



Sales Agreement - Force Majeure Notice Received

Base Resources Limited (ASX & AIM: BSE) ("**Base**" or the "**Company**") advises that it has received a force majeure notice from a counterparty to an ilmenite sales agreement ("**Agreement**") seeking to suspend the counterparty's obligations under the Agreement ("**Notice**"). The Notice is stated to be in response to incidents that have occurred causing significant delays in commissioning the counterparty's slag furnace. The Notice, while providing a preliminary assessment of the extent of the damage caused by the incidents, advises that repairs, further damage assessment and rectification works will be required and that therefore the potential delay is not yet known.

Base is continuing to assess the potential impacts of the Notice, including the Company's rights. Pursuant to the terms of the Agreement, absent the Notice, the counterparty was due to purchase approximately 100,000 tonnes of ilmenite by 30 June 2016 at an average price of approximately US\$116 per tonne FOB, which represented a significant premium to current market prices. The 100,000 tonne per annum Agreement applies for a further three years from 1 February 2016.

While Base reserves its rights in respect of the Notice, the counterparty has committed to working with the Company to seek to mitigate the potential impact of the Notice. In the meantime, the Company will also explore all available options for selling the ilmenite concerned to other customers.

ENDS.

CORPORATE PROFILE

Base Resources Limited ABN 88 125 546 910

DIRECTORS

Keith Spence	Non-Executive Chairman
Tim Carstens	Managing Director
Colin Bwye	Executive Director

Sam Willis	Non-Executive Director
Michael Anderson	Non-Executive Director
Michael Stirzaker	Non-Executive Director
Malcolm Macpherson	Non-Executive Director

COMPANY SECRETARY

Chadwick Poletti

NOMINATED ADVISOR & BROKER

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