Building a unique mineral sands company

TZMI Congress 2019
12 November 2019
Disclaimer and Important Notices

This document has been prepared by Base Resources Limited (Base Resources). Information in this document should be read in conjunction with other announcements made by Base Resources to ASX, particularly Base Resources’ announcement on 21 March 2019 titled “Toliara Project PFS confirms status as a world-class mineral sands development” (PFS Announcement) and announcement on 23 January 2019 titled “Updated Ranobe Deposit Mineral Resources (corrected)” (Ranobe Mineral Resource Announcement).

The PFS Announcement discloses details about the material assumptions and underlying methodologies adopted for deriving the production information and forecast financial information included in this document in respect of the Toliara Project. It also discloses key pre and post FID risks in respect of the Toliara Project and an NPV sensitivity analysis. Base Resources confirms that the material assumptions underpinning the production information and forecast financial information disclosed in the PFS Announcement continue to apply and have not materially changed.


This document contains revenue-to-cost ratio information derived from TZMI’s Titanium Feedstock Producers Cost Study, 2018. Base Resources has not independently verified such information.

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All currency is presented in United States Dollars (US$), unless otherwise stated.
Australian based, African focused, producer

Kwale Operations
- Kenya
- Operational asset producing rutile, ilmenite and zircon.

Toliara Project
- Madagascar
- Mineral sands development project with definitive feasibility study progressing.

Base Resources
- Perth
- Company headquarters.
Building a unique mineral sands company

• “Mid cap” pure mineral sands company
• Established profitable Kwale Operation with extensional potential in Kenya
• A world class mineral sands development project in the Toliara Project in Madagascar
• Long combined mine life once the Toliara Project is developed
• Track record of excellence in safety, community engagement and environmental stewardship
• An experienced team and capacity to execute well
• Creating a company of strategic relevance in a sector likely to continue to evolve
The foundation
- The Kwale operation

Video available at www.basetitanium.com
Kwale Operation enters the next phase....

• Central Dune fully depleted in June 2019
• Mining operations transitioned to the South Dune over a 2-week period in late June
• Successful ramp up of mining and processing operations following the transition
• Achieved mining rates equivalent to 19.6Mtpa in the September quarter, exceeding the 18Mtpa plan
• Total project cost of US$12m, delivered on budget, on time and safely
....with South Dune production levels the new normal

Maintaining a first quartile revenue-to-cost ratio

Industry revenue-to-cash cost curve: 2018

Cumulative TiO₂ units

1st quartile | 2nd quartile | 3rd quartile | 4th quartile

Industry weighted average: 2018

FY19: 2.6

Source: Titanium Feedstock Producers Cost Study 2018, TZMI, and Company data
Outstanding safety outcomes indicative of performance culture

18.0 Million
Hours worked with zero Lost-Time Injuries

67 Months
Since last Lost-Time Injury

8.3 Million
Hours worked without a medical treatment injury
Delivering “mutual benefit” – US$3.8 million investment in 2019

- 380 secondary and 170 tertiary full scholarships provided
- 2,500 smallholders participating in the Kwale Cotton Project
- 120 interns, apprentices, graduates and trainees
- 9,046 trees planted
- 65,739 training hours delivered to employees, contractors and community
- 240 volunteer health workers supported
Multiple mine life extension opportunities being explored
As well as Kenyan opportunities further afield
Toliara – a world class development project

Project video available at www.baseresources.com.au
Mineral Resources afford long mine life with expansion potential

33 year mine life
Average annual production:
- Ilmenite 806kt
- Zircon 54kt
- Rutile 8kt

Ranobe Mineral Resource
1,293Mt
@ 5.1% HM

Toliara Project PFS
Mineral Resource mined
588Mt
@ 6.6% HM

The expected mine life and anticipated annual production information are derived from the Toliara Project Pre-Feasibility Study. For further information about that study, including the material assumptions and underlying methodologies adopted for the study, details about key risks pre and post FID and an NPV sensitivity analysis, refer to Base Resources’ PFS Announcement on 21 March 2019 "Toliara PFS confirms a world-class mineral sands development” available at https://www.baseresources.com.au/investor-centre/asx-releases/. For further information about the Ranobe Mineral Resources refer to the Ranobe Mineral Resource Announcement on 23 January 2019.
Toliara PFS confirms a world-class mineral sands development

- NPV$_{10}$ post tax, pre-debt, real US$671m & IRR of 22.4%
- Revenue to cost of sales ratio of 3.06
- Stage 1 capex US$439m for 13Mtpa
- Stage 2 capex US$67m to increase to 19Mtpa
- LOM average annual revenue of US$254m
  - 62% ilmenite, 34% zircon, 4% rutile
- LOM average annual EBITDA of US$165m
- LOM average annual free cash flow of US$133m

For further information about the Toliara Project Pre-Feasibility Study, including the material assumptions and underlying methodologies adopted for the study, details about key risks pre and post FID and an NPV sensitivity analysis, refer to Base Resources’ PFS Announcement on 21 March 2019 available at https://www.baseresources.com.au/investor-centre/asx-releases/

Key assumptions include the currently legislated government mineral royalties of 2%.
DFS is on track for release in December

- 26,141m of definitional drilling in 692 holes completed as the first stage of a Ranobe Mineral Resource update
- Process plant test work and flowsheet verification completed
- Geotechnical and hydrogeological investigations completed
- Tender submissions or budget quotations received for all major capex items
- Capacity building programs ongoing
- Land acquisition process well advanced
- Preparation of LGIM application well advanced
- Debt funding process well progressed
A pathway to production in 2022

2019
DFS

2020
FID
Material Contracts,
Commence camp early works and FEED

2021
Construction
Refine scope definition
Complete land acquisition
LGIM certification
Ore Reserve estimate

2022
Commissioning
First concentrate from WCP
Mining commences
First product from MSP
Progressive commissioning and ramp-up of mining, WCP, MSP and export facility
First shipment
Building a unique mineral sands company

• Team with a track record of delivery
• Consistent, high cash flow Kwale Operations, with extension potential
• A sound financial platform from which to grow the business
• Improving markets are supporting a need for new supply
• A world class development in the Toliara Project
• Reputation for excellence in safety, community and environment
Kwale Ore Reserves and Mineral Resources at 30 June 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Material</th>
<th>In Situ HM</th>
<th>HM</th>
<th>SL</th>
<th>OS</th>
<th>HM Assemblage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(Mt)</td>
<td>(%)</td>
<td>(%)</td>
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<td>(%)</td>
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<td>Mineral Resources ¹</td>
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<td></td>
</tr>
<tr>
<td>Measured</td>
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<td>2.6</td>
<td>3.2</td>
<td>25</td>
<td>1</td>
<td>59</td>
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<tr>
<td>Indicated</td>
<td>169</td>
<td>2.9</td>
<td>1.7</td>
<td>36</td>
<td>3</td>
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<tr>
<td>Inferred</td>
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<td>0.5</td>
<td>1.4</td>
<td>36</td>
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<td>46</td>
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<tr>
<td>Total</td>
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<td>6.0</td>
<td>2.1</td>
<td>33</td>
<td>2</td>
<td>52</td>
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<tr>
<td>Ore Reserves</td>
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<td>Proved</td>
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<td>1.6</td>
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<td>Probable</td>
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<tr>
<td>Total</td>
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<td>2.3</td>
<td>3.8</td>
<td>27</td>
<td>3</td>
<td>57</td>
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Notes:
1) Mineral Resources estimated at a 1% HM cut-off grade.
2) Table subject to rounding differences.
3) All Ore Reserves are contained within the Mineral Resources.

For further information on the Kwale Deposit Mineral Resources and Ore Reserves, for the Kwale South Dune Deposit, refer to Base Resources’ announcement on 9 October 2017 titled “2017 Kwale Mineral Resources and Ore Reserves Statement” and, for Kwale North Dune Deposit, refer to Base Resources’ announcement on 1 May 2019 titled “Mineral Resource for Kwale North Dune Deposit”, each of which are available at https://www.baseresources.com.au/investor-centre/asx-releases/. Base Resources confirms that it is not aware of any new information or data that materially affects the information included in the 1 May 2019 and the 9 October 2017 announcements and all material assumptions and technical parameters underpinning the estimates in the 1 May 2019 and the 9 October 2017 announcements continue to apply and have not materially changed. For further information on the depleted Kwale Deposit Mineral Resources and Ore Reserves as at 30 June 2019, refer to Base Resources’ announcement on 21 August 2019 “2019 Mineral Resources and Ore Reserves Statement” available at https://www.baseresources.com.au/investor-centre/asx-releases/.
### Ranobe Mineral Resources as at 30 June 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Material</th>
<th>In Situ HM</th>
<th>HM</th>
<th>SL</th>
<th>OS</th>
<th>HM Assemblage</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>(Mt)</td>
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<td>(%)</td>
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<td>(%)</td>
</tr>
<tr>
<td></td>
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<td>(Mt)</td>
<td>(%)</td>
<td>(%)</td>
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<td>(%)</td>
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<tr>
<td>Measured</td>
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<td>1,293</td>
<td>66</td>
<td>5.1</td>
<td>6</td>
<td>0</td>
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**Notes:**
- * Rutile reported in the table is rutile + leucoxene mineral species
- 1) Mineral Resources estimated at a 1.5% HM cut-off grade.
- 2) Table subject to rounding differences.

For further information on the Ranobe Deposit Mineral Resources, refer to Base Resources’ announcement on 23 January 2019 “Updated Ranobe Deposit Mineral Resources (corrected)” available at [https://www.baseresources.com.au/investor-centre/asx-releases/](https://www.baseresources.com.au/investor-centre/asx-releases/). Base Resources confirms that it is not aware of any new information or data that materially affects the information included in the 23 January 2019 announcement and all material assumptions and technical parameters underpinning the estimates in the 23 January 2019 market announcement continue to apply and have not materially changed.