ASX and Media Release
30 August 2021

Strong operational result and disciplined capital management drives full-year dividend

African mineral sands producer and developer, **Base Resources Limited** (ASX & AIM: BSE) (**Base Resources** or the **Company**) is pleased to present its results for the financial year ended 30 June 2021 (**FY21**) and announce a full-year dividend of AUD 4.0 cents per share, unfranked.

Kwale Operations performed strongly, maintaining operational continuity throughout the year with effective controls to mitigate COVID-19 risks and impacts, and achieved the FY21 production guidance. Markets for all mineral sands products were robust and saw demand increasing throughout the year, supporting continued price improvement for ilmenite in particular. While zircon and rutile prices improved strongly toward the end of the year, the average realised price for both were in line with the prior year.

The Toliara Project in Madagascar continues to represent a significant and attractive growth opportunity for the Company, with discussions with the Government of Madagascar on the fiscal terms applicable to the project and the lifting of the on-the-ground suspension progressing.

Financial highlights for FY21

- Revenue of US$198.2 million with an increase in average realised unit sales price partially offsetting lower production due to lower ore grade when compared to the prior year.
- EBITDA of US$94.6 million.
- Net profit after tax of US$11.0 million, impacted by Kenyan dividend withholding tax of US$9.0 million incurred on repatriation of surplus cash from operations to the Company.
- Full repayment and early retirement of the US$75.0 million Revolving Credit Facility. The Company is now debt free.
- Free cashflow of US$40.0 million (operating cashflows of US$64.5 million less investing cashflows of US$24.5 million).
- Net cash position of US$64.9 million at 30 June 2021.

Full-year dividend of AUD 4.0 cents per share (unfranked) determined

The Company's capital management policy is that cash not required to meet the Company's near-term growth and development requirements, or to maintain requisite balance sheet strength in light of prevailing circumstances, could be expected to be returned to shareholders. With net cash of US$64.9 million at the end of the year and the timing of the Toliara Project final investment decision still uncertain, the Board has determined a full-year dividend of AUD 4.0 cents per share (unfranked), totalling US$34.2 million, which will be paid wholly from conduit foreign income. This will bring total dividends in respect of FY21 to US$60.8 million, representing AUD 7.0 cents per share (unfranked). The record date for the full-year dividend is 13 September 2021 and the payment date is 29 September 2021 – refer to Base Resources' accompanying announcement "FY21 Full-Year Dividend – Key dates and information" for further information about the dividend.

Operational highlights for FY21

- Production of 73,248 tonnes of rutile, 317,276 tonnes of ilmenite and 27,123 tonnes of zircon from Kwale Operations.
- Continued strengthening of demand for all products with a 21% increase in ilmenite prices.
- Kwale Operations mine life extension opportunities progressed with the Kwale South Dune Ore Reserves estimate updated and the Bumamani pre-feasibility study due for release in early September.
- Additional prospecting licence applications lodged in Kenya and Tanzania, with three of the Tanzanian licences now granted.
- Toliara Project engineering, supplier selection, systems development and funding components all advanced.
- Lost Time Injury Frequency Rate of zero across the group, with there being no lost time due to injury since 2014.
- US$3.7 million invested in community and environmental programs, with an additional US$1.4 million contribution to support vulnerable communities in Kenya and Madagascar to navigate the impacts of the COVID-19 pandemic.

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Managing Director of Base Resources, Tim Carstens, said:

"Kwale Operations' performance has been consistently strong throughout the year, meeting our FY21 production guidance. We have successfully navigated our business through the challenges of COVID whilst, critically, maintaining our outstanding safety performance. We have made sound progress towards extending mine life with the extension to the Kwale Special Mining Lease 23 to incorporate the updated Kwale South Dune Ore Reserves expected shortly, the Bumamani pre-feasibility study nearing completion and prospecting licences secured in Tanzania. As a group, we are pleased to be once again delivering meaningful returns to shareholders via dividends."

"The Toliara Project in Madagascar continues to represent a significant growth opportunity for the Company. Positive progress was made in our discussions with the Government of Madagascar in relation to fiscal terms applicable to the project and we remain confident that acceptable terms should be able to be secured. The process of updating the Ranobe Mineral Resources and Ore Reserves estimates to incorporate completed drilling work, as well as the project's definitive feasibility study to refine and enhance outcomes, are well advanced and we expect to release these significant pieces of work shortly."

"While we remain committed to the ultimate development of the Toliara Project, and the value generation opportunity this represents for all stakeholders, we are close to complete with the preparatory work that makes sense for now. We will be maintaining a high degree of engagement with the Government of Madagascar in seeking to secure fiscal terms and lifting of the suspension and will await their decision as to when they are ready to move forward with the project. In the meantime, we hold our focus on extending the life of our Kwale Operations as well as actively considering wider opportunities in a sector that is continuing to evolve."

Investor and shareholder webcasts

The webcasts will be hosted by Base Resources' Managing Director, Tim Carstens, Chief Financial Officer, Kevin Balloch, and General Manager - Marketing, Stephen Hay, who will each also be available to answer questions following a presentation of the company's results.

Details for the webcasts are below. Participants will be able to ask questions via the messaging function on the webcast platform or via the teleconference line. Participants proposing to use the teleconference line will need to pre-register their details using the teleconference registration URL provided below. Upon registering, participants will receive an email with their unique PIN and dial-in details so that they can join the call on the day without needing to speak with an operator.

Asia Pacific conference call

Date: Monday, 30 August 2021
Time: 9.00am AWST / 11.00am AEST
Webcast URL: https://edge.media-server.com/mmc/p/n65xjwqy
Teleconference registration URL: https://s1.c-conf.com/diamondpass/10015903-am68s3.html

Europe conference call

Date: Tuesday, 31 August 2021
Time: 5.00pm AWST / 10.00am BST
Webcast URL: https://edge.media-server.com/mmc/p/bxeb4s8t
Teleconference registration URL: https://s1.c-conf.com/diamondpass/10015902-s83kmw.html

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Forward looking statements

Certain statements in or in connection with this announcement contain or comprise forward looking statements. Such statements may include, but are not limited to, statements with regard to capital cost, capacity, future production and grades, sales projections and financial performance and may be (but are not necessarily) identified by the use of phrases such as "will", "expect", "anticipate", "believe" and "envisage". By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside Base Resources' control. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions,

fluctuations in product prices and exchange rates and business and operational risk management. Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, Base Resources undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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This release has been authorised by the Board of Base Resources.

About Base Resources

Base Resources is an Australian based, African focused, mineral sands producer and developer with a track record of project delivery and operational performance. The Company operates the established Kwale Operations in Kenya and is developing the Toliara Project in Madagascar. Base Resources is an ASX and AIM listed company. Further details about Base Resources are available at www.baseresources.com.au.

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