KPMG, before moving into investment banking with the HSBC Group and then Kleinwort Benson Limited in London. From 1993 to 2007 he was part of the natural resource advisory and investment firm, RFC Group Limited, where he became Joint Managing Director. He has also been a shareholder and Director of Tennant Metals Pty. Limited, a privately owned physical metal trader and investor, and was the Finance Director of Finders Resources Limited, an ASX listed company producing copper in Indonesia. From 2010 until 2019, Mr Stirzaker was a partner with private equity mining fund manager, Pacific Road Capital Management. The Pacific Road Resources Fund II is a major shareholder of Base Resources.
Special responsibilities:	Chair of the Board; Chair of the Remuneration & Nomination Committee; member of the Audit Committee; member of the Environment, Social & Ethics Committee
Other current listed company directorships:	Southern Palladium Limited (since 2022 and currently Interim Chair); Akora Resources Limited (since 2022 and currently Chair)
Past listed company directorships held over the last three years:	Prodigy Gold NL (retired December 2021)

Mr Tim Carstens	Managing Director
Qualifications:	BCom
Appointed:	5 May 2008
Experience:	Mr Carstens is an experienced mining executive, with a career spanning more than 25 years in senior resources-sector roles, both in Australia and overseas, with Perilya Limited, North Limited, Robe River Iron Associates, Iron Ore Company of Canada and St Barbara Mines Limited. A chartered accountant by profession, he has strong experience in all aspects of business strategy development and implementation, acquisitions and divestments, debt and equity financing, organisational development and operational performance. He has been Managing Director of Base Resources since the Company's inception in May 2008. Mr Carstens is a Non-Executive Director of the Australia-Africa Minerals and Energy Group (AAMEG), the peak body representing Australian companies engaged in the development of Africa's resource industry. He was Chair of AAMEG from 2016 to 2021.
Special responsibilities:	Managing Director; member of the Risk Committee; member of the Environment, Social & Ethics Committee
Other current listed company directorships:	Nil
Past listed company directorships held over the last three years:	Nil

Mr Malcolm Macpherson	Non-Executive Director
Qualifications:	BSc, FAusIMM, FTSE
Appointed:	25 July 2013
Experience:	Mr Macpherson is an accomplished business leader, with decades of experience in the global mining industry at executive management and board level. Mr Macpherson spent 25 years from 1974 at Iluka Resources, the world's largest mineral sands company, rising from mine manager to Managing Director and Chief Executive Officer. He has previously held the position of Chair with Azumah Resources Limited and Western Power Corporation and been a director of Portman Mining Limited and Minara Resources Limited. Mr Macpherson has also been the Senior Vice President of the Minerals Council of Australia, President of the Western Australian Chamber of Minerals & Energy, and a member of the Senate at Murdoch University.
Special responsibilities:	Chair of the Risk Committee; member of the Remuneration & Nomination Committee; member of the Audit Committee; member of the Environment, Social & Ethics Committee
Other current listed company directorships:	Nil
Past listed company directorships held over the last three years:	Nil

Ms Diane Radley	Non-Executive Director
Qualifications:	BComm BCompt (Hons), CA(SA), MBA, AMP (Harvard)
Appointed:	1 February 2018
Experience:	Ms Radley has over 25 years' experience in senior leadership roles across multiple industries, most recently in financial services and investments. She served as CFO at Allied Electronics Corporation (JSE), Group Finance Director at Old Mutual South Africa, and CEO of Old Mutual Investment Group. Prior to this, she advised on a variety of transactions, listings and due diligences for large corporate acquirers and private equity funds in her role as Partner-in-charge of Transaction Services at PricewaterhouseCoopers in South Africa.
Special responsibilities:	Chair of the Audit Committee; member of the Risk Committee; member of the Environment, Social & Ethics Committee
Other current listed company directorships:	Transaction Capital Ltd (since 2018); Redefine Properties Ltd (since 2020); Network International Holdings Plc (since 2021).
Past listed company directorships held over the last three years:	Murray & Roberts Holdings Ltd (retired 2022)

Mr Scot Sobey	Non-Executive Director
Qualifications:	BSc (Mechanical Engineering), GAICD
Appointed:	26 November 2021
Experience:	Mr Sobey has over 15 years' experience in the resources sector, encompassing executive management, consulting, project development and production roles as well as relevant commercial experience in mining finance and investment across a suite of commodities and industrial minerals. A mechanical engineer by training, Mr Sobey commenced his professional career in 2001 in management consulting where he developed extensive expertise over a five-year period in large scale turnaround and transformation projects spanning the financial services, courier and freight, telecommunications, and mining industries. His career progression into the mining industry arose from a consulting engagement in 2006, in which he was instrumental in managing the listing of a dual product gold and uranium junior (First Uranium Corporation) onto the Toronto Stock Exchange. Mr Sobey spent six years with First Uranium during which time he played a pivotal role in transforming First Uranium from an early-stage development company into a meaningful mid- tier producer, initially as VP Business Development, then as COO and finally as Executive Vice President. From 2012, Mr Sobey went on to lead direct investments for a family private equity office focused on resources projects in Southern Africa. In 2019, Mr Sobey joined Pacific Road as an Investment Director where he is responsible for the screening of, evaluation of and subsequent investment in, resource related investment opportunities. Pacific Road Resources Fund II is a major shareholder of Base Resources, with Mr Sobey appointed as its nominee on the Board.
Special responsibilities:	Member of the Remuneration & Nomination Committee; member of the Environment, Social & Ethics Committee
Other current listed company directorships:	Nil
Past listed company directorships held over the last three years:	Nil

Ms Sheila Khama	Non-Executive Director
Qualifications:	BA (Sociology), MBA (General Management)
Appointed:	1 March 2023
Experience:	Ms Khama is a consultant, policy advisor and former mining industry executive with expertise in corporate governance and sustainable development of minerals, oil and gas resources. Ms Khama is respected for her knowledge of mineral policy, regulatory frameworks and sovereign risk analysis. Since April 2019, Ms Khama has been an independent consultant on mining, oil and gas governance and policy reforms for SK Consulting Pty Ltd. From November 2016 to March 2019, Ms Khama served as Practice Manager and Coordinator of Donor Relations and Partnerships at The World Bank, where she led an international team of mineral, oil and gas specialists in implementing support programs ranging from policy reforms, technical assistance, research and knowledge dissemination for various countries. From November 2013 to November 2016, Ms Khama served as Director of the African Natural Resources Center at the African Development Bank in Tunisia, where she led a support program for African governments to improve development outcomes from renewable and non-renewable resources. From 2010 to 2013, Ms Khama served as Director of the Extractives Advisory Program at the African Center for Economic Transformation, a pan-African think tank based in Ghana. Ms Khama also previously held a number of senior roles in the private sector, including Chief Executive Officer of De Beers Botswana from 2005 to 2010, Head of Marketing and Communication at the First National Bank of Botswana Ltd from 2002 to 2005, and Group Secretary of the Anglo American Corporation Botswana from 1994 to 2002. Ms Khama currently serves as a Non-Executive Director for the Development Partner Institute.
Special responsibilities:	Chair of the Environment, Social & Ethics Committee
Other current listed company directorships:	Tullow Oil plc (since 2019); The Metals Company Inc. (since 2021)
Past listed company directorships held over the last three years:	Nil

Mr Chadwick Poletti	Chief Legal Officer and Company Secretary
Qualifications:	LLB (Hons), BCom
Appointed:	19 May 2015
Experience:	Mr Poletti is a practising lawyer with over 15 years' experience in private practice and as general counsel, principally focused on the resources sector. Mr Poletti has broad experience in advising companies and directors across diverse and complex operating environments. He has deep experience in managing legal risk in Africa, including sovereign, regulatory and corruption risks, as well as dispute resolution. Prior to joining Base Resources, Mr Poletti was at international law firm, Ashurst, where he specialised in both domestic and cross-border regulated and unregulated mergers and acquisitions, including takeovers and schemes of arrangement, equity capital markets, corporate advisory and governance.

Meetings of Directors

The number of meetings of the Board and meetings of committees of the Board held during the year and the number of meetings attended by each Director was as shown in the table below:

	Board Meetings		Audit Committee		Remuneration & Nomination Committee		Risk Committee		ESE Committee	
	Meetings held while a director	Meetings attended	Meetings held while a committee member	Meetings attended	Meetings held while a committee member	Meetings attended	Meetings held while a committee member	Meetings attended	Meetings held while a committee member	Meetings attended
Michael Stirzaker	8	8	4	4	5	5	-	-	3	3
Tim Carstens	8	8	-	-	-	-	3	3	3	3
Malcolm Macpherson	8	8	4	4	5	5	3	3	3	3
Diane Radley	8	8	4	4	-	-	3	3	3	3
Scot Sobey	8	8	-	-	5	5	-	-	3	3
Sheila Khama(i)	3	3	-	-	-	-	-	-	1	1

(i) Appointed 1 March 2023.

Indemnifying Officers

During or since the end of the financial year, Base Resources has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums to insure its Directors and officers against certain liabilities incurred while acting in that capacity. The contracts of insurance prohibit disclosure of details of the policies or the premiums paid.

The Company's Constitution provides that, subject to and so far as permitted by applicable law, the Company must indemnify every officer of the Company and its wholly-owned subsidiaries against a liability incurred as such an officer to a person (other than the Company or a related body corporate), including a liability incurred as a result of appointment or nomination by the Company or subsidiary as a trustee or as an officer of another corporation, unless the liability arises out of conduct involving a lack of good faith.

Consistent with the rules of the Company's Constitution, the Company has also given indemnities under the terms of deeds of indemnity in favour of current and former directors of the Company and its subsidiaries. In broad terms, each deed includes an indemnity that provides that the relevant Director or officer is, to the maximum extent permitted by law, indemnified out of the property of the Company, against any liability (other than legal costs which are not reasonable) the Director or officer incurs as a Director or officer of the Company or a related body corporate.

No indemnity has been granted to an auditor of the Group in their capacity as an auditor of the Group.

Shares issued since the end of the financial year

No shares in Base Resources have been issued since year end and no amounts are unpaid on any of the issued shares.

Proceedings on behalf of Group

No person has applied for leave of a Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the reporting period.

Non-audit services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act. The Directors are also satisfied that the services provided and disclosed below did not compromise the external auditor's independence because the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or are payable to the Group external auditors for non-audit services provided during the year ended 30 June 2023:

	2023 US$	2022 US$
KPMG Australia		
Other services	7,747	8,313
Overseas KPMG firms		
Assistance with Kenyan Revenue Authority audits for prior periods for which KPMG was the incumbent tax advisor	Nil	8,437

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 57 of the Annual Report.

Corporate Governance Statement

Base Resources and the Board are committed to implementing high standards of corporate governance that create and deliver value for shareholders and uphold the Company's commitment to acting in a legal, honest, sustainable and ethical manner and with integrity. To give effect to this commitment, the Board has established a corporate governance framework comprising a range of governance charters and system documents. A summary of key aspects of the Company's corporate governance framework is set out in its Corporate Governance Statement for the reporting period, available on the Company's website (*https://baseresources.com.au/who-we-are/corporate-governance/*). The Corporate Governance Statement also reports on the extent to which the Company followed the corporate governance recommendations set out in the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Rounding

The Group is of a kind referred to in ASIC Corporations Instrument 2016/191 and, in accordance with that Class Instrument, amounts in the financial report and directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

REMUNERATION REPORT

This Remuneration Report sets out the remuneration arrangements for Base Resources for year ended 30 June 2023.

This Remuneration Report forms part of the Directors' Report and has been audited in accordance with the Corporations Act.

Details of key management personnel

This Remuneration Report details the remuneration arrangements for key management personnel, defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group and who comprise the Directors (whether executive or non-executive) of the Company and other executive management, as detailed in the table below.

The executive management considered to be KMP are those General Managers who are responsible for planning and controlling major activities at a Group level. The Managing Director and other executive management listed in the table below are collectively defined as the Senior Executives for the purposes of this report.

Name	Position
Senior Executives	
T Carstens	Managing Director
K Balloch	Chief Financial Officer
A Greyling	General Manager - Growth
S Hay	General Manager - Marketing
C Poletti	Chief Legal Officer
M Rose	General Manager - Support Services (resigned 23 December 2022)
Non-Executive Directors	
M Stirzaker	Chair
M Macpherson	Director
D Radley	Director
S Sobey	Director
S Khama	Director (appointed 1 March 2023)

Role of the Remuneration & Nomination Committee

The Remuneration & Nomination Committee is responsible for oversight of the remuneration system and policies. It is also responsible for evaluating the performance of the Managing Director and monitoring performance of the executive management team. The Board, upon recommendation of the Remuneration & Nomination Committee, determines the remuneration of the Managing Director. The Remuneration & Nomination Committee reviews and approves the remuneration of the executive management team (other than the Managing Director).

The objective of the Remuneration & Nomination Committee is to ensure that the Company's remuneration system and policies attract and retain executives and directors who will create sustained value for shareholders.

Services from remuneration data providers

A comprehensive benchmarking exercise was carried out against several datasets to determine the remuneration packages for the Managing Director and other executive management for the reporting period. Given this recent and comprehensive benchmarking, the Board decided that, for FY24, remuneration packages would be determined based on wage growth over the prior twelve months, rather than a further benchmarking exercise for individual roles.

To assist with determination of the remuneration packages for management, BDO Reward was engaged to provide market data relating to the movement in remuneration in the mining, resources and construction industries over the prior twelve months on both an overall basis and for differing levels of management. The market data relevant to management (excluding the Managing Director) was provided to the Managing Director and the market data relevant to the Managing Director was provided to the Remuneration & Nomination Committee Chair.

In formulating his recommendations to the Remuneration & Nomination Committee for the remuneration packages for management, the Managing Director also considered market data available from AON and, for expatriate employees, Align Advisors, which are both offered on a subscription basis. The Remuneration & Nomination Committee approved the remuneration packages of the executive management team (excluding the Managing Director) by reference to the market data obtained by the Managing Director and with regard to the recommendations from the Managing Director.

In formulating its recommendations to the Board with respect to the Managing Director's remuneration package, the Remuneration & Nomination Committee also considered relevant market data available from AON.

The above approaches were adopted to ensure sufficient data was considered to facilitate a fulsome understanding of market movements in remuneration over the prior twelve months, both on an overall basis and for the relevant level of management. The information provided was utilised by the Remuneration & Nomination Committee and the Board, respectively, as inputs into their decision making only. The Remuneration & Nomination Committee and the Board considered the information, along with other factors, in making their respective ultimate remuneration decisions.

The Board is satisfied that the interactions between the data provider, BDO Reward, and the executive management team were minimal, principally involving communication of the nature of the market data required. Further, BDO Reward has processes and procedures in place to minimise potential opportunities for undue influence from the executive management team. The Board is therefore satisfied that the market data provided was free from undue influence from the executive management team.

Total fees paid to BDO Reward for services during the year ended 30 June 2023 were A$15,500.

Remuneration policy

Base Resources is committed to the close alignment of remuneration to shareholder return, particularly for the Senior Executives.

To this end, the Group's remuneration system is designed to attract, motivate and retain employees by identifying and rewarding high performers and recognising their contribution to the continued growth and success of the Group.

Key objectives of the Group's remuneration policy are to ensure that remuneration practices:

- Facilitate achievement of the Group's objectives.
- Provide strong linkage between executive incentive rewards and creation of value for shareholders.
- Are simple to understand and implement, openly communicated and are equitable across the Group.
- Attract, retain and motivate employees of the required capabilities.
- Comply with applicable legal requirements and appropriate standards of governance.

Key principles of Senior Executive remuneration

Remuneration comprises fixed remuneration, and variable (or at-risk) remuneration, which is determined by reference to individual and Group performance. For Senior Executives, the Group targets total fixed remuneration at the 50th market percentile and a total remuneration package, assuming at-target variable remuneration, at the 75th market percentile. As a consequence, the Group's Senior Executives have a higher proportion of remuneration at-risk than industry averages.

Questions and answers about Senior Executive remuneration:

Remuneration mix

What is the balance between fixed and at-risk remuneration?

The mix of fixed and at-risk remuneration varies depending on the organisational level of an executive, and also depends on the performance of the Group and that individual executive. More senior positions have a greater proportion of their remuneration at-risk and a greater proportion of their at-risk remuneration tied to Group performance.

For all executives, it is possible that, for a particular year, no at-risk remuneration will be earned and that fixed remuneration will represent 100 per cent of their total remuneration.

If target at-risk remuneration was earned for FY23, the proportion of total remuneration represented by fixed and at-risk remuneration would be:

> Managing Director: 48% fixed and 52% at-risk.
> Other Senior Executives: 62% fixed and 38% at-risk.

Fixed remuneration

What is included in fixed remuneration?

Total Fixed Remuneration (TFR) includes base salary, inclusive of superannuation. Allowances and other benefits may be provided and are as agreed, including additional superannuation, provided that, in the case of extra superannuation, no extra cost is incurred by the Group.

When and how is fixed remuneration reviewed?

TFR is reviewed annually. Any adjustments to the TFR for the Managing Director must be approved by the Board after recommendation by the Remuneration & Nomination Committee. The Managing Director determines the TFR of the other Senior Executives and the other General Managers not classified as Senior Executives within specified guidelines approved by the Board, subject to final approval by the Remuneration & Nomination Committee. The Group seeks to position TFR at the 50th market percentile of salaries for comparable companies within the mining industry with which the Group competes for talent and equity investment, utilising information provided by independent remuneration consultants and data providers.

Short Term Incentive Plan (STIP)

What is STIP?

STIP is the plan governing the cash component of at-risk remuneration which is payable annually based on a mix of Group and individual performance criteria.

Why does the Board consider STIP is appropriate?

At-risk remuneration strengthens the link between pay and performance. The purpose of the plan is to reward executives for annual performance relative to the expectations of their role accountabilities, KPIs and required behaviours as well as for delivery of annual business plans and priorities. A reward structure that provides at-risk remuneration is also a necessary part of a competitive remuneration package in the Australian and global marketplace for executives.

Does STIP take into account different levels of performance compared to objectives?

The quantum of any STIP award is linked to the extent of achievement of applicable performance criteria. Performance levels for each performance criteria are set at the following three levels:

> **Threshold** – a performance level that is below optimal but nevertheless acceptable. It is the minimum level of performance for which a small STIP award would be payable. STIP is designed such that there is an 80% probability the executive will reach or exceed this level of achievement.
> **Target** – a performance level that represents a challenging but achievable level of performance. STIP is designed such that there is a 50% to 60% probability the executive will reach or exceed this level of achievement.
> **Stretch** – a performance level that is clearly at the upper limit of what may be achievable. STIP is designed such that there is a 10% to 20% probability the executive will reach or exceed this level of achievement.

The probabilities of achievement are set at these levels such that, over time and assuming performance to role, awards approximately equal to the target level would be payable. Achievement of the target performance level would support the 75th market percentile TFR policy objective for executives.

What are the performance criteria?

Performance criteria are assigned for both individual and Group performance. Performance criteria may change from year to year.

In relation to the Managing Director, for the reporting period, his STIP award opportunity had a weighting of 30% for individual performance criteria and 70% for corporate performance criteria. In contrast, the other Senior Executives had weightings of 50% for both individual and corporate performance criteria.

These weightings were considered appropriate as they recognise the relative degrees of influence that the Managing Director and other Senior Executives have on Group performance and execution of the Group's strategic plan.

Corporate performance criteria are set at the commencement of each financial year and are usually derived from the annual operating plan and may vary from time to time to include other aspects of performance for which there is shared accountability and which the Group wishes to emphasise.

The corporate performance criteria for the 2023 financial year were set by reference to the Group's strategic plan and budgeted Group EBITDA, assuming a fixed AUD:USD exchange rate and inclusion of only 25% of variances in actual sales prices against budgeted prices, reflecting management's limited control over product pricing outcomes.

Where budgeted Group EBITDA is a corporate performance criteria, the Remuneration & Nomination Committee will set the Threshold, Target and Stretch performance levels for actual Group EBITDA on the basis of an assessment of the degree of challenge represented by the particular year's budget. Consequently, these ranges may change from year to year. This approach is designed to ensure the appropriate degree of challenge in both the budgets committed to and the Group's EBITDA performance criteria.

The performance levels for execution of the Group's strategic plan were as follows:

> Threshold – Commencement of the exploration program in Kwale East.
> Target – Fiscal terms agreed for the Toliara Project and secured through LGIM certification (or an equivalent mechanism) or a business development transaction is agreed and approved by the Board that serves as a development alternative to the Toliara Project or a replacement for Kwale Operations.
> Stretch – The Threshold outcome is achieved together with one of the Target outcomes or both Target outcomes are achieved.

The performance levels for actual Group EBITDA for the 2023 financial year were as follows:

> Threshold – 10% below budgeted Group EBITDA.
> Target – Budgeted Group EBITDA.
> Stretch – 10% above budgeted Group EBITDA.

Are there any overriding financial performance or other conditions?

For each year, one or more gates may be determined by the Board. A gate may be a minimum level of earnings for the Group or a safety performance threshold that must be achieved for any awards to be payable under STIP.

Irrespective of whether a gate is achieved, the Board retains absolute discretion to increase or decrease awards. It is intended that the exercise of this discretion is used sparingly to take account of significant events and/or factors that were not anticipated when the year commenced and the performance criteria were set and performance levels determined.

The following gates were in place for the 2023 financial year:

> No workplace fatalities.
> No major reputational or environmental events.

What is the value of the STIP award opportunity?

The Managing Director had a target STIP opportunity of 50% of TFR, with a minimum opportunity (if only threshold level is met) of 20% of TFR and a maximum opportunity (if the stretch targets are achieved) of 80% of TFR.

Other Senior Executives had a target STIP opportunity of 30% of TFR, with a minimum opportunity (if only threshold level is met) of 15% of TFR and a maximum opportunity (if the stretch targets are achieved) of 60% of TFR.

These percentages were set based on externally provided market data to achieve the remuneration policy intent of TRP at the 75th market percentile.

How is the STIP assessed?

Individual performance criteria – are assessed using a performance rating scale. In making the assessment in respect of a particular area of accountability, consideration is given to the extent to which the behaviours and performance indicators identified in the role description have been modelled and observed. This assessment is undertaken by the participant's manager and then signed-off by the manager-once-removed. In the case of the Managing Director, the assessment is undertaken by the Remuneration & Nomination Committee and approved by the Board. Specific outcomes during the 2023 financial year relevant to STIP awards included:

> Achievement of access to and the carrying out of exploration at Kwale East to seek to extend Kwale Operations' mine life.
> Successful transition of mining operations to the Kwale North Dune.
> The continued consistent safety, operational and cost performance of Kwale Operations.
> Progression of the Kwale Operations post-mining land use project and rehabilitation activities.
> Progression of negotiations with the Government of Madagascar on the fiscal terms applicable to the Toliara Project.
> Completion of a high-quality Rare Earths Concept Study for the Toliara Project.
> Release of the Company's inaugural Sustainability Report.
> Identification and evaluation of business development opportunities meeting pre-defined strategic criteria.

Corporate performance criteria – the Board determines the extent to which each corporate performance criteria has been achieved.

What happens to a participant's STIP award opportunity if they cease employment?

Unless the Board determines otherwise, where a participant ceases to be employed by a Group member (and is not immediately employed by another Group member) for any reason other than a "Disqualifying Event", their award opportunity for the applicable financial year will be reduced to reflect the portion of the financial year not completed at the end of their employment. For the purposes of determining their actual STIP award, assessment of the extent of their achievement of individual performance criteria will be based on performance up to the cessation of their employment, while the extent of achievement of the corporate performance criteria will be assessed by the Board in the ordinary course at the conclusion of the financial year.

A "Disqualifying Event" is where a participant ceases to be employed:

> Within the first twelve months of their employment commencing (irrespective of the reason);
> Within the first three months of the applicable financial year (irrespective of the reason);
> As a result of being terminated for cause; or
> For any other reason or circumstance as determined from time to time by the Board.

Long Term Incentive Plan (LTIP)

What is the LTIP?

LTIP is the plan that governs the equity component of at-risk remuneration, with the amount of remuneration ultimately received by a participant in respect of an award determined by reference to Base Resources' total shareholder return performance over a 3-year period.

LTIP aims to reward participants for Base Resources' TSR performance, both relative to its peer group and in absolute terms.

How often are LTIP awards made?

LTIP operates on the basis of a series of annual cycles. Each cycle commences on 1 October and is followed by a 3-year performance period, with testing occurring as at the final day of the performance period (i.e. as at 30 September three years after commencement).

Why does the Board consider the LTIP is appropriate?

The Board believes that a well designed LTIP can:

> Attract executives with the required capability.
> Retain key talent.
> Maintain a stable leadership team.
> Explicitly align and link the interests of the Group's management team and shareholders.

What types of equity may be granted under the LTIP?

Performance rights are granted under the LTIP. Performance rights are a right to be allocated one share in Base Resources, subject to satisfying any specified gates and performance criteria (refer below).

A participant is not entitled to participate in or receive any dividends or other shareholder benefits until the performance right has vested and been exercised and a share has been allocated to the participant.

What is the value of the LTIP award opportunity?

The Managing Director is awarded performance rights worth 120% of his TFR. Other Senior Executives are awarded performance rights worth 60% of their TFR. The LTIP performance criteria are designed to target 50% vesting of awarded performance rights over time.

Award opportunities and target vesting outcome are set based on externally provided market data to achieve the remuneration policy intent of positioning TRP at the 75th market percentile.

What are the LTIP gates?

The Board has discretion to determine that one or more gates must be satisfied in order for performance rights to be capable of vesting. If any gates are not satisfied, then the Board must determine the downward adjustment to the number of performance rights that remain capable of vesting, which, for the avoidance of doubt, may be a downward adjustment to nil.

For the performance rights for the cycles that commenced on 1 October 2021 and 1 October 2022, the Board determined that the following gates apply:

> A positive TSR being achieved over the performance period.

> During the final year of the performance period, there are no workplace fatalities, being the death of a person resulting from activities that the Company (or its contractors) are responsible for and that are under the Company's control or direction. For clarity, this excludes public road use in the ordinary course.

> During the final year of the performance period, there are no "major" reputational or environmental events, with major being defined in the Company's risk matrix.

The performance rights for the cycle that commenced on 1 October 2020 are not subject to any gates.

What are the LTIP performance criteria?

The Group uses two LTIP performance criteria to determine the proportion of performance rights which vest, as follows:

> Half of the performance rights are subject to relative TSR criteria (referred to as relative TSR performance rights).

> Half of the performance rights are subject to absolute TSR criteria (referred to as absolute TSR performance rights).

The Board considers that TSR is an appropriate performance measurement metric because it ensures that a proportion of each participant's remuneration is explicitly linked to longer term shareholder value and ensures that participants only receive a benefit where there is a corresponding direct benefit to shareholders. The blend of absolute and relative performance rights is considered appropriate to mitigate the weaknesses of each of those measures in isolation.

Relative TSR performance rights

The proportion of relative TSR performance rights which vest is determined on the basis of Base Resources' TSR relative to the TSR of the applicable comparator group over the relevant 3-year performance period, as set out below:

Cycles that commenced 1 October 2021 and 2022	Percentage of relative TSR performance rights that vest	Cycle that commenced 1 October 2020	Percentage of relative TSR performance rights that vest
Less than 50th percentile	Nil	Less than 45th percentile	Nil
50th percentile	50%	Between 45th percentile to less than 50th percentile	25%
Between 50th and 75th percentile	Pro rata between 50% and 100%	50th percentile	50%
75th percentile and above	100%	Between 50th and 75th percentile	Pro rata between 50% and 100%
		75th percentile and above	100%

Notwithstanding the above, the performance rights for the cycles that commenced on 1 October 2021 and 1 October 2022 are subject to a gate that a positive TSR is achieved over the performance period. Further, in the case of the performance rights for the cycle that commenced 1 October 2020, the Board has the absolute discretion to determine that no relative TSR performance rights vest if Base Resources' TSR is negative (despite its relative placing within the TSR comparator group).

LTIP performance criteria are designed to target 50% vesting over time to achieve the Company's policy intent for remuneration market positioning, whilst providing incentive for out performance.

For the cycle that commenced on 1 October 2021, the performance criteria for relative TSR performance rights were altered such that there will be nil vesting for relative TSR performance below the 50th percentile of the peer group. This same approach was adopted for the cycle that commenced 1 October 2022. Therefore, a level of TSR performance below Target (i.e. 50th percentile for these cycles) would result in nil vesting and therefore result in a 50% loss of the equity component of at-risk remuneration.

The vesting outcomes for relative TSR performance at or above the 50th percentile of the peer group are the same for all three cycles.

Absolute TSR performance rights

The proportion of absolute TSR performance rights which vest will be determined on the basis of Base Resources' TSR on the following scale:

Base Resources 3-year TSR	Percentage of absolute TSR performance rights that vest
Less than 40.5%	Nil
Between 40.5% and 56%	Pro rata between 25% and 50%
56%	50%
Between 56% and 73%	Pro rata between 50% and 100%
73% or greater	100%

TSR is calculated by comparing the 20 trading-day volume weighted average price (VWAP) up to the day before commencement of the performance period with the 20 trading-day VWAP up to the final day of the performance period. In each case, appropriate adjustments are made to ensure the trading data is not distorted by a dividend having a record date prior to the performance period or which is separately factored into the TSR calculation. The opening 20-trading day VWAP for the performance rights granted for the cycle that commenced on 1 October 2022 was A$0.3010 per share (A$0.2715 per share for the cycle that commenced on 1 October 2021 and A$0.2602 per share for the cycle that commenced on 1 October 2020). To achieve 100% vesting of the absolute performance rights for the cycle that commenced on 1 October 2022, a closing 20 trading-day VWAP of A$0.5207 or greater would be required (A$0.4697 for the cycle that commenced on 1 October 2021 and A$0.4501 for the cycle that commenced on 1 October 2020) at the conclusion of the 3-year performance period, adjusted for any dividends having a record date during the performance period.

What is the comparator group?

In the case of the cycle that commenced on 1 October 2020, the TSR comparator group comprised the 26th to 75th ranked ASX listed resource companies by market capitalisation, at the time of the offer. For the cycles that commenced on 1 October 2021 and 1 October 2022, the TSR comparator group comprised the ASX listed resource companies ranked either in the 25 positions immediately above, or below, Base Resources by market capitalisation at the time of the offer. The comparator group for each of the 2022, 2021 and 2020 performance rights cycles is as specified below:

	LTIP Cycle		
	Commenced 1 October		
Companies	2022	2021	2020
Adriatic Metals Plc	✓		
Aeris Resources Limited	✓	✓	
Alkane Resources Limited	✓	✓	✓
Allkem Limited			✓
Alpha HPA Limited		✓	
Altura Mining Limited			✓
American Pacific Borates Limited			✓
AngloGold Ashanti Limited	✓		
Anson Resources Limited	✓		
Andromeda Metals Limited		✓	✓
Arafura Resources Limited		✓	
Archer Materials Limited		✓	
Argosy Minerals Limited		✓	
Atlantic Lithium Limited	✓		
Aurelia Metals Limited	✓	✓	✓
Australian Strategic Materials Limited	✓		✓
Auteco Minerals Limited			✓
BBX Minerals Limited			✓
BCI Minerals Limited	✓	✓	
Bellevue Gold Limited			✓
Bowen Coking Coal Limited	✓		
Brockman Mining Limited	✓		
Calidus Resources Limited	✓	✓	
Capricorn Metals Limited			✓
Cardinal Resources Limited			✓
Catalyst Metals Limited			✓
Centaurus Metals	✓	✓	
Chalice Gold Mines Limited			✓
Challenger Exploration		✓	
Cobalt Blue Holdings Limited	✓		
Cokal Limited	✓		
Coronado Gold Resources Inc		✓	✓
Dacian Gold Limited			✓
Develop Global Limited	✓	✓	
Dreadnought Resources Limited	✓		
DGO Gold Limited		✓	✓
Ecograf Limited		✓	
Element 25 Limited		✓	
Emerald Resources NL		✓	✓
Firefinch Limited	✓		
Flinders Mines Limited			✓
FYI Resources		✓	
Galan Lithium Limited	✓	✓	
Galileo Mining Limited	✓		
Genesis Minerals Limited	✓	✓	
Global Lithium Resources Limited	✓		
Gold Road Resources Limited			✓
Grange Resources Limited			✓
Greenland Minerals Limited			✓
Hastings Technology Metals Limited	✓	✓	
Hawsons Iron Limited	✓		

	LTIP Cycle		
	Commenced 1 October		
Companies	2022	2021	2020
Ioneer Limited			✓
Jervois Mining Limited			✓
Jupiter Mines Limited	✓	✓	✓
KGL Resources Limited		✓	
Kingsgate Consolidated Limited	✓	✓	✓
Legend Mining Limited		✓	✓
Leo Lithium	✓		
Lindian Resources Limited	✓		
Liontown Resources Limited			✓
Lotus Resources Limited	✓	✓	
Magnetic Resources NL	✓	✓	✓
Magnis Energy Technologies Limited	✓	✓	
Mallee Resources Limited	✓		
Metals X Limited	✓	✓	
Mincor Resources NL			✓
Mount Gibson Iron Limited	✓		✓
Musgrave Minerals Limited			✓
Neometals Limited		✓	
Newfield Resources Limited	✓	✓	
OM Holdings Limited	✓		✓
Ora Banda Mining Limited			✓
Orecorp Limited		✓	
Panoramic Resources Limited	✓	✓	✓
Pantoro Limited	✓	✓	✓
Piedmont Lithium LImited	✓		✓
Pilbara Minerals Limited			✓
Poseidon Nickel Limited		✓	
Predictive Discovery Limited	✓	✓	
Queensland Pacific Metals Limited		✓	
Red 5 Limited	✓	✓	✓
Red Hill Iron Limited	✓	✓	
Resolute Mining Limited	✓	✓	✓
Rumble Resources Limited		✓	
Sandfire Resources NL			✓
Silver Mines Limited		✓	✓
Sovereign Metals Limited		✓	
SSR Mining Inc	✓		
Strandline Resources Limited	✓	✓	
Sunrise Energy Metals Limited	✓		
Syrah Resources Limited		✓	
Talga Group Limited	✓	✓	✓
Tietto Minerals Limited	✓		✓
Tigers Realm Coal Limited		✓	
Tigers Realm Gold	✓		
Tribune Resources Limited		✓	✓
Vital Metals Limited		✓	
West African Resources Limited			✓
Western Areas Limited			✓
Westgold Resources Limited	✓		✓
Zimplats Holdings Limited			✓

Was a grant made in the reporting period?

Performance rights were granted to eligible participants in the LTIP for the cycle that commenced on 1 October 2022. The number of performance rights granted to each executive was calculated by reference to the 20 trading-day VWAP up to the start of the cycle, which was A$0.3010 per share, and their LTIP award opportunity.

What happens to performance rights granted under the LTIP when a participant ceases employment?

Where a participant ceases to be employed by a Group member (and is not immediately employed by another Group member) for any reason other than a qualifying reason, all that participant's unvested performance rights are automatically forfeited.

Where a participant ceases to be employed by a Group member because of a qualifying reason, then the Board must determine, in its absolute discretion, the number of that participant's unvested performance rights (if any) that will remain on foot and become capable of vesting in accordance with LTIP rules.

The Board will generally exercise its discretion in the following manner:

> a pro rata number of performance rights granted for the cycle beginning on the 1 October immediately prior to the participant ceasing employment reflecting the portion of the first year of the performance period that the participant will not be employed will be automatically forfeited; and

> all other performance rights will continue to be held by the participant and will be tested for vesting as at the test date for the relevant performance right.

Qualifying reasons include but are not limited to death, total and permanent disablement, retirement and redundancy.

What happens in the event of a change of control?

Subject to the Board determining otherwise, if a change of control event occurs then a test date arises as at the date of that change of control event, with the Board to test satisfaction of any gates and the extent to which the performance criteria have been satisfied:

> on the basis of the offer price of the relevant transaction; and

> in the case of absolute TSR performance rights, by reducing the percentage TSR performance hurdle on a pro rata basis based on the unexpired portion of the performance period as at the date the change in control event occurs.

Do shares allocated upon vesting and valid exercise of performance rights dilute existing shareholders' equity?

Shares allocated to the participants in the LTIP upon vesting and valid exercise of performance rights may be satisfied by Base Resources issuing shares to the LTIP trustee or by funding the LTIP trustee to purchase shares on-market. In the event Base Resources issues shares to the LTIP trustee to satisfy the vesting and exercise of performance rights then shareholders' pre-existing equity will be diluted.

Does the Group have a policy in relation to hedging at-risk remuneration?

Yes, the LTIP prohibits participants in the LTIP from entering an arrangement if the arrangement would have the effect of limiting their exposure to risk relating to performance rights that have not vested.

Did any performance rights vest in the reporting period?

20,804,781 performance rights granted for the cycle that commenced on 1 October 2019 were subject to testing at the conclusion of their 3-year performance period on 30 September 2022. 20,458,045 (or 98%) of these rights vested, with the testing outcomes being as follows:

> **Relative TSR performance rights**
Base Resources' TSR over the performance period placed it in the 72nd percentile, resulting in 97% of the relative performance rights vesting.

> **Absolute TSR performance rights**
Base Resources' TSR over the performance period, by reference to a final VWAP of A$0.3310 and dividends paid of A$0.1350 per share, equated to a TSR of 81%, resulting in 100% of the absolute performance rights vesting.

Shares allocated to the participants in the LTIP upon the vesting and valid exercise of the above performance rights were satisfied through the allocation of existing shares acquired on-market by the LTIP trustee.

Group performance and its link to shareholder return

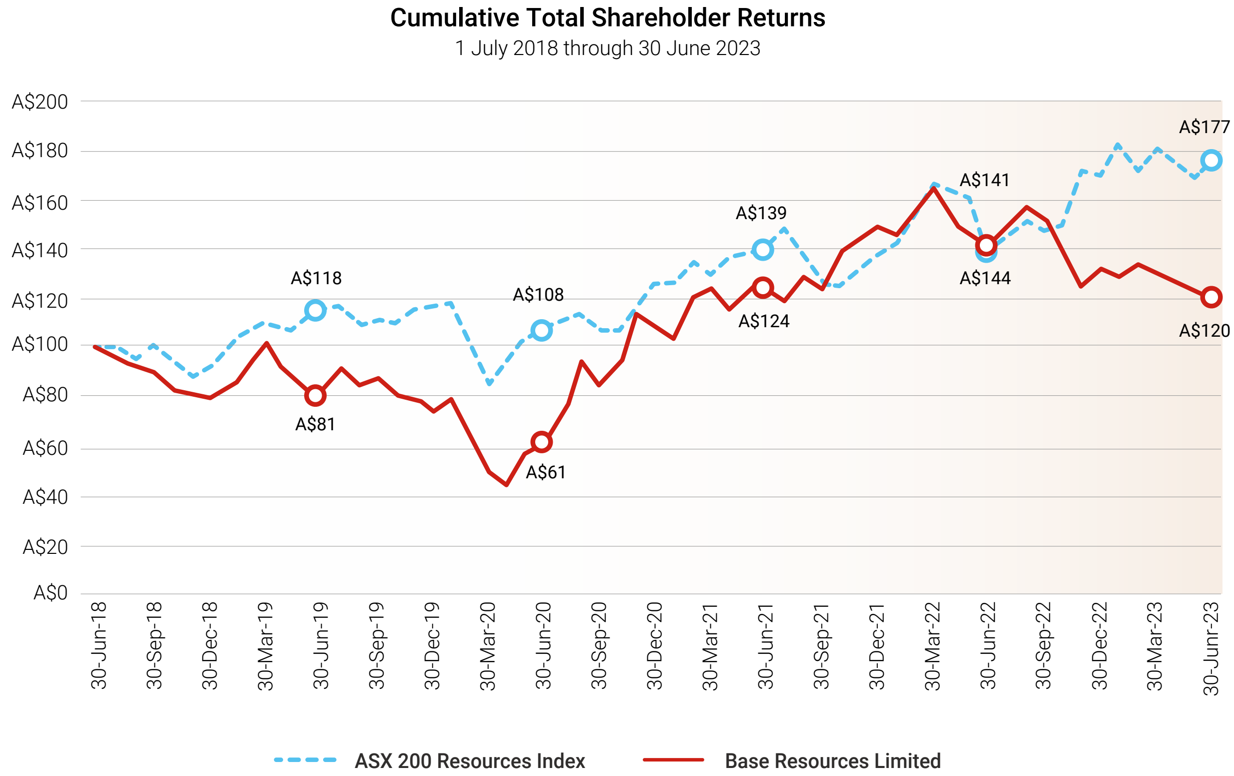
5 Year Performance

The table below outlines the Company's performance over the last five years.

		Financial Year				
Measure	**Unit**	**2019**	**2020**	**2021**	**2022**	**2023**
EBITDA	$000's	113,511	108,687	94,574	158,659	158,567
EBIT	$000's	68,383	51,503	35,136	117,987	23,034
NPAT	$000's	39,153	39,588	10,981	80,741	(4,841)
Earnings per share	cents / share	3.4	3.4	0.9	6.9	(1.0)
Dividends paid	cents / share	0.0	0.0	6.5	7.0	5.0
Share Price (30 June)	$ / share	0.24	0.18	0.30	0.28	0.17

Shareholder Return

The following graph compares the change in the cumulative TSR of Base Resources' shares during the period from 1 July 2018 to 30 June 2023, against the cumulative total return of the ASX 200 Resources Index over the same period, in each case assuming A$100 was invested.



Senior executive remuneration outcomes for the reporting period

Total Fixed Remuneration

The Company seeks to ensure that executive remuneration is market competitive, easy to understand and can be clearly communicated to executives and shareholders.

A comprehensive market benchmarking exercise for the Senior Executives' roles (and for other management roles) was completed during the 2022 financial year to determine the remuneration packages for the reporting period. Leveraging that comprehensive exercise, the Board decided that, for FY24, remuneration packages would be determined based on wage growth over the prior twelve months, rather than a further benchmarking exercise for individual roles. By reference to data obtained by BDO Reward and from certain subscription services, the Remuneration & Nomination Committee approved a 6% increase to TFR for each of the Senior Executives except the Managing Director from 1 July 2023 as follows:

> Kevin Balloch from A$483,000 to A$511,980.
> Andre Greyling from A$483,000 to A$511,980.
> Stephen Hay from A$481,000 to A$509,860.
> Chadwick Poletti from A$461,000 to A$488,660.

In relation to Managing Director, Tim Carstens, the Board determined that his TFR will remain at A$678,000 for FY24.

Short Term Incentives

A review of the performance of each Senior Executive was undertaken against their 2023 individual performance measures as explained above. The reporting period corporate performance was determined by reference to execution of the Group's strategic plan and the Group financial performance relative to budget. A Threshold performance level was achieved for execution of the Group's strategic plan, while the Group financial performance achieved relative to budget was between the Threshold and Target performance levels. STIP entitlements earned in the reporting period are paid in the 2024 financial year.

The following table outlines the STIP that was earned in comparison with the target STIP for the 2023 financial year:

	Target STI		STI Awarded	
Name	Individual performance %	Corporate performance %	Individual performance %	Corporate performance %
T Carstens	15	35	19	18
K Balloch	15	15	19	10
A Greyling	15	15	22	10
S Hay	15	15	19	10
C Poletti	15	15	21	10
M Rose	15	15	13	10

LTIP Performance Rights

The LTIP operates on the basis of a series of 3-year performance cycles commencing on 1 October each year. Accordingly, LTIP performance rights issued in the reporting period are subject to a 3-year performance period ending on 30 September 2025.

Performance rights issued under the plan for the 2019 cycle, which remained subject to testing at the end of the performance period on 30 September 2022, totalled 20,804,781, with 20,458,045 performance rights vesting.

The maximum value of the performance rights that are yet to vest is determined based on their fair value at grant date. The minimum value of performance rights yet to vest is nil since the performance rights can be subject to forfeiture, including if applicable performance criteria are not met.

The table below outlines the vesting outcomes of performance rights for the last three LTIP cycles completed:

			Relative Performance Rights		Absolute Performance Rights	
Grant date	Testing date	No. performance rights tested	No. vested	%	No. vested	%
1 October 2017	30 September 2020	15,016,546	6,373,301	85	-	-
1 October 2018	30 September 2021	22,545,430	9,393,929	83	4,216,020	37
1 October 2019	30 September 2022	20,804,781	10,055,646	97	10,402,399	100

Take home pay for the reporting period

The remuneration detailed in the table below represents the Senior Executives' "take home pay" and is aligned to the current reporting period, and therefore is particularly useful in understanding actual remuneration received during the year. The table excludes adjustments made for accounting purposes and included in Statutory Remuneration (refer to page 53), specifically the probability and value of an employee obtaining long service leave and the fair value of the employee's unvested performance rights under three outstanding LTIP cycles expensed during the reporting period. The remuneration packages for all Senior Executives is shown in their employment currency.

Senior Executive	Currency	Salary	Leave entitlements paid	STIP award(ii)	Superannuation	Vesting of performance rights(iii)	Take home pay (before tax)(i)
2023							
T Carstens	AUD	650,500	-	377,966	27,500	862,208	1,918,174
K Balloch	AUD	455,500	-	171,776	27,500	287,776	942,552
A Greyling	AUD	455,500	-	205,381	27,500	281,453	969,834
S Hay	AUD	453,500	-	185,252	27,500	302,490	968,742
C Poletti	AUD	433,500	50,020	185,317	27,500	264,291	960,628
M Rose(v)	AUD	187,809	84,416	160,096	13,154	308,912	754,387
2022							
T Carstens	AUD	600,500	-	303,538	27,500	526,207	1,457,745
C Bwye(vi)	AUD	450,375	194,205	317,668	20,625	526,207	1,509,080
K Balloch	AUD	408,500	-	157,904	27,500	184,626	778,530
A Greyling	AUD	432,500	-	172,885	27,500	174,647	807,532
S Hay	AUD	430,500	-	165,978	27,500	194,066	818,044
C Poletti	AUD	392,500	-	156,568	27,500	161,038	737,606
M Rose(iv)	AUD	217,292	-	-	16,042	-	233,334

(i) Base Resources' financial results are reported under International Financial Reporting Standards. The above table includes certain non-IFRS measures including vested Performance Rights and take home pay. These measures are presented to enable understanding of the underlying remuneration of Senior Executives.
(ii) STIP awards paid in the financial year.
(iii) The value of Performance Rights vesting on 30 September 2022 has been calculated by reference to the price on the testing date of A$0.3010. The value of Performance Rights vesting on 30 September 2021 has been calculated by reference to the price on the testing date of A$0.3106.
(iv) M Rose appointed as a KMP with effect from 1 December 2021. His remuneration relates to the proportion of the financial year he was deemed a KMP.
(v) M Rose ceased employment with effect from 23 December 2022.
(vi) C Bwye ceased employment with effect from 31 March 2022. In September 2023 he received a STIP award of $269,874 relating to services provided up to his last day of employment.

Statutory remuneration disclosures for the reporting period

The statutory remuneration disclosures for the year ended 30 June 2023 are detailed below and are prepared in accordance with Australian Accounting Standards, are stated in US dollars and differ from the take home pay summary on page 52. These differences arise due to the accounting treatment of long service leave, accrual of STIP awards and share-based payments.

Senior Executive	Short term employment benefits		Post-employment benefits	Other long term	Share based payments	Total	Performance related
	Salary(iv)	STIP award(i)(iv)	Superannuation(iv)	Long service leave(ii)	Performance Rights(iii)		
2023	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**%**
T Carstens	437,982	167,454	18,516	16,387	257,791	898,130	47.3
K Balloch	306,688	94,488	18,516	11,249	88,479	519,420	35.2
A Greyling	306,688	106,620	18,516	7,052	89,818	528,694	37.2
S Hay	305,342	94,097	18,516	5,219	92,131	515,305	36.1
C Poletti	359,233	99,203	18,516	8,540	83,529	569,021	32.1
M Rose(v)	240,126	31,437	8,857	-	-	280,420	11.2
Total	**1,956,059**	**593,299**	**101,437**	**48,447**	**611,748**	**3,310,990**	
2022							
T Carstens	435,602	219,805	19,949	7,662	289,153	972,171	52.4
C Bwye(vi)	467,578	173,292	14,961	8,013	27,313	691,157	29.0
K Balloch	296,326	101,004	19,949	5,349	100,674	523,302	38.5
A Greyling	313,735	121,190	19,949	10,589	100,535	565,998	39.2
S Hay	312,285	106,105	19,949	5,623	105,801	549,763	38.5
C Poletti	284,719	106,210	19,949	9,175	93,405	513,458	38.9
M Rose(vii)	157,623	80,606	11,637	121	57,135	307,122	44.8
Total	**2,267,868**	**908,212**	**126,343**	**46,532**	**774,016**	**4,122,971**	

(i) FY23 STIP awards represent the actual STIP awarded for the financial year. The FY22 STIP awards represent the amount accrued in the financial year to which the performance relates.

(ii) Long service leave entitlement represents the movement in the provision.

(iii) The fair value of Performance Rights is calculated at the date of grant using a Black Scholes Option Pricing Model that includes a Monte Carlo Simulation Model and recognised over the period in which the minimum service conditions are fulfilled (the vesting period). The value disclosed is the portion of the fair value of the Performance Rights recognised in the reporting period. The amount included as remuneration is not necessarily the benefit (if any) that individual Senior Executive may ultimately receive.

(iv) TFR denominated in Australian dollars (A$) and converted to US dollars (US$) for reporting purposes using the average exchange rate for the 2023 financial year of 0.6733 (2022: 0.7254).

(v) M Rose ceased employment with effect from 23 December 2022.

(vi) C Bwye ceased employment with effect from 31 March 2022. A STIP accrual of $12,054 was recorded in September 2022 reflecting the variance between the accrual of STIP in the 2022 financial year and subsequent payment in the 2023 financial year.

(vii) M Rose appointed as a KMP with effect from 1 December 2021. His remuneration package relates to the proportion of the financial year he was deemed a KMP.

Reconciliation of take home pay to statutory remuneration

A reconciliation of the Managing Director's take home pay to statutory remuneration is detailed below as an example:

	2023	2022
Take home pay for the Managing Director (A$)	1,981,174	1,457,745
Take home pay converted to US$ using average exchange rates	1,291,506	1,057,448
Treatment of Long Service Leave:		
Add: Movement in the accounting provision for long service leave entitlements	16,387	7,662
Treatment of STIP accrued for current financial year:		
Add: Movement between accrual and subsequent payment of STIP	(87,030)	(381)
Treatment of performance rights:		
Add: Accounting fair value (non-cash) of performance rights recognised in the period	257,791	289,153
Less: Value of performance rights vested at date of vesting (US$)	(580,524)	(381,711)
Statutory pay for the Managing Director (US$)	**898,130**	**972,171**

Non-executive director remuneration

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. Fees paid to Non-Executive Directors are recommended by the Remuneration & Nomination Committee and the Board is responsible for approving any recommendations, if appropriate. As approved at the Annual General Meeting on 28 November 2011, the aggregate limit of fees payable per annum is A$750,000 in total.

The Group's policy is that Non-Executive Director remuneration is structured to exclude equity-based remuneration and reviewed annually. All Directors have the insurance premiums for their director's and officer's insurance paid for by the Group.

Non-Executive Directors receive fixed fee remuneration consisting of a cash fee and statutory superannuation contributions made by the Group and additional fees for committee roles as set out below:

	2023 A$	2022 A$
Base fees		
Chair	148,500	148,500
Other non-executive directors	85,000	85,000
Remuneration & Nomination Committee		
Chair	-	-
Committee member	5,250	5,250
Audit Committee		
Chair	14,000	14,000
Committee member	7,000	7,000
Environment, Social & Ethics Committee		
Chair	7,900	7,900
Committee member	3,900	3,900
Risk Committee		
Chair	7,900	7,900
Committee member	3,900	3,900

Non-Executive Director remuneration for the year ended 30 June 2023 and prior year remuneration:

	Base fees US$	Audit Committee US$	Remuneration & Nomination Committee US$	Risk Committee US$	ESE Committee US$	Superannuation US$	Total(i) US$
2023							
M Stirzaker	90,484	-	-	-	-	9,501	99,985
M Macpherson	51,792	4,265	3,199	4,814	2,376	6,977	73,423
D Radley	57,230	9,426	-	2,626	2,626	-	71,908
S Sobey	57,230	-	3,535	346	2,626	-	63,737
S Khama(ii)	19,077	-	-	-	443	-	19,520
Total	**275,813**	**13,691**	**6,734**	**7,786**	**8,071**	**16,478**	**328,573**
2022							
M Stirzaker	80,879	-	1,443	-	1,072	8,339	91,733
K Spence(iii)	39,716	-	-	-	-	3,972	43,688
M Macpherson	56,054	4,616	3,462	5,210	2,572	7,191	79,105
D Radley	61,659	10,156	-	2,829	2,829	-	77,473
J Herzig(iv)	47,465	-	2,932	2,178	2,178	5,475	60,228
S Sobey(v)	36,824	-	-	-	-	-	36,824
Total	**322,597**	**14,772**	**7,837**	**10,217**	**8,651**	**24,977**	**389,051**

(i) *Total remuneration packages denominated in Australian dollars (A$) and converted to US dollars (US$) for reporting purposes using the average exchange rate for the 2023 financial year of 0.6733 (2022: 0.7254).*
(ii) *Appointed 1 March 2023.*
(iii) *Retired 26 November 2021.*
(iv) *Retired 5 May 2022.*
(v) *Appointed 26 November 2021.*

Equity instruments

Performance Rights

The table below outlines movements in performance rights during the reporting period and the balance held by each Senior Executive at 30 June 2023.

Name	Grant date[i]	Fair value of each performance right	Vesting date[ii]	Number of performance rights	Number granted during year	Number lapsed during year	Number vested during year	Number exercised during the year	Balance that remain subject to performance testing at end of year
T Carstens[iii]	1 Oct 2019	A$0.1280	30 Sep 2022	2,913,027	-	(48,550)	2,864,477	(2,864,477)	-
	1 Oct 2020	A$0.1385	30 Sep 2023	2,691,429	-	-	-	-	2,691,429
	1 Oct 2021	A$0.1855	30 Sep 2024	2,647,399	-	-	-	-	2,647,399
	1 Oct 2022	A$0.0945	30 Sep 2025	-	2,702,895	-	-	-	2,702,895
				8,251,855	**2,702,895**	**(48,550)**	**2,864,477**	**(2,864,477)**	**8,041,723**
K Balloch	1 Oct 2019	A$0.1280	30 Sep 2022	972,269	-	(16,204)	956,065	(956,065)	-
	1 Oct 2020	A$0.1385	30 Sep 2023	898,307	-	-	-	-	898,307
	1 Oct 2021	A$0.1855	30 Sep 2024	918,981	-	-	-	-	918,981
	1 Oct 2022	A$0.0945	30 Sep 2025	-	962,757	-	-	-	962,757
				2,789,557	**962,757**	**(16,204)**	**956,065**	**(956,065)**	**2,780,045**
A Greyling	1 Oct 2019	A$0.1280	30 Sep 2022	950,908	-	(15,848)	935,060	(935,060)	-
	1 Oct 2020	A$0.1385	30 Sep 2023	878,571	-	-	-	-	878,571
	1 Oct 2021	A$0.1855	30 Sep 2024	969,567	-	-	-	-	969,567
	1 Oct 2022	A$0.0945	30 Sep 2025	-	962,757		-	-	962,757
				2,799,046	**962,757**	**(15,848)**	**935,060**	**(935,060)**	**2,810,895**
S Hay	1 Oct 2019	A$0.1280	30 Sep 2022	1,021,983	-	(17,033)	1,004,950	(1,004,950)	-
	1 Oct 2020	A$0.1385	30 Sep 2023	944,239	-	-	-	-	944,239
	1 Oct 2021	A$0.1855	30 Sep 2024	965,351	-	-	-	-	965,351
	1 Oct 2022	A$0.0945	30 Sep 2025	-	958,770	-	-	-	958,770
				2,931,573	**958,770**	**(17,033)**	**1,004,950**	**(1,004,950)**	**2,868,360**
C Poletti	1 Oct 2019	A$0.1280	30 Sep 2022	892,926	-	(14,882)	878,044	(878,044)	-
	1 Oct 2020	A$0.1385	30 Sep 2023	825,000	-	-	-	-	825,000
	1 Oct 2021	A$0.1855	30 Sep 2024	885,257	-	-	-	-	885,257
	1 Oct 2022	A$0.0945	30 Sep 2025	-	918,904	-	-	-	918,904
				2,603,183	**918,904**	**(14,882)**	**878,044**	**(878,044)**	**2,629,161**
M Rose[iv]	1 Oct 2019	A$0.1280	30 Sep 2022	1,043,680	-	(17,395)	1,026,285	(1,026,285)	-
	1 Oct 2020	A$0.1385	30 Sep 2023	964,286	-	(964,286)	-	-	-
	1 Oct 2021	A$0.1855	30 Sep 2024	878,327	-	(878,327)	-	-	-
	1 Oct 2022	A$0.0945	30 Sep 2025	-	837,180	(837,180)	-	-	-
				2,886,293	**837,180**	**(2,697,188)**	**1,026,285**	**(1,026,285)**	**-**
Total				**22,261,507**	**7,343,263**	**(2,809,705)**	**7,664,881**	**(7,664,881)**	**19,130,184**

(i) The amount expensed per the statutory remuneration table reflects the period since commencement of services when the Group and the Senior Executive had a shared understanding of the award.
(ii) Performance rights are tested as at the vesting date against the performance criteria and any applicable gates. Performance rights will vest if they satisfy the performance criteria and any applicable gates.
(iii) Mr Carstens' performance rights were issued following approval by members under ASX Listing Rule 10.14.
(iv) Michael Rose ceased employment with effect from 23 December 2022.

Director and other Senior Executive shareholdings

The number of ordinary shares in Base Resources held by each Director and other Senior Executives of the Group during the reporting period was as follows:

	Shares held - 1 July 2022	Vested performance rights held - 1 July 2022	Performance rights vested during the year	Vested performance rights exercised during the year	Purchased	Sold	Shares held - 30 June 2023
2023							
M Stirzaker	-	-	-	-	425,000	-	425,000
T Carstens	10,136,997	-	2,864,477	2,864,477	-	-	13,001,474
S Khama(i)	-	-	-	-	-	-	-
M Macpherson	-	-	-	-	-	-	-
D Radley	500,000	-	-	-	-	-	500,000
S Sobey	-	-	-	-	-	-	-
K Balloch	3,633,731	-	956,065	956,065	-	-	4,589,796
A Greyling	3,193,966	-	935,060	935,060	-	-	4,129,026
S Hay	2,022,811	-	1,004,950	1,004,950	-	500,000	2,527,761
C Poletti	1,967,332	-	878,044	878,044	-	-	2,845,376
M Rose(ii)	61,994	-	1,026,285	1,026,285	-	-	1,088,279
	21,516,831	**-**	**7,664,881**	**7,664,881**	**425,000**	**500,000**	**29,106,712**

(i) Details provided are for the period following Ms Khama's appointment as a Director on 1 March 2023. Accordingly, Ms Khama's shareholding is at the start of the reporting period is reported as at 1 March 2023, not 1 July 2022.

(ii) Details provided are for the period that Mr Rose was employed. Accordingly, Mr Rose's shareholding at the end of the reporting period is reported as at 23 December 2022, not 30 June 2023.

Senior Executive employment arrangements

The employment arrangements of the Senior Executives are formalised in standard employment agreements. Details of the termination provisions contained in the agreements are provided below.

Name	Term of contract	Notice period by either party	Termination benefit
T Carstens	Permanent – ongoing until terminated by either party	3 months' notice by the employee or Company for termination without cause 1 months' notice for termination by Company if unable to perform duties by reason of illness or incapacity No notice required for termination by Company for cause	12 months' fixed remuneration in the case of termination by the Company without cause
K Balloch A Greyling S Hay C Poletti	Permanent – ongoing until terminated by either party	3 months' notice by the employee 6 months' notice for termination by Company without cause (3 months for A Greyling) 1 months' notice for termination by Company for serious breach of employment agreement, incompetence, gross misconduct or refusing to comply with lawful direction given by the Company No notice required for termination by Company if convicted of any major criminal offence Company may elect to make payment in lieu of notice	6 months' fixed remuneration in the case of termination by the Company without cause (3 months' remuneration for A Greyling)

This Report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Michael Stirzaker,
Chair

Dated: 26 August 2023

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Base Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Base Resources Limited for the financial year ended 30 June 2023 there have been:

i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Graham Hogg
Partner
Perth
26 August 2023

FINANCIAL STATEMENTS AND NOTES

Consolidated financial statements for the year ended 30 June 2023

Consolidated statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 US$000s	2022 US$000s
Sales revenue	3	271,434	279,117
Cost of sales	4	(121,087)	(131,656)
Profit from operations		150,347	147,461
Corporate and external affairs		(14,411)	(12,446)
Community development costs		(7,927)	(6,178)
Selling and distribution costs		(2,165)	(2,954)
Exploration and evaluation expenditure written-off	11	(2,219)	-
Impairment losses	13	(88,857)	-
Net write-off of Kenyan VAT receivable and royalty payable		-	(3,012)
Business development		(395)	(1,753)
Other expenses		(1,690)	(3,131)
Profit before financing costs and income tax		32,683	117,987
Financing costs	5	(2,735)	(4,138)
Profit before income tax		29,948	113,849
Income tax expense	6	(34,789)	(33,108)
Net (loss)/profit for the year		**(4,841)**	**80,741**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations		(2,808)	(2,795)
Total other comprehensive income for the year		(2,808)	(2,795)
Total comprehensive income for the year		**(7,649)**	**77,946**
Earnings per share		**Cents**	**Cents**
Basic (loss)/earnings per share (US cents per share)	7	(0.42)	6.92
Diluted (loss)/earnings per share (US cents per share)	7	(0.42)	6.80

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of financial position

AS AT 30 JUNE 2023

	Note	30 June 2023 US$000s	30 June 2022 US$000s
Current assets			
Cash and cash equivalents		92,889	55,447
Trade and other receivables	9	63,061	68,961
Inventories	10	23,111	15,098
Other current assets		10,336	9,099
Total current assets		**189,397**	**148,605**
Non-current assets			
Capitalised exploration and evaluation	11	162,933	156,069
Property, plant and equipment	12	23,155	89,012
Deferred tax asset	6	1,864	-
Total non-current assets		**187,952**	**245,081**
Total assets		**377,349**	**393,686**
Current liabilities			
Trade and other payables	14	17,951	17,652
Provisions	15	13,821	7,500
Deferred consideration	16	7,000	7,000
Other current liabilities		233	493
Total current liabilities		**39,005**	**32,645**
Non-current liabilities			
Provisions	15	39,472	16,534
Deferred tax liability	6	-	162
Deferred consideration	16	10,000	10,000
Other non-current liabilities		393	645
Total non-current liabilities		**49,865**	**27,341**
Total liabilities		**88,870**	**59,986**
Net assets		**288,479**	**333,700**
Equity			
Issued capital	17	307,811	307,811
Treasury shares	18	(1,763)	(4,957)
Reserves		(20,838)	(17,811)
Retained earnings		3,269	48,657
Total equity		**288,479**	**333,700**

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2023

	Issued capital US$000s	Retained earnings US$000s	Share based payment reserve US$000s	Foreign currency translation reserve US$000s	Treasury shares reserve US$000s	Total US$000s
Balance at 1 July 2021	307,811	28,563	4,465	(18,666)	(2,273)	319,900
Profit for the year	-	80,741	-	-	-	80,741
Other comprehensive income	-	-	-	(2,795)	-	(2,795)
Total comprehensive income for the year	-	80,741	-	(2,795)	-	77,946
Transactions with owners, recognised directly in equity						
Dividends paid	-	(60,912)	-	-	-	(60,912)
Purchase of treasury shares	-	-	-	-	(5,331)	(5,331)
Share based payments	-	265	(815)	-	2,647	2,097
Balance at 30 June 2022	**307,811**	**48,657**	**3,650**	**(21,461)**	**(4,957)**	**333,700**
Balance at 1 July 2022	307,811	48,657	3,650	(21,461)	(4,957)	333,700
Loss for the year	-	(4,841)	-	-	-	(4,841)
Other comprehensive income	-	-	-	(2,808)	-	(2,808)
Total comprehensive income for the year	-	(4,841)	-	(2,808)	-	(7,649)
Transactions with owners, recognised directly in equity						
Dividends paid	-	(38,344)	-	-	-	(38,344)
Purchase of treasury shares	-	-	-	-	(1,151)	(1,151)
Share based payments	-	(2,203)	(219)	-	4,345	1,923
Balance at 30 June 2023	**307,811**	**3,269**	**3,431**	**(24,269)**	**(1,763)**	**288,479**

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 US$000s	2022 US$000s
Cash flows from operating activities			
Receipts from customers		272,812	263,491
Payments in the course of operations		(127,119)	(143,437)
Income taxes paid		(28,326)	(41,770)
Net cash from operating activities	8	**117,367**	**78,284**
Cash flows from investing activities			
Purchase of property, plant and equipment		(28,459)	(10,947)
Payments for exploration and evaluation		(10,245)	(8,101)
Other		514	140
Net cash used in investing activities		**(38,190)**	**(18,908)**
Cash flows from financing activities			
Dividends paid	20	(38,344)	(60,912)
Purchase of treasury shares		(1,151)	(5,331)
Payments for selling costs		(1,209)	(680)
Net cash used in financing activities		**(40,704)**	**(66,923)**
Net increase/(decrease) in cash held		**38,473**	**(7,547)**
Cash at beginning of year		55,447	64,925
Effect of exchange fluctuations on cash held		(1,031)	(1,931)
Cash at end of year		**92,889**	**55,447**

The accompanying notes form part of these consolidated financial statements.

Notes to the consolidated financial statements

Note 1: Basis of preparation

Base Resources Limited is a company domiciled in Australia. The registered address is located at Level 3, 46 Colin Street, West Perth, WA, 6005. The consolidated financial statements of the Company, as at and for the year ended 30 June 2023, comprises the Company and its wholly owned subsidiaries (together referred to as the Group). The Group is a for-profit entity and primarily involved in the operation of its Kwale Mineral Sands Mine in Kenya and development of its Toliara Project in Madagascar.

The consolidated financial statements of the Group for the year ended 30 June 2023:

> Are a general purpose financial report prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

> Comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

> Are presented in United States dollars and all values are rounded to the nearest thousand dollars (US$000s) unless otherwise stated, in accordance with ASIC Corporations instrument 2016/191. The functional currency of the Parent is Australian dollars, whilst all other subsidiaries are United States dollars.

> Have been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The consolidated financial statements were approved by the Board of Directors on 26 August 2023.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate at that date. Non-monetary items in a foreign currency that are measured at historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on re-translation are recognised in the Statement of Profit or Loss and Comprehensive Income.

Foreign operations

The assets and liabilities of foreign operations are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations, are translated to United States dollars at exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented in the translation reserve in equity.

Critical accounting estimates and judgements

Estimates and judgements used in developing and applying the Group's accounting policies are continually evaluated and reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The critical estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed in the respective sections of the Consolidated Financial Statements.

To assist in identifying critical accounting judgements, we have highlighted them with the following formatting:

Ore Reserves and Mineral Resources estimates

The estimated quantities of economically recoverable Ore Reserves and Mineral Resources are based upon interpretations of geological and geophysical models and require assumptions to be made regarding factors such as future operating costs, future commodity prices, future capital requirements and future operating performance. Changes in reported Ore Reserves and Mineral Resources estimates can impact the carrying value of PP&E, provisions for mine closure and rehabilitation obligations, the recognition of deferred tax assets, as well as the amount of depreciation and amortisation charged to the Statement of Profit or Loss and Other Comprehensive Income.

Note: this is an example presentation.

Performance for the year

This section analyses the financial performance of the Group for the year ended 30 June 2023. It includes segment performance, earnings per share and taxation.

Note 2: Segment reporting

Segment	Principal activities
Kwale Operation	The Group's 100% owned Kwale Operation is located in Kenya and generates revenue from the sale of rutile, ilmenite and zircon.
Toliara Project	The Group acquired the Toliara Project in Madagascar in 2018 and is progressing the project towards development.
Other	Includes Group head office, all corporate expenditure not directly attributable to the Kwale Operation or Toliara Project and exploration activities not directly related to Kwale Operations or the Toliara Project.

EBITDA, underlying EBIT and underlying net profit after tax are non-IFRS financial measures. EBITDA, underlying EBIT and underlying net profit after tax represent segment outcomes excluding impairment. These measures are presented to enable understanding of the underlying performance of the Group by users.

	2023				2022			
Reportable segment	**Kwale Operation US$000s**	**Toliara Project US$000s**	**Other US$000s**	**Total US$000s**	**Kwale Operation US$000s**	**Toliara Project US$000s**	**Other US$000s**	**Total US$000s**
Sales revenue	271,434	-	-	271,434	279,117	-	-	279,117
Cost of goods sold (excluding depreciation and amortisation)								
Operating costs	(77,048)	-	-	(77,048)	(70,113)	-	-	(70,113)
Inventory movement	6,993	-	-	6,993	(3,434)	-	-	(3,434)
Royalties expense	(14,583)	-	-	(14,583)	(18,019)	-	-	(18,019)
Total cost of goods sold	**(84,638)**	**-**	**-**	**(84,638)**	**(91,566)**	**-**	**-**	**(91,566)**
Corporate and external affairs	(5,323)	(91)	(8,419)	(13,833)	(3,787)	(101)	(7,976)	(11,864)
Community development costs	(7,927)	-	-	(7,927)	(6,178)	-	-	(6,178)
Selling and distribution costs	(2,165)	-	-	(2,165)	(2,954)	-	-	(2,954)
Net write-off of Kenyan VAT receivable and royalty over accrual	-	-	-	-	(3,012)	-	-	(3,012)
Business development	-	-	(395)	(395)	-	-	(1,753)	(1,753)
Other expenses	(2,396)	-	(1,513)	(3,909)	(2,821)	(170)	(140)	(3,131)
EBITDA	**168,985**	**(91)**	**(10,327)**	**158,567**	**168,799**	**(271)**	**(9,869)**	**158,659**
Depreciation and amortisation	(36,450)	(181)	(396)	(37,027)	(40,090)	(184)	(398)	(40,672)
Underlying EBIT	**132,535**	**(272)**	**(10,723)**	**121,540**	**128,709**	**(455)**	**(10,267)**	**117,987**
Net financing expenses	(3,554)	29	790	(2,735)	(4,064)	(52)	(22)	(4,138)
Income tax expenses:								
Corporate income tax	(22,189)	-	-	(22,189)	(19,608)	-	-	(19,608)
Dividend withholding tax	-	-	(12,600)	(12,600)	-	-	(13,500)	(13,500)
Underlying NPAT	**106,792**	**(243)**	**(22,533)**	**84,016**	**105,037**	**(507)**	**(23,789)**	**80,741**
Impairment loss	(88,857)	-	-	(88,857)	-	-	-	-
NPAT	**17,935**	**(243)**	**(22,533)**	**(4,841)**	**105,037**	**(507)**	**(23,789)**	**80,741**

Reportable segment	2023 Kwale Operation US$000s	2023 Toliara Project US$000s	2023 Other US$000s	2023 Total US$000s	2022 Kwale Operation US$000s	2022 Toliara Project US$000s	2022 Other US$000s	2022 Total US$000s
Capital expenditure	28,458	8,345	1,901	38,704	11,346	6,391	1,311	19,048
Total assets	165,784	165,049	46,516	377,349	203,309	160,386	29,991	393,686
Total liabilities	68,321	17,479	3,070	88,870	38,514	17,681	3,791	59,986

Determination and presentation of operating segments

Operating segments are components of the Group about which separate financial information is available that is evaluated regularly by the Group's senior executives (chief operating decision makers) in deciding how to allocate resources and in assessing performance.

The division of the Group's results into segments has been ascertained by identification of revenue/cost centres and where interrelated segment costs exist, an allocation has been calculated on a pro rata basis.

Note 3: Revenue

	2023 US$000s	2022 US$000s
Revenue from contracts with customers	271,434	279,094
Revenue from contracts subject to provisional pricing	-	23
Total sales revenue	**271,434**	**279,117**

Recognition and measurement of revenue

The Group sells mineral sands products under a range of International Commercial Terms (Incoterms). Revenue is recognised at the point in time when effective control of the product is transferred to the customer which is the only performance obligation of the Group. The point at which effective control has transferred to the customer is determined under the Incoterms of each sale. For most of the Group's sales, where the Incoterms are Free on Board (FOB) or Cost and Freight (CFR), this is when the goods are loaded onto a shipping vessel. Other Incoterms only transfer effective control to the customer once the products reach their point of destination, at which stage the performance obligation is considered satisfied and the revenue recognised.

The Group measures its revenues from contracts with customers at a price established in the formal agreement with the customer.

In all circumstances, revenue can reliably be measured based on quantities shipped and prices as described above. All costs associated with the sale, most notably the cost of the inventory being shipped, are known at the time of shipment.

After control has transferred to the customer, there are no continuing obligations such as customer right of return or warranties that could impact the recognition of revenues. Once the Group's sole performance obligation has been met, the Group has the right to invoice the customer and it is therefore probable that future economic benefits will flow to the Group.

Note 4: Cost of sales

	2023 US$000s	2022 US$000s
Operating costs	77,048	70,113
Changes in inventories of concentrate and finished goods	(6,993)	3,434
Royalties expense	14,583	18,019
Depreciation and amortisation	36,449	40,090
	121,087	**131,656**

Note 5: Financing costs (net)

	2023 US$000s	2022 US$000s
Interest Income	(1,616)	(16)
Unwinding of discount on provision for rehabilitation	1,112	62
Foreign exchange loss	2,126	3,267
Customer financing charges	910	613
Other financing costs	203	212
	2,735	**4,138**

Finance expenses

Financing expenses include:

> Foreign exchange losses.

> Customer supplier financing charges.

> Interest on borrowings and leases.

> Costs related to financing the provisions for mine closure and rehabilitation.

Financing expenses are calculated using the effective interest rate method. Finance expenses incurred for the development of mining projects are capitalised up to the point at which commercial production is achieved. Other financing expenses are expensed as incurred.

Note 6: Income tax

	2023 US$000s	2022 US$000s
a. Amounts recognised in profit or loss		
Current income tax		
Income tax expense	24,215	24,061
Dividend withholding tax	12,600	13,500
Deferred tax		
Origination and reversal of temporary differences	(2,026)	(4,453)
Income tax expense reported in comprehensive income	**34,789**	**33,108**

	2023 US$000s	2022 US$000s
b. Reconciliation of income tax expense to prima facie tax payable		
The prima facie tax payable on loss from ordinary activities before tax is reconciled to the income tax expense as follows:		
Accounting profit before tax	29,948	113,849
Prima facie tax on operating profit at 30% (2022: 30%)	8,984	34,155
Add/(less) tax effect of:		
Non-deductible items	4,289	2,694
Impairment of Kwale CGU	26,657	-
Share based payments	285	394
Tax losses not recognised	2,338	1,879
Other deferred tax assets not brought to account as realisation not considered probable	(443)	602
Effect of tax rates in foreign jurisdictions (i)	(19,921)	(20,116)
Income tax attributable to operating profit	**22,189**	**19,608**
Dividend withholding tax	12,600	13,500
Income tax	**34,789**	**33,108**

(i) Under the terms of the Investment Agreement in relation to the Kwale Operations Special Mining Lease, a 50% reduction in the Kenyan corporate income tax applies for 10 years from the date of commercial production. Kwale Operations achieved commercial production in April 2014. The enacted corporate tax rate in the reporting period was 30% resulting in an applicable tax rate of 15% (2022: 15%).

	2023 US$000s	2022 US$000s
c. Net deferred tax asset/(liability) recognised		
Deferred tax assets movement		
Opening balance	2,928	1,987
Provisions	115	506
Tax losses	1	-
Accrued short term incentives	(46)	(5)
Unrealised FX	(184)	440
Closing balance	**2,814**	**2,928**
Deferred tax liability movement		
Opening balance	(3,090)	(6,602)
Property, plant and equipment	2,140	3,512
Total	**(950)**	**(3,090)**
Net deferred tax asset/(liability)	**1,864**	**(162)**

d. Deferred taxes unrecognised	2023 US$000s	2022 US$000s
(Taxable)/deductible temporary differences	540	(72)
Tax losses Australia	13,505	12,595
Tax losses other	954	550
Exploration expenditure Madagascar	11,454	10,367
	26,453	**23,440**

Potential deferred tax assets attributable to tax losses and exploration and evaluation expenditure carried forward, excluding those recognised for Kwale Operations, have not been brought to account at 30 June 2023 and 2022 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

> the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration and evaluation expenditure to be realised;

> the Group continues to comply with conditions for deductibility imposed by law; and

> no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

Recoverability of deferred tax assets

Balances related to taxation disclosed are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future changes to taxation legislation. The current income tax position represents the directors' best estimate, pending assessment by the tax authorities in Australia and jurisdictions where it has foreign operations.

A deferred tax asset is recognised for unused tax losses only if it is probable that future taxable profits will be available to utilise those losses. Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively, sale of the respective areas of interest will be achieved. This includes estimates and judgements about commodity prices, exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

Recognition and measurement of income taxes

The income tax expense/benefit for the year comprises current income tax expense/benefit and deferred tax expense/benefit.

Current income tax expense charged to the Statement of Profit or Loss and Other Comprehensive Income is the expected tax payable or recoverable on the taxable income or loss calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date, and any adjustment to tax payable in respect of previous years. Deferred income tax expense reflects movements in deferred tax asset and liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/benefit is charged or credited directly to equity instead of the Statement of Profit or Loss and Other Comprehensive Income when the tax relates to items that are credited or charged directly to equity.

Current tax assets and liabilities are measured at the amounts expected to be paid to/recovered from the relevant taxation authority.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Note 7: Earnings per share

	2023 US$000s	2022 US$000s
(Loss)/earnings used to calculate basic/diluted earnings per share	**(4,841)**	**80,741**

a. Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share

in thousands of shares	2023	2022
Issued ordinary shares at 1 July	1,178,012	1,178,012
Treasury shares at 1 July	(22,947)	(10,743)
Treasury shares acquired on market by the Trustee to satisfy vested performance rights under the Company's LTIP	(4,604)	(6,057)
Treasury shares allocated to participants in the Company's LTIP following exercise of vested performance rights	10,796	6,102
Weighted average number of ordinary shares at 30 June	**1,161,257**	**1,167,314**

b. Weighted average number of ordinary shares on issue used in the calculation of diluted earnings per share

in thousands of shares	2023	2022
Weighted average number of ordinary shares (basic)	1,161,257	1,167,314
Effect of performance rights on issue	12,931	20,755
Weighted average number of ordinary shares (diluted) at 30 June	**1,174,188**	**1,188,069**

Note 8: Operating cashflows

The Group's operating cashflow reconciled to profit after tax is as follows:

	2023 US$000s	2022 US$000s
Profit for the year	(4,841)	80,741
Impairment loss	88,857	-
Depreciation and amortisation	37,027	40,090
Share based payments	1,490	1,896
Financing costs classified as financing activity	2,735	4,138
Net write-off of Kenyan VAT receivable and royalty over accrual	-	3,012
Write-off of exploration	2,219	-
Increase in deferred tax asset	(2,026)	(4,453)
Decrease/(increase) in receivables and other assets	5,760	(23,713)
(Increase)/decrease in inventories	(8,012)	3,257
Settlement of Government of Kenya royalty previously provided for	-	(18,763)
Decrease in trade and other payables	(4,050)	(8,154)
(Decrease)/increase in provisions	(1,792)	233
Cash flow from operations	**117,367**	**78,284**

Operating Assets and Liabilities

This section presents information about the Group's assets and liabilities, including its policies and processes for measuring and estimating these balances.

Note 9: Trade and other receivables

	30 June 2023 US$000s	30 June 2022 US$000s
Current		
Trade receivables	55,809	57,515
VAT receivables	7,213	11,413
Other receivables	39	33
	63,061	**68,961**

Note 10: Inventories

	30 June 2023 US$000s	30 June 2022 US$000s
Current		
Heavy mineral concentrate and other intermediate stockpiles – at cost	548	1,014
Finished goods stockpiles – at cost	9,299	1,840
Stores and consumables – at cost	13,264	12,244
	23,111	**15,098**

Net realisable value of inventories

Inventories are recognised at the lower of cost and net realisable value (NRV).

NRV is based on the estimated amount expected to be received when the product is sold, less all costs still to be incurred in converting the relevant inventory to a saleable product and transporting to the port ready for shipment. The computation of NRV for inventories of heavy mineral concentrate and finished product involves significant judgements and estimates in relation to timing of processing, processing costs, transport costs, commodity prices and the ultimate timing of sale. A change in any of these critical assumptions will alter the estimated NRV and may therefore impact the carrying value of inventories.

Recognition and measurement of inventories

Inventories of heavy mineral concentrate and finished product are valued on a weighted average cost basis and include direct costs and an appropriate portion of fixed and variable overhead expenditure, including depreciation and amortisation.

Inventories of consumable supplies and spare parts to be used in production are valued at weighted average cost. Obsolete or damaged inventories are valued at NRV. A regular and ongoing review is undertaken to establish the extent of surplus items, and a provision is made for any potential loss on their disposal.

Note 11: Capitalised exploration and evaluation

	30 June 2023 US$000s	30 June 2022 US$000s
Toliara Project – Madagascar	161,757	154,576
Kenya	1,176	992
Tanzania	-	501
Closing carrying amount	**162,933**	**156,069**

	2023 US$000s	2022 US$000s
Movement in carrying amount		
Opening balance	156,069	157,909
Reclassification of exploration cost to property, plant and equipment	-	(6,737)
Exploration and evaluation expenditure during the year	10,173	7,389
Write-off of exploration expenditure during the year	(2,219)	-
Effects of movement in foreign exchange	(1,090)	(2,492)
	162,933	**156,069**

In November 2019, the Government of Madagascar required the Group to temporarily suspend on-the-ground activity on the Toliara Project while discussions on fiscal terms applying to the project were progressed. Activity remains suspended and despite the progress made during the reporting period, engagement with the Government of Madagascar has recently been limited due to the Government focus on an overhaul of the Malagasy Mining Code and preparations for the upcoming Presidential elections. Until the Mining Code reform is finalised, and the elections scheduled for late 2023 conclude, the Company does not expect to achieve material progress in securing fiscal terms or lifting of the projects on-ground suspension. The suspension does not affect the validity of the Toliara Project's mining permit.

Results from exploration at the Umba South prospect in northern Tanzania and the Vanga Prospecting Licence in Kenya results have failed to demonstrate commercial viability, and a write-off of $2.2m has been recognised.

Recognition and measurement of exploration and evaluation expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. Accordingly, exploration and evaluation expenditure are those expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Accounting for exploration and evaluation expenditure is assessed separately for each 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

For each area of interest, the expenditure is recognised as an exploration and evaluation asset when the rights of tenure to that area of interest are current and the expenditure is expected to be recouped through successful development and exploitation of an area of interest, or alternatively by its sale, and where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation assets only to the extent that those costs can be related directly to operational activities in the area of interest to which the exploration and evaluation assets relate. In all other instances, these costs are expensed as incurred.

Accumulated costs in relation to an abandoned area are written off in full to the Statement of Profit or Loss and Other Comprehensive Income in the year in which the decision to abandon the area is made.

Impairment testing of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Note 12: Property, plant and equipment

2023	Plant & equipment US$000s	Mine property and development US$000s	Buildings US$000s	Right-of-use assets US$000s	Capital work in progress US$000s	Total US$000s
At cost	284,269	214,343	6,556	1,010	1,283	507,461
Accumulated depreciation and impairment	(273,794)	(204,575)	(5,517)	(420)	-	(484,306)
Closing carrying amount	**10,475**	**9,768**	**1,039**	**590**	**1,283**	**23,155**
Reconciliation of carrying amounts:						
Balance at 1 July 2022	45,416	33,837	1,447	845	7,467	89,012
Additions	8,337	18,229	8	-	1,194	27,768
Transfers	248	7,099	27	-	(7,374)	-
Disposals	(17)	-	-	-	-	(17)
Increase in mine rehabilitation asset	-	32,446	-	-	-	32,446
Depreciation expense	(15,801)	(20,552)	(443)	(231)	-	(37,027)
Impairment loss (Note 13)	(27,709)	(61,148)	-	-	-	(88,857)
Effects of movement in foreign exchange	1	(143)	-	(24)	(4)	(170)
Balance at 30 June 2023	**10,475**	**9,768**	**1,039**	**590**	**1,283**	**23,155**

2022	US$000s	US$000s	US$000s	US$000s	US$000s	US$000s
At cost	276,463	157,873	6,521	1,040	7,467	449,364
Accumulated depreciation	(231,047)	(124,036)	(5,074)	(195)	-	(360,352)
Closing carrying amount	**45,416**	**33,837**	**1,447**	**845**	**7,467**	**89,012**
Reconciliation of carrying amounts:						
Balance at 1 July 2021	67,741	31,339	2,111	35	3,691	104,917
Additions	1,224	2,610	28	1,040	7,662	12,564
Transfers	2,075	1,727	-	-	(3,802)	-
Reclassification to exploration and evaluation	-	6,737	-	-	-	6,737
Disposals	(7)	(801)	-	-	-	(808)
Increase in mine rehabilitation asset	-	6,798	-	-	-	6,798
Depreciation expense	(25,606)	(13,962)	(692)	(230)	-	(40,490)
Effects of movement in foreign exchange	(11)	(611)	-	-	(84)	(706)
Balance at 30 June 2022	**45,416**	**33,837**	**1,447**	**845**	**7,467**	**89,012**

Impairment of assets

At each reporting date, the Group reviews the carrying values of its assets to determine whether there is any indication those assets have been impaired. When impairment indicators are identified, the Group determines the recoverable value of the cash-generating unit (CGU) to which the assets are allocated, via an estimation of the fair value of the CGU. Estimating the fair value amount requires management to make an estimate of expected future cash flows from the CGU over the forecast period and to determine a suitable discount rate in order to calculate the present value of those cash flows. Key estimates supporting the expected future cash flows include commodity prices, production output and cost forecasts.

Ore Reserves and Mineral Resources estimates

The estimated quantities of economically recoverable Ore Reserves and Mineral Resources are based upon interpretations of geological and geophysical models and require assumptions to be made regarding factors such as future operating costs, future commodity prices, future capital requirements and future operating performance. Changes in reported Ore Reserves and Mineral Resources estimates can impact the carrying value of property, plant and equipment, and recognition of deferred tax assets, as well as the amount of depreciation and amortisation charged to the Statement of Profit or Loss and Other Comprehensive Income.

Each class of property, plant and equipment (PP&E) is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

PP&E is measured on a historical cost basis. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the Statement of Profit or Loss and Comprehensive Income during the financial period in which they are incurred.

Any gain or loss on disposal of an item of PP&E is determined by comparing the proceeds from disposal with the carrying amount and is recognised net within other income/other expenses in the Statement of Profit or Loss and Other Comprehensive Income.

Mine property and development assets include costs transferred from exploration and evaluation assets once technical feasibility and commercial viability of an area of interest are demonstrable and a decision to proceed with development of the project has been made and includes subsequent development costs required to bring the mine into production. Any ongoing costs associated with mining which are considered to benefit mining operations in future periods are capitalised.

Depreciation

All PP&E, except freehold land, is depreciated on a straight line basis over the asset's useful life to the Group, commencing from the time the asset is held ready for use. The depreciation methods used for each class of depreciable assets are:

Class of plant and equipment	Depreciation method
Buildings	Straight line at 5% per annum
Plant and equipment – process plant	Straight line over remaining mine life
Plant and equipment – other	Straight line at 10% to 30% per annum
Mine property and development	Straight line over remaining mine life
Right-of-use assets	Straight line over term of lease

The assets' residual values and useful lives are reviewed, and adjusted prospectively if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Right-of-use assets (Leases)

As a lessee, the Group recognises a right-of-use (ROU) asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments, on the statement of financial position for leases (other than short term and low value leases). ROU assets are depreciated over the life of the lease.

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost (present value of the lease liability plus any initial direct costs of acquiring the asset), and subsequently at cost less accumulated depreciation, impairment losses and adjusted for remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments expected to be paid over the lease term, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate or, where not available, a market rate alternative. The lease liability is further remeasured if the estimated future lease payments change as a result of index or rate changes, residual value guarantees or likelihood of exercise of purchase, extension or termination options.

Note 13: Impairment of Kwale Operations assets

At each reporting date, the Group reviews the carrying values of its assets to determine whether there is any indication those assets have been impaired. At 30 June 2023, the Company's market capitalisation was lower than its net assets, and is considered a prima facie indicator of impairment exists.

When impairment indicators are identified, the Group determines the recoverable value of the CGU to which the assets are allocated. Kwale Operations CGU was assessed using the value in use method, which uses discounted future cash flows to determine the recoverable value.

In estimating the future post-tax cash flows expected to be generated by Kwale Operations, the Company assumed:

> Production from Kwale Ore Reserves estimates using historical processing recoveries.

> Production consistent with previously released production guidance.

> Increased operating costs based on recent cost history.

> Future capital requirements, including the cost of transitioning mining operations to the Bumamani deposit following depletion of the South Dune and recently updated rehabilitation and closure cost estimates.

> Third party price forecasts from TZ Minerals International Pty Ltd (TZMI), a global, independent consulting and publishing company which specialises in all aspects of the mineral sands, titanium dioxide and coatings industries. Given the current market and global economic outlook, the Company elected to take a conservative position and use a midpoint between TZMI's 'base case' and 'low case' price forecasts.

> A discount rate of 10%.

> Remaining mine life to December 2024.

The recoverable amount of Kwale Operations was determined as $45.0 million.

The carrying value of Kwale Operations exceeded its recoverable amount by $88.9 million, resulting in a pre-tax impairment loss of $88.9m being charged to the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023 (2022: nil). The impairment loss has been applied to the following assets on a pro rata basis, except for the rehabilitation and mine closure asset which has been written down to nil as this asset is not expected to contribute to future cash flows and therefore no future economic benefit exists:

	30 June 2023 US$000s	30 June 2022 US$000s
Property, plant and equipment (Note 12)	27,709	-
Mine development asset (Note 12)	61,148	-
	88,857	**-**

Product pricing assumptions (average TZMI 'low case' prices to end of mine life)	Value
Rutile	$1,345/t
Ilmenite	$265/t
Zircon	$1,745/t

Sensitivity Analysis

The Kwale operations recoverable value has been assessed as being equal to the carrying amount, any variation in the key assumptions going forward will impact the recoverable value of the CGU. If the variation in an assumption has a negative impact on recoverable value, it could indicate a requirement for additional impairment of non-current assets.

It is estimated that the changes in key assumptions, in isolation, would have the approximate (increase or decrease) on the recoverable amount of the Kwale Operations CGU as at 30 June 2023:

	Increase US$000s	Decrease US$000s
5% change in prices ($/t)	9,155	(9,155)
5% change in operating cost	(5,268)	5,268
10% change in discount rate	31	(31)

Note 14: Trade and other payables

	30 June 2023 US$000s	30 June 2022 US$000s
Trade payables and accruals	**17,951**	**17,652**

Note 15: Provisions

	30 June 2023 US$000s	30 June 2022 US$000s
Current		
Mine closure and rehabilitation (a)	12,432	5,784
Employee benefits	1,389	1,716
	13,821	**7,500**
Non-current		
Mine closure and rehabilitation (a)	39,424	16,502
Employee benefits	48	32
	39,472	**16,534**

a. Movement in mine closure and rehabilitation:	2023 US$000s	2022 US$000s
Balance at 1 July	22,286	20,376
Increase/(decrease) in rehabilitation estimate	33,829	8,162
Rehabilitation activities	(5,371)	(6,314)
Unwinding of discount	1,112	62
Balance at 30 June	**51,856**	**22,286**

Mine closure and rehabilitation obligations

The calculation of the mine closure and rehabilitation provision requires assumptions such as application of environmental legislation, mine closure dates, available technologies, engineering costs and inflation and discount rates. A change in any of the assumptions used may have a material impact on the carrying value of mine closure and rehabilitation obligations.

The mine closure and rehabilitation provision is recorded as a liability at present value, assuming a risk-free discount rate equivalent to the 2 year US Government bonds rate of 4.87% as at 30 June 2023 (2022: 2.99%) and an inflation factor derived from the US consumer price index of 6.01% (2022: 4.87%).

Although the ultimate amount to be incurred is uncertain, management has, at 30 June 2023, estimated the cost of mine closure and rehabilitation activities using an expected remaining mine life of 1.5 years and a total undiscounted and uninflated estimated cash flow of $50.0 million (2022: $28.2 million). The increase in the mine closure and rehabilitation estimate is due to future capital requirements in line with mine closure plan, increase in average cost per hectare for dune rehabilitation and contingencies for additional closure requirements. Management's estimate of the underlying cost of mine closure and rehabilitation activities is reviewed by an external consultant on a regular basis for completeness, with the last such review completed in March 2023.

Recognition and measurement of provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

A mine closure and rehabilitation provision is recognised at the commencement of a mining project and/or construction based on the estimated costs necessary to meet legislative requirements by estimating future costs and discounting these to a present value. The provision is recognised as a liability, separated into current (estimated costs arising within twelve months) and non-current components based on the expected timing of these cash flows. A corresponding asset is included in mine property and mine development assets, only to the extent that it is probable that future economic benefits associated with the restoration expenditure will flow to the entity and is amortised over the life of the mine.

At each reporting date the mine closure and rehabilitation provision is re-measured in line with changes in discount rates and timing or amounts of the costs to be incurred. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved and are dealt with on a prospective basis as they arise.

Changes in the liability relating to mine closure and rehabilitation obligations are added to or deducted from the related asset (where it is probable that future economic benefits will flow to the entity), other than the unwinding of the discount which is recognised as a financing expense in the Statement of Profit and Loss and Other Comprehensive Income. Where a change in the liability relating to mine closure and rehabilitation obligations results in a reduction to the liability greater than the carrying value of the related asset, the reduction in excess of the asset carrying value will be recognised in the Statement of Profit and Loss and Other Comprehensive Income. Changes in the asset value have a corresponding adjustment to future amortisation charges.

Note 16: Deferred consideration

	30 June 2023 US$000s	30 June 2022 US$000s
Current		
Deferred consideration – Toliara Project acquisition	7,000	7,000
Non-current		
Deferred consideration – Toliara Project acquisition	10,000	10,000

In January 2018, Base Resources completed the acquisition of the Toliara Project in Madagascar, with payment of $75.0 million in up-front consideration, for an initial 85% interest. In January 2020, in accordance with the terms of the share sale agreement with World Titane Holdings Limited, the Group acquired the remaining minority interest in the Toliara Project. A further $17.0 million (deferred consideration) is payable on achievement of key milestones, as the project advances to mine development. An estimation has been made as to the timing of payment of the future consideration, which has resulted in a current liability of $7.0 million being recognised and a non-current liability of $10.0 million being recognised.

Capital Structure, Financial Instruments and Risk Management

This section presents information about the Group's financial assets and liabilities, its exposure to financial risks, as well as its objectives, policies and processes for measuring and managing risks.

Note 17: Issued capital

Date	Number	US$000s
1 July 2021	1,178,011,850	307,811
30 June 2022	**1,178,011,850**	**307,811**
1 July 2022	1,178,011,850	307,811
30 June 2023	**1,178,011,850**	**307,811**

All issued shares are fully paid. The Group does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group.

Recognition and measurement of issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Note 18: Treasury shares reserve

During the reporting period, the Company instructed the trustee of the Base Resources LTIP (Trustee) to acquire ordinary shares in the Company on-market (Treasury Shares), for future allocation to holders of performance rights issued under the Company's LTIP that vest and are exercised. During the reporting period the LTIP cycle commencing 1 October 2019 (2019 cycle performance rights), completed its three year performance period, resulting in a partial vesting (refer to Note 19). Subsequent to their vesting, several LTIP participants chose to exercise their vested 2019 cycle performance rights and were allocated Treasury Shares. In addition, a portion of the remaining of unexercised 2018 cycle performance rights were exercised during the reporting period and were allocated Treasury Shares.

The treasury shares reserve comprises the cost of treasury shares that had not yet been allocated to an LTIP participant as at 30 June 2023.

Date	Number	US$000s
1 July 2021	10,743,380	2,273
Treasury shares acquired on market by the LTIP Trustee	25,131,243	5,331
Treasury shares allocated to LTIP participants following exercise of vested performance rights	(12,927,838)	(2,647)
30 June 2022	**22,946,785**	**4,957**
1 July 2022	22,946,785	4,957
Treasury shares acquired on market by the LTIP Trustee	8,706,800	1,151
Treasury shares allocated to LTIP participants following exercise of vested performance rights	(19,534,195)	(4,345)
30 June 2023	**12,119,390**	**1,763**

Note 19: Share-based payments

Performance rights

During the reporting period, the Company issued 17,929,469 performance rights to key management personnel and other senior staff under the Group's LTIP. The LTIP operates on a series of annual cycles. Each cycle commences on 1 October and is followed by a three year performance period, with a test date on the third anniversary of the commencement of the cycle. Performance rights are tested against two criteria, relative TSR performance set against an applicable comparator group and absolute TSR based on the total shareholder return within the performance period.

The three year performance period for the 20,804,781 performance rights granted for the 2019 cycle performance rights concluded on 30 September 2022. Base Resources' absolute TSR over the performance period was 81%, resulting in 100% of the absolute TSR performance rights vesting. Base Resources' relative TSR over the performance period placed it in the 72nd percentile which resulted in 97% of the relative TSR performance rights vesting. Accordingly, a total of 20,458,045 of the 2019 cycle performance rights vested.

Total expenses arising from share based payment transactions during the year as part of employee benefit expenses was $1.5 million (2022: $1.8 million).

Granted performance rights are as follows:

Performance cycle date	KMP	Other employees	Total	Fair value at grant date
1 October 2020	6,237,546	10,888,755	17,126,301	A$0.1385
1 October 2021	6,386,495	10,283,242	16,669,737	A$0.1855
1 October 2022	6,506,083	11,423,386	17,929,469	A$0.0945

All performance rights are granted for nil consideration.

The fair value of the performance rights granted during the reporting period has been estimated at the date of grant using a the Black Scholes Option Pricing Model that includes a Monte Carlo Simulation Model using the following assumptions: share price of $0.22, risk-free interest rate of 3.26%; volatility factor of the expected market price of the Company's shares of 47.5%; annual dividend yield of nil and a remaining life of performance rights of 2.85 years at valuation date. The fair value of the performance rights is recognised over the three year performance period, which commenced on the date of grant of 1 October 2022.

The movement in the number of performance rights during the year is set out below:

	2023	2022
Opening balance	61,092,425	70,812,083
Granted – cycle commenced during reporting period	17,929,469	19,365,614
Granted – cycles commenced in previous reporting periods	-	298,710
Forfeited – cycles commenced in previous reporting periods	(6,491,606)	(6,838,552)
Lapsed – cycles commenced in previous reporting periods	(346,736)	(8,935,481)
Vested	(20,458,045)	(13,609,949)
Closing balance	**51,725,507**	**61,092,425**

Recognition and measurement of share based payments

The Group LTIP is an equity settled employee share scheme. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of performance rights is ascertained using a recognised pricing model which incorporates all market vesting conditions.

Note 20: Dividends

Details in relation to dividends announced or paid since 1 July 2022 are set out in the below table:

Record Date	Payment Date	Unfranked cents per share (AUD)	Total US$000s
5 September 2022	22 September 2022	3.0	22,703
13 March 2023	30 March 2023	2.0	15,641
Total			**38,344**

Note 21: Financial risk management

The Group's activities expose it primarily to the following financial risks:

> Market risk consisting of commodity price risk, interest rate risk and currency exchange risk.
> Credit risk.
> Liquidity risk.

The overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The senior executives of the Group meet on a regular basis to analyse treasury risks and evaluate treasury management strategies in the context of the prevailing economic conditions and forecasts.

Risk management policies are approved and reviewed by the Risk Committee and the Board on a regular basis. Financial assets and liabilities of the Group are carried at amortised cost, which approximates fair value.

The Group's financial instruments consist of deposits with banks, accounts receivable and payables:

	Note	2023 US$000s	2022 US$000s
Financial assets			
Cash and cash equivalents		92,889	55,447
Trade and other receivables and other current assets	9	63,061	68,961
		155,590	**124,408**
Financial liabilities			
Trade and other payables	14	17,951	17,652
Lease liabilities		626	869
		18,577	**18,521**

Interest rate risk

The Group holds its cash deposits in accounts held with Australian and International banks at variable rates and term deposits at fixed rates.

	Carrying amount		Realisable/payable within six months	
	2023 US$000s	2022 US$000s	2023 US$000s	2022 US$000s
Fixed rate instruments				
Financial assets	50,168	18,620	50,000	18,446
Financial liabilities	(626)	(869)	(152)	(116)
	49,542	**17,751**	**49,848**	**18,330**
Variable rate instruments				
Financial assets	42,721	37,001	42,721	37,001
Financial liabilities	-	-	-	-
	42,721	**37,001**	**42,721**	**37,001**

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would have increased or decreased equity and profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

Variable rate instruments	2023 US$000s 100bp increase	2023 US$000s 100bp decrease	2022 US$000s 100bp increase	2022 US$000s 100bp decrease
Profit or loss	427	(427)	370	(370)
Equity	(427)	427	(370)	370

Currency risk

The Group is exposed to currency risk from bank balances, payables and receivables that are denominated in a currency other than the respective functional currencies of Group entities, being USD and AUD.

The USD carrying amount of the Group's financial assets and liabilities by its currency risk exposure at the reporting date is:

30 June 2023

In US$000s:	AUD	USD	KES	MGA	Other	Total USD
Cash and cash equivalents	-	42,737	2,545	63	15	45,360
Trade and other receivables	-	-	4,958	2,140	-	7,098
Trade and other payables	(83)	(186)	(5,259)	(167)	(625)	(6,320)
Net exposure	**(83)**	**42,551**	**2,244**	**2,036**	**(610)**	**46,138**

30 June 2022

In US$000s:	AUD	USD	KES	MGA	Other	Total USD
Cash and cash equivalents	-	20,915	761	77	5	21,758
Trade and other receivables	-	1	9,198	2,127	-	11,326
Trade and other payables	(5)	(186)	(3,202)	(147)	(300)	(3,840)
Net exposure	**(5)**	**20,730**	**6,757**	**2,057**	**(295)**	**29,244**

The following significant exchange rates applied during the year:

	Average rate		30 June spot rate	
	2023	2022	2023	2022
AUD : USD	0.6733	0.7254	0.6641	0.6891
USD : KES	125.34	112.30	140.52	117.83
USD : MGA	4,270.51	3,932.09	4,510.77	4,074.57

Sensitivity analysis

Based on the financial instruments held at reporting date, had the functional currencies weakened/strengthened by 10% and all other variables held constant, the Group's before-tax profit/(loss) for the year to date would have been $4.8 million lower/higher (2022: $3.0 million lower/higher).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and deposits with financial institutions as well as credit exposures to outstanding receivables. Credit risk on cash and deposits is managed by holding funds with a range of reputable international banks.

The Group is exposed to counterparty credit risk through sales of mineral sands products under normal terms of trade. Total sales revenue for the year ended 30 June 2023 was $271.4 million (2022: $279.1 million). Base Resources had three major customers who individually accounted for more than 10% of sales revenue, with the first contributing $56.9 million (2022: $46.8 million), the next contributing $55.4 million (2022: $63.5 million) and the last contributing $39.4 million (2022: $29.0 million). These customers represent 64% (2022: 29%) of the trade receivables balance at 30 June 2023.

Customer credit risk is managed by the Group's policy to only trade with reputable companies, with whom a long-term offtake agreement is held, or where such an agreement is not in place, sales are backed by Letters of Credit held with internationally recognised banks.

Other receivables at 30 June 2023 include $5.0 million in VAT receivable owed by the Government of Kenya (Note 9). An estimation has been made as to the timing of the receipt of this amount and forms the basis for its classification as a current asset.

At the reporting date the carrying amounts of financial assets are adjusted for any impairment and represent the Group's maximum exposure to credit risk, excluding the value of any collateral or other security, which was as follows:

	2023 US$000s	2022 US$000s
Financial assets – cash flow realisable		
Cash and cash equivalents	92,889	55,447
Trade and other receivables	63,061	68,645
Total anticipated inflows	**155,950**	**124,092**

At 30 June 2023, the ageing of trade and other receivables, excluding VAT receivable, that were not impaired was as follows:

	2023 US$000s	2022 US$000s
Neither past due nor impaired	55,809	57,515
Past due	-	-
	55,809	**57,515**

There were no impairment losses in relation to financial assets during the current or the prior financial year. The maximum exposure to credit risk for financial assets at the reporting date by geographic region of the customer or financial institutions was:

	2023 US$000s	2022 US$000s
United Kingdom	40,773	18,524
Kenya	13,561	15,837
China	24,303	21,630
USA	18,524	27,072
Australia	44,502	27,167
Other	15,947	13,862
Total	**157,610**	**124,092**

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with financial liabilities. The Group manages liquidity risk by conducting regular reviews of the timing of cash outflows and the maturity profiles of term deposits in order to ensure sufficient funds are available to meet its obligations.

Financial liability maturity analysis

		Contractual cash flows					
	Carrying amount	Total	2 months or less	2 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
30 June 2023	**US$000s**	**US$000s**	**US$000s**	**US$000s**	**US$000s**	**US$000s**	**US$000s**
Trade and other payables	17,951	17,951	17,951	-	-	-	-
Lease liabilities	626	1,371	38	302	358	673	-
	18,577	**19,322**	**17,989**	**302**	**358**	**673**	**-**
30 June 2022							
Trade and other payables	17,652	17,652	17,652	-	-	-	-
Lease liabilities	869	869	37	187	239	406	-
	18,521	**18,521**	**17,689**	**187**	**239**	**406**	**-**

Capital management

Management controls the capital of the Group in order to maintain an appropriate working capital position to ensure that the Group can fund its operations and continue as a going concern. Capital is managed by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

	2023 US$000s	2022 US$000s
Cash and cash equivalents	92,889	55,447
Trade and other receivables	63,061	68,961
Inventories	23,111	15,098
Other current assets	10,336	9,099
Trade and other payables	(17,951)	(17,652)
Provisions	(13,821)	(7,500)
Deferred consideration	(7,000)	(7,000)
Other liabilities	(233)	(493)
Working capital position	**150,392**	**115,960**

Note 22: Commitments

Base Toliara SARL has acquired an office lease in Antananarivo, Madagascar starting from October 2023. The right-of-use asset and corresponding lease liability at inception was valued at $0.7 million. The lease has a duration of 5 years to September 2028.

Note 23: Contingent Liability

In connection with its acquisition of the Kwale Project in 2010, Base Titanium Limited granted a 2% royalty to third parties owning, or having rights in respect of, that project. There is a disagreement between Base Titanium Limited and the current holders of the royalty in respect of the royalty's scope – specifically, whether, and the extent to which, the royalty applies outside the Kwale Special Mining Lease 23 as it existed at the time of the acquisition. One of the current holders of the royalty has taken formal steps to enforce their claimed rights in respect of the royalty, which Base Titanium is opposing. The directors have not disclosed any estimate for this contingent liability as a reliable estimate of the amount from any possible obligation cannot be made at this stage.

Group Structure and Other Information

Note 24: Parent entity disclosures

As at, and throughout the financial year ended 30 June 2023, the parent entity of the consolidated group was Base Resources Limited.

Financial performance of the parent entity	2023 US$000s	2022 US$000s
Profit for the year	63,820	70,475
Total comprehensive income for the year	**63,820**	**70,475**

Financial position of the parent entity	2023 US$000s	2022 US$000s
Current assets	44,875	27,535
Non-current assets	176,595	176,625
Total assets	**221,470**	**204,160**
Current liabilities	2,785	3,495
Non-current liabilities	397	559
Total liabilities	**3,182**	**4,054**
Net assets	**218,288**	**200,106**
Issued capital	307,811	307,811
Treasury Shares	(1,763)	(4,957)
Reserves	(59,109)	(48,434)
Accumulated losses	(28,651)	(54,314)
Total equity	**218,288**	**200,106**

Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Base Resources Limited at the end of the reporting period. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing these financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

		Ownership %	
Controlled entity	**Country of Incorporation**	**2023**	**2022**
Base Titanium (Mauritius) Limited	Mauritius	100	100
Base Titanium Limited	Kenya	100	100
Base Exploration Limited	Kenya	100	100
BTS Holdings (Mauritius) Limited	Mauritius	100	100
Madagascar Mineral Fields Limited	Mauritius	100	100
Malagasy Sands No. 2 Limited	Mauritius	100	100
Base Toliara SARL	Madagascar	100	100
Madagascar Resources SARL	Madagascar	100	100
BET Two Limited	Tanzania	100	100

Note 25: Related parties

Key management personnel compensation:	2023 US$	2022 US$
Short-term employment benefits	2,861,453	3,711,092
Post-employment benefits	117,915	151,318
Share-based payments	611,748	774,015
Other long term	48,447	46,531
	3,639,563	**4,682,956**

Refer to the Remuneration Report for further details.

Other related party transactions

In January 2017, one of the Company's major shareholders, Pacific Road Capital Management Pty Limited (Pacific Road), acquired a Kwale Operation royalty stream from Pangea Goldfields Inc. In the year to 30 June 2023, $46,000 (2022: $455,000) was paid to Pacific Road under this royalty arrangement.

Recognition and measurement of short term employee benefits

Employee benefit obligations arising from the Group's STIP are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under the STIP where the Group has a present legal or constructive obligation as a result of past services by the employee, and the obligation can be estimated reliably.

Recognition and measurement of defined contribution plans

Contributions are made by the Group to individual defined contribution superannuation plans for Australian directors and employees and are expensed when incurred.

Note 26: Auditors' remuneration

	2023 US$	2022 US$
Audit services		
KPMG Australia		
Audit of financial report	132,589	120,342
Overseas KPMG firms		
Audit services	138,363	136,950
	270,952	**257,292**
Other services		
KPMG Australia		
Other services	7,747	8,313
Overseas KPMG firms		
Assistance with Kenyan Revenue Authority audits for prior periods for which KPMG was the incumbent tax advisor	-	8,437
	7,747	**16,750**

Note 27: New accounting standards not yet adopted

New standards adopted in the period

A number of new standards are effective for the annual periods beginning on or after 1 July 2023. The Group has not elected to early adopt the new or amended standards in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below.

- Disclosure of Accounting Policies and Definition of Accounting Estimates (Amendments to AASB 1 and 8).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 112).

The above mentioned standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements when adopted.

Note 28: Events after the reporting date

Since the end of the reporting period, on 26 August 2023, the Board has determined a final dividend of AUD 4.0 cents per share, unfranked, with a record date of 11 September 2023 and payment date of 28 September 2023. The financial impact of the dividend amounting to an estimated $31.3 million has not been recognised in the Consolidated Financial Statements for the year ended 30 June 2023.

Note 29: Company details

The principal place of business and registered office of the Company is:

Base Resources Limited (ASX & AIM: BSE)
Level 3
46 Colin Street
West Perth 6005
Western Australia

Directors' Declaration

In the opinion of the directors of Base Resources Limited:

the consolidated financial statements and notes that are set out on pages 58 to 86 and the Remuneration Report on pages 41 to 56 in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2022.

The directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Michael Stirzaker,
Chair

Dated at Perth this 26 August 2023

Independent Auditor's Report

To the shareholders of Base Resources Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Base Resources Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the ***Group****'s* financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- Complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2023;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Impairment of Kwale Operations assets; and
- Recoverability of Toliara exploration and evaluation assets.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Impairment of Kwale Operations assets (US$88.9 million)	
Refer to Note 13 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
A key audit matter for us was the Group's impairment assessment of the Kwale cash generating unit (CGU) given the size of the CGU balance before impairment. In addition, at the year end the Group's market capitalisation was below the carrying amount of its net assets. Certain conditions, described below, impacting the Group increased the judgement applied by us when evaluating the evidence available. The value in use model used by the Group to determine the recoverable amount of the Kwale CGU is developed in-house, and uses life of mine reserves, approved budgets, and external sources as inputs. The forward-looking assumptions used in the modelling tend to be prone to greater risk of potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of inputs, and their consistent application. We focused on the significant forward-looking assumptions the Group applied in their model, including forecast operating cash flows, commodity prices, production volumes, capital expenditure and reserves estimate. The Group's model uses historical performance adjusted for expected changes. This drives additional audit effort specific to the feasibility of certain forecasts. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Our procedures included: • Assessing the Group's analysis of the indicators leading to the impairment assessment of the Kwale CGU. • Evaluating the Group's analysis of factors that cause the carrying amount of the net assets of the Group to exceed its market capitalisation by inspecting analysts' commentaries and reconciling the difference. • Working with our valuation specialists to perform a valuation methodology logic check of the discounted cash flow methodology used to determine the value in use of the Kwale CGU. • Assessing the integrity and consistency of the model including the accuracy of the underlying formulas. • Assessing the scope, objectivity and competence of the Group's internal expert responsible for the preparation of the Kwale reserves estimate and compared these estimates to those incorporated in the value in use model. • Considering the sensitivity of the model by varying assumptions within a reasonably possible range, to focus our further procedures. • Comparing the forecast operating cash flows, production volumes, capital expenditure and reserves estimate contained in the models to the approved budgets and historical information. To inform this evaluation, we assessed the accuracy of the Group's previous forecasts by comparing to actuals. • Comparing forecast commodity prices used in the model to information from an independent market commentator on future trends. • Recalculating the impairment charge and comparing to the amount recognised. • Assessing the disclosures in Note 13 to the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

KPMG

<table>
<tr><th colspan="2">Recoverability of Toliara exploration and evaluation assets (US$161.8 million)</th></tr>
<tr><td colspan="2">Refer to Note 11 to the Financial Report</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The recoverability of Toliara exploration and evaluation (E&E) assets was considered to be a key audit matter due to:
• The significance of the asset balance being 43% of total assets.
• The greater level of audit effort to evaluate the Group's application of the requirements of the industry specific accounting standard AASB 6 Exploration for and Evaluation of Mineral Resources, in particular in relation to the presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of E&E assets.
Given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's determination that no such indicators existed.
In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities for Toliara. We paid particular attention to:
• Documentation available regarding rights to tenure, via an existing mining permit and the Group's intention and capacity to continue the relevant E&E activities.
• Continued on-ground suspension of activity, with the Group continuing to work with the Government of Madagascar to find an agreement with mutually suitable fiscal terms.
• The ability of the Group to fund the continuation of activities.</td><td>Our audit procedures included:
• Assessing the Group's rights to tenure by checking ownership to the Government issued mining permit and assessing legal advice which the Company has obtained in the past in relation to validity of mining permit tenure, including the applicability of the advice considering the current facts and circumstances.
• Comparing expenditure incurred and activity by the Company on the Toliara Project during the year against the Group's budget for the Toliara Project for the 2023 financial year, checking significant expenditure has occurred.
• Assessing the progress of the ongoing negotiations with the Government of Madagascar by inquiring with management and inspecting publicly available information.
• Evaluating Group documents, such as minutes of Board meetings, for consistency with their stated intentions for continuing Toliara E&E. We corroborated this through interviews with key operational and finance personnel.
• Assessing the Group's plans with regards to future expenditure and the financing to advance the project by inspecting the 2024 financial year approved budgets of the Toliara Project, and further underlying documentation.
• Assessing the disclosures in note 11 to the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.</td></tr>
</table>

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Other Information

Other Information is financial and non-financial information in Base Resources Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Base Resources Limited for the year ended 30 June 2023, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 41 to 56 of the Directors' report for the year ended 30 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Graham Hogg
Partner
Perth
26 August 2023

ADDITIONAL SHAREHOLDER INFORMATION

The following additional information required by the ASX Listing Rules is current as at 31 July 2023.

Ordinary Shares

Distribution of shares	Holders	Units	%
1 – 1,000	176	10,770	0.00
1,001 – 5,000	699	2,236,173	0.19
5,001 – 10,000	519	4,180,174	0.35
10,001 – 100,000	1,480	56,294,530	4.78
100,001 and over	403	1,115,290,203	94.68
	3,277	**1,178,011,850**	**100.00**

There were 447 holders of unmarketable parcels of shares (<A$500) based on the closing share price of A$0.1750 per share as at 31 July 2023 comprising a total of 574,097 shares.

The voting rights attached to the ordinary shares are as follows:

> At a meeting of members or a class of members, each member entitled to vote, may vote in person, or by proxy or attorney.

> On a show of hands, subject to the limited exceptions set out in rules 16.2(a)(i) and 16.2(a)(ii) of the Company's Constitution, every individual present who is a member or a proxy, attorney or representative of a member has one vote.

> On a poll, every member present in person or by proxy, attorney or representative has one vote for each ordinary share held.

20 largest registered holders of shares		Number of Shares	%
1.	HSBC CUSTODY NOMINEES <AUSTRALIA> LIMITED	335,391,160	28.47
2.	PACIFIC ROAD CAPITAL II PTY LIMITED	312,436,779	26.52
3.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	95,383,740	8.10
4.	CITICORP NOMINEES PTY LIMITED	91,706,124	7.78
5.	COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	38,465,724	3.27
6.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	13,263,359	1.13
7.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	12,466,412	1.06
8.	CPU SHARE PLANS PTY LTD <BSE LTR UNALLOCATED A/C>	12,119,388	1.03
9.	TREASURY SERVICES GROUP PTY LTD <NERO RESOURCE FUND A/C>	11,319,959	0.96
10.	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	10,670,776	0.91
11.	NERO RESOURCE FUND PTY LTD <NERO RESOURCE FUND A/C>	8,570,000	0.73
12.	MR TIMOTHY JAMES CARSTENS	8,023,054	0.68
13.	BNP PARIBAS NOMS PTY LTD <DRP>	7,722,609	0.66
14.	NATIONAL NOMINEES LIMITED	5,314,253	0.45
15.	SHARESIES NOMINEE LIMITED <CHILD A/C>	4,954,367	0.42
16.	MRS REBECCA HUGHES	4,589,796	0.39
17.	TRENTHAM SUPER PTY LTD <TRENTHAM SF A/C>	3,216,864	0.27
18.	MR MICHAEL CHARLES BOWDEN	3,000,000	0.25
19.	MRS KIMBERLEY TERESA POLETTI	2,825,259	0.24
20.	MR ANDRE JOHANNES GREYLING + MRS RENE GREYLING <GREYLING SUPER FUND A/C>	2,648,640	0.22
		984,088,263	**83.54**

For details about the number of shares that KMP had a relevant interest in as at 30 June 2023, refer to page 56.

Substantial shareholdings

The substantial shareholders of the Company, and the number of securities in which those shareholders or their associates have a relevant interest, as disclosed in the substantial holding notices received by the Company, are:

Name	Number of Shares
Pacific Road Capital II Pty Limited and Pacific Road Capital Management GP II Limited	310,813,913
Sustainable Capital Limited	290,537,049
FIL Limited	87,809,331

Performance rights

The following unlisted performance rights are on issue. Performance rights do not carry a right to vote. Voting rights will attach to any ordinary shares allocated upon vesting and exercise of performance rights in accordance with their terms of issue pursuant to the Base Resources Long Term Incentive Plan.

Cycle	Date of Testing	Number of Performance Rights	Number of Holders
2017	30 September 2020	76,599*	1
2018	30 September 2021	555,848*	1
2019	30 September 2022	1,240,405*	2
2020	30 September 2023	17,126,301	34
2021	30 September 2024	16,669,737	35
2022	30 September 2025	17,929,469	37

** Performance rights have vested, but remain subject to valid exercise.*

During the reporting period, the trustee of the LTIP acquired 8,706,800 ordinary shares on-market at an average price of A$0.1967 per share for future allocation to LTIP participants upon vesting and exercise of performance rights granted pursuant to the LTIP.

Other information

The Company has a primary listing on ASX and a secondary listing on the London Stock Exchange's AIM. There is no current on-market buy back taking place.

GLOSSARY

AASB	Australian Accounting Standards Board
AIM	London Stock Exchange's AIM
APES	Accounting Professional and Ethical Standards
Assemblage	The relative proportion of heavy mineral components, principally ilmenite, rutile, zircon and, where applicable, leucoxene, monazite and garnet
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian dollar
Base Resources or the Company	Base Resources Limited
Competent Person	The JORC Code requires that a Competent Person be a Member or Fellow of The Australasian Institute of Mining and Metallurgy, of the Australian Institute of Geoscientists, or of a 'Recognised Professional Organisation'. A Competent Person must have a minimum of five years' experience working with the style of mineralisation or type of deposit under consideration and relevant to the activity which that person is undertaking
Corporations Act	Corporations Act 2001 (Cth)
CGU	Cash-generating unit
Cut-off grade	The lowest grade of mineralised material that is thought to be economically mineable and available. Typically used by Base Resources to define which material is reported in a Mineral Resource estimate
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EITI	Extractive Industries Transparency Initiative
ESE	Environment, Social and Ethics
ESMS	Environment and Social Management System
FY20	Financial year ended 30 June 2020
FY21	Financial year ended 30 June 2021
FY22 or prior period	Financial year ended 30 June 2022
FY23, year or reporting period	Financial year ended 30 June 2023
FY24	Financial year ending 30 June 2024
GARN	Garnet
Grade	A physical or chemical measurement of the characteristics of the material of interest
Group	Base Resources and its controlled entities
HM	Heavy mineral, which in mineral sands is minerals with a specific gravity greater than 2.85 t/m^3
HMC	Heavy mineral concentrate
IFRS	International Financial Reporting Standards
ILM	Ilmenite
Indicated	An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Inferred	An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition, as published by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
KES	Kenyan Shilling
KMP	Key management personnel
KPIs	Key performance indicators
kt	Thousand tonnes
Kwale East	The Company's exploration project, located immediately to the east of Kwale Operations and within Prospecting Licence 2018/0119
Kwale Operations	The Company's mineral sands operations in Kwale County, Kenya
LEUC	Leucoxene
LTIP	Base Resources' Long Term Incentive Plan

Measured	A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit
MGA	Malagasy Ariary
Mineral Resources	Mineral Resources are a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
Modifying factors	Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors
MON	Monazite
MSP	Mineral separation plant
Mt	Million tonnes
NPAT	Net profit after tax
NRV	Net realisable value
Ore Reserves	Ore Reserves are those portions of Mineral Resources that, after the application of all Modifying Factors, result in an estimated tonnage and grade which, in the opinion of the Competent Person making the estimates, are economically mineable

OS	Oversize material
PL119	Prospecting Licence 2018/0119
Probable	A Probable Ore Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Proved	A Proved Ore Reserve is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
RUT	Rutile
SL	Slimes, fine material (defined as <45μm at Kwale and <63μm at Ranobe) that is a waste product from the processing of mineral sands
Sterilisation	Material that is depleted from Mineral Resources or Ore Reserves, but which was not mined. This material still remains in ground following mining activity and, in the Competent Person's opinion, it has no reasonable prospects for eventual economic extraction
STIP	Base Resources' Short Term Incentive Plan
TFR	Total fixed remuneration
TiO_2	Titanium dioxide
TRP	Total remuneration package
TSR	Total shareholder return
Umba South	The Company's Umba South exploration project in Northern Tanzania, located approximately 75km west-south-west of Kwale Operations
USD or US$	United States dollar
VWAP	Volume weighted average price
WCP	Wet concentrator plant
ZIR	Zircon

CORPORATE DIRECTORY

Directors

Mr Michael Stirzaker
Non-Executive Chair

Mr Tim Carstens
Managing Director

Mr Malcolm Macpherson
Non-Executive Director

Ms Diane Radley
Non-Executive Director

Mr Scot Sobey
Non-Executive Director

Ms Sheila Khama
Non-Executive Director

Company secretary

Mr Chadwick Poletti

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