

2018 Mineral Resources and Ore Reserves Statement

SUMMARY

- The recently acquired Toliara Project has an estimated Mineral Resource of 857 million tonnes at 6.2% Heavy Mineral (HM) in the Ranobe deposit.
- The Kwale deposit was reduced by mining depletion in the year to 30 June 2018 with the effect of:
 - reducing the Central Dune Mineral Resources by 13Mt containing 0.9Mt of in situ HM; and
 - reducing the Central Dune Ore Reserves by 11Mt containing 0.8Mt of in situ HM.
- The Kwale South Dune Mineral Resources estimate increase announced on 4 October 2017, delivered a 19% or 560kt increase in contained HM tonnes within the Measured and Indicated Resource categories. This increase was included in the 30 June 2017 Kwale Mineral Resources estimate.

The 2018 Mineral Resources and Ore Reserves for Base Resources (ASX & AIM: BSE) are summarised in the table below together with the 2017 Ore Reserves and Mineral Resources for comparison.

Project	2018 as at 30 June 2018									2017 as at 30 June 2017						
	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM Assemblage			Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM Assemblage		
						ILM (%)	RUT (%)	ZIR (%)						ILM (%)	RUT (%)	ZIR (%)
Mineral Resources (Measured + Indicated + Inferred, inclusive of Reserves)																
Kwale	134	4.2	3.1	25	2	57	13	6	147	5.2	3.5	25	2	57	13	6
Ranobe	857	53.0	6.2	4	0	72	2	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ore Reserves (Proven + Probable)																
Kwale	80	3.1	3.9	26	2	56	13	6	91	3.9	4.3	26	2	57	13	6

Table subject to rounding differences.

Mineral Resources and Ore Reserves estimates in this statement are reported in accordance with the JORC Code (2012 edition). Accordingly, this statement should be read in conjunction with the respective explanatory Mineral Resources and Ore Reserves information included in the following announcements¹ for the relevant deposits:

Deposit	Announcement Title	Estimate date	Release date
Ranobe	Acquiring the Toliara Sands Project – investor presentation	19 December 2017	19 December 2017
2017 Comparatives	2017 Kwale Mineral Resources and Ore Reserves Statement	30 June 2017	9 October 2017
Kwale South Dune	Mineral Resources Increase for Kwale South Dune	30 June 2017	4 October 2017
Kwale Central Dune	2016 Kwale Mineral Resources and Ore Reserves Statement	30 June 2016	9 October 2017

¹ Refer to ASX announcements available at <http://www.baseresources.com.au/investor-centre/asx-releases/>.

Kwale Deposits

The Company's Kwale Operation contains the Kwale Central Dune and South Dune deposits, located approximately 50 kilometres south of Mombasa and approximately 10 kilometres inland from the Kenyan coast.

Mineral Resources

The 2018 Kwale Mineral Resources, as at 30 June 2018, are estimated to be 134Mt at an average HM grade of 3.1% for 4.2Mt of contained HM, at a 1% HM cut-off grade. The 2018 Kwale Mineral Resource estimate has decreased by 9% for material tonnes and by 18% for contained HM tonnes when compared with the previous 2017 Kwale Mineral Resource estimate due to mining depletion.

The Kwale Central Dune Mineral Resources at 30 June 2018 are estimated to be 20Mt at an average HM grade of 3.9% for 0.8Mt of contained HM, decreased by 13Mt containing 0.9Mt of HM compared to the 2017 estimate due to mining depletion during the year. The South Dune Mineral Resources at 30 June 2018 are unchanged from the 2017 estimate as the increase announced on 4 October 2017, was incorporated into the 2017 estimate and mining has not yet commenced on this deposit.

Table 2: 2018 Kwale Mineral Resources estimate compared with the 2017 Kwale Mineral Resources estimate.

Category	2018 as at 30 June 2018									2017 as at 30 June 2017						
	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM Assemblage			Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM Assemblage		
						ILM (%)	RUT (%)	ZIR (%)						ILM (%)	RUT (%)	ZIR (%)
Kwale Central Dune																
Measured	13	0.6	4.1	24	1	57	14	6	25	1.4	5.5	24	0	58	13	6
Indicated	7	0.2	3.4	25	2	57	14	6	8	0.3	3.9	26	2	58	14	6
Total	20	0.8	3.9	24	1	57	14	6	33	1.7	5.1	25	1	58	14	6
Kwale South Dune																
Measured	81	2.6	3.2	25	1	59	14	6	81	2.6	3.2	25	1	59	14	6
Indicated	33	0.8	2.5	26	7	52	12	6	33	0.8	2.5	26	7	52	12	6
Inferred	0.2	0.003	1.5	27	7	48	13	7	0.2	0.003	1.5	27	7	48	13	7
Total	114	3.5	3.0	25	3	56	13	6	114	3.5	3.0	25	3	56	13	6
Total Kwale Mineral Resources																
Measured	94	3.2	3.4	25	1	59	14	6	106	4.0	3.8	25	1	59	13	6
Indicated	40	1.1	2.7	26	6	53	13	6	41	1.2	2.8	26	6	54	13	6
Inferred	0.2	0.003	1.3	27	7	54	15	7	0.2	0.003	1.3	27	7	54	15	7
Total	134	4.2	3.1	25	2	57	13	6	147	5.2	3.5	25	2	57	13	6

Table subject to rounding differences, Mineral Resources estimated at a 1% HM cut-off grade.

Ore Reserves

Contained within the Kwale Mineral Resources are the Kwale Ore Reserves, estimated as at 30 June 2018 to be 80Mt at an average HM grade of 3.9% for 3.1Mt of contained HM. The 2018 Kwale Ore Reserves estimate represents a decrease of 13% in total ore tonnes and 22% in contained HM tonnes over the previously reported 2017 Kwale Ore Reserves estimate.

The Kwale Central Dune Ore Reserves at 30 June 2018 are estimated to be 18Mt of ore at an average HM grade of 4.0% for 0.7Mt of contained HM, decreased by 11Mt containing 0.8Mt of HM compared to the 2017 estimate due to mining depletion during the year.

Mining has not yet commenced on the South Dune and its Ore Reserves estimate is therefore unchanged from the 2017 estimate.

Table 3: The 2018 Kwale Ore Reserves estimate compared with the 2017 Kwale Ore Reserves estimate.

Category	2018 as at 30 June 2018								2017 as at 30 June 2017							
	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM Assemblage			Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM Assemblage		
						ILM (%)	RUT (%)	ZIR (%)						ILM (%)	RUT (%)	ZIR (%)
Kwale Central Dune																
Proved	13	0.6	4.3	23	0	57	14	6	23	1.3	5.7	24	0	59	13	6
Probable	5	0.2	3.5	25	1	57	14	6	7	0.3	3.4	26	1	49	11	5
Total	18	0.7	4.0	24	1	57	14	6	30	1.6	5.1	24	1	57	13	6
Kwale South Dune																
Proved	39	1.6	4.0	27	1	59	14	6	39	1.6	4.0	27	1	59	14	6
Probable	23	0.8	3.3	26	5	53	13	6	23	0.8	3.3	26	5	53	13	6
Total	62	2.3	3.8	27	3	57	13	6	62	2.3	3.8	27	3	57	13	6
Total Kwale Ore Reserves																
Proved	52	1.8	3.5	26	1	68	16	7	62	2.9	4.7	26	1	58	13	6
Probable	28	1.3	4.6	26	4	39	10	4	30	1.0	3.3	26	4	54	13	6
Total	80	3.1	3.9	26	2	56	13	6	91	3.9	4.3	26	2	57	13	6

Table subject to rounding differences

As announced on 4th October 2017², an updated Mineral Resources estimate for the Kwale South Dune (the **2017 Kwale South Dune Mineral Resource**) was completed, resulting in a 19% increase in contained HM tonnes in the Measured and Indicated categories. Completion of an updated Kwale South Dune Ore Reserves estimate based on the 2017 Kwale South Dune Mineral Resource is subject to finalisation of mining tenure arrangements, which are currently being progressed with the Kenyan Ministry of Petroleum and Mining.

² Refer to Base Resources market announcement "Mineral Resource Increase for Kwale South Dune" released on 4 October 2017, which is available at <http://www.baseresources.com.au/investor-centre/asx-releases>.

Ranobe Deposit

The Company completed the acquisition of the Toliara Project on the 23rd January 2018 and is currently progressing the project through a full study phase. The Toliara Project is founded on the Ranobe deposit, located approximately 40 kilometres north of the town of Toliara in south west Madagascar and approximately 15 kilometres inland from the coast.

Mineral Resources

The 2018 Ranobe Mineral Resources as at 30 June 2018, are estimated to be 857Mt at an average HM grade of 6.2% and 4% slimes containing 53Mt HM, based on a 3% HM cut-off grade.

Table 4: 2018 Ranobe Mineral Resources estimate.

Category	2018 as at 30 June 2018								2017 as at 30 June 2017							
	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM Assemblage			Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM Assemblage		
						ILM (%)	RUT (%)	ZIR (%)						ILM (%)	RUT (%)	ZIR (%)
Toliara Mineral Resources																
Measured	282	20	7.2	4	0	72	2	6	not applicable – prior to Base Resources' acquisition							
Indicated	330	21	6.2	4	0	72	2	6								
Inferred	245	12	5.0	5	1	71	1	5								
Total	857	53	6.2	4	0	72	2	6								

Table subject to rounding differences, Mineral Resources estimated at a 3% HM cut-off grade.

Ore Reserves


No Ore Reserves estimate has been completed for the Ranobe deposit. The drilling program currently underway on the Ranobe deposit aims to define the boundaries of the Mineral Resources, upgrade the existing Inferred Resource to Indicated status, and complete an Ore Reserves estimation for incorporation into the planned definitive feasibility study.

Competent Persons Statements

The 2018 Mineral Resources and Ore Reserves Statement has been approved by the following competent persons, as detailed below.

Mineral Resources – Kwale Central and South Dune Deposits

The information in this report that relates to Kwale Central and South Dune Deposit Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr. Richard Stockwell (for the South Dune deposit) and Mr. Scott Carruthers (for the Central Dune deposit). Mr. Stockwell is a member of the Australian Institute of Geoscientists and Mr. Carruthers is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Stockwell acts as Consultant Geologist for Base Resources. Mr. Carruthers is employed by Base Resources, he holds equity securities in Base Resources and is entitled to participate in Base Resources' equity long term incentive plan, details of which is included in the 2018 Remuneration Report. Both Mr. Stockwell and Mr. Carruthers have sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), and both are considered Qualified Persons for the purposes of the AIM Rules for Companies. Mr. Stockwell consents to the inclusion in this report of Kwale South Dune Deposit Mineral Resource estimates and supporting information in the form and context in which it appears. Mr. Carruthers consents to the inclusion in this



report of Kwale Central Dune Deposit Mineral Resource estimates and supporting information in the form and context in which it appears.

Ore Reserves – Kwale Central and South Dune Deposits

The information in this report that relates to Kwale Central and South Dune Deposit Ore Reserves is based on, and fairly represents, information and supporting documentation prepared by Mr. Per Scrimshaw (for South Dune deposit) and Mr. Scott Carruthers (for Central and South Dune deposits). Mr. Scrimshaw and Mr. Carruthers are both Members of The Australasian Institute of Mining and Metallurgy. Mr. Scrimshaw is employed by Entech, a mining consultancy engaged by Base Resources to prepare Ore Reserves estimation for the Kwale Operations. Mr. Carruthers is employed by Base Resources, he holds equity securities in Base Resources and is entitled to participate in Base Resources' equity long term incentive plan, details of which is included in the 2018 Remuneration Report. Mr. Scrimshaw and Mr. Carruthers have 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 Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and both are considered Qualified Persons for the purposes of the AIM Rules for Companies. Mr. Scrimshaw and Mr. Carruthers each consent to the inclusion in this report of Kwale Central and South Dune Deposit Ore Reserve estimates and supporting information in the form and context in which it appears.

Mineral Resources – Ranobe Deposit

The information in this report that relates to the Ranobe Deposit Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr. Scott Carruthers. Mr. Carruthers is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Carruthers is employed by Base Resources, he holds equity securities in Base Resources and is entitled to participate in Base Resources' equity long term incentive plan, details of which is included in the 2018 Remuneration Report. Mr. Carruthers has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and be considered a Qualified Person for the purposes of the AIM Rules for Companies. Mr. Carruthers consents to the inclusion in this report of the Ranobe Deposit Mineral Resource estimates and supporting information in the form and context in which it appears.

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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 Sands Project in Madagascar. Base Resources is an ASX and AIM listed company. Further details about Base Resources are available at www.baseresources.com.au.

GLOSSARY

Assemblage	the relative proportion of valuable heavy mineral components of ilmenite, rutile and zircon
Competent Person	The JORC Code requires that a Competent Person must be a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or 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.
Cut-off grade	An industry-accepted standard expression used to determine what part of a mineral deposit to include in a Mineral Resource Estimate or Ore Reserve Estimate
Grade	The percentage of heavy mineral found in a deposit
Heavy mineral	In mineral sands, heavy minerals with a specific gravity greater than 2.85 t/m ³
ILM	Ilmenite, a valuable heavy mineral
Indicated Resource	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 Resource	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	The Joint Ore Reserves Committee: The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code'), 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.
Measured Resource	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.
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 subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Ore Reserves	Ore Reserves are the economically mineable part of Measured and/or Indicated Mineral Resources.
OS	Oversize material
RUT	Rutile, a valuable heavy mineral
SL	Slimes, being a waste product from the processing of mineral sands
ZIR	Zircon, a valuable heavy mineral