

## Half Year Results to 31 December 2016

Base Resources Limited (ASX & AIM: BSE) (“Base Resources”) is pleased to release its half year results for the reporting period to 31 December 2016, with the following highlights<sup>1</sup>.

\$ million <sup>2</sup>	Six months to	Six months to	% Change
	31 December 2016 (reporting period)	31 December 2015 (comparative period)	
Kwale Operation Sales Revenue	90.6	81.7	11%
Kwale Operation EBITDA	46.8	33.8	38%
Group EBITDA	44.0	30.5	44%
Net profit /(loss) for the period	3.8	(11.3)	134%
Operating cash flow	45.1	26.8	68%
Free cash flow <sup>3</sup>	30.9	9.8	215%
	As at	As at	% Change
	31 December 2016	30 June 2016	
Net debt (total borrowings less cash less debt service reserve account)	(179.7)	(204.2)	12%

- Sales volumes of 236,488 tonnes of ilmenite, 42,796 tonnes of rutile, 17,957 tonnes of zircon and 3,397 tonnes of zircon low grade, up 5% on comparative period total sales volume.
- Sales revenue of \$90.6 million, achieving an average price of product sold (rutile, ilmenite, zircon and zircon low grade) of \$302 per tonne, or US\$227 per tonne, (\$286 per tonne or US\$207 per tonne in the comparative period). Higher average sale prices reflecting the strong improvement in ilmenite prices during the reporting period.
- Total cost of goods sold decreased to \$39.0 million (\$39.6 million in the comparative period), despite the 5% increase in sales volumes over the comparative period, to record an average cost of \$130 per tonne (US\$98 per tonne) of product sold, down from \$138 per tonne (US\$100 per tonne) of product sold in the comparative period, demonstrating the Company’s continued focus on cost management.
- Achieved revenue to cost of sales ratio of 2.3:1 (2.1:1 in the comparative period), comfortably positioning Base Resources in the first quartile of mineral sands producers.
- Cash flow from operations of \$45.1 million for the reporting period (\$26.8 million in the comparative period).
- Free cash flow of \$30.9 million (\$9.8 million in the comparative period) contributed to the \$24.5 million reduction in net debt to \$179.7 million (US\$129.5 million) compared with \$204.2 million (US\$151.5 million) at 30 June 2016.

ENDS.

<sup>1</sup> Refer to Base Resources’ Half-Year Financial Report for the six months ended 31 December 2016 for a more detailed review.

<sup>2</sup> All figures reported in Australian dollars unless otherwise stated.

<sup>3</sup> Free cash flow is determined as cash flow before net proceeds from issue of shares, debt rescheduling costs, proceeds/repayments of borrowings and payments to/transfers from the debt service reserve account.

# CORPORATE PROFILE

Base Resources Limited ABN 88 125 546 910

## DIRECTORS

<b>Keith Spence</b>	Non-Executive Chairman
<b>Tim Carstens</b>	Managing Director
<b>Colin Bwye</b>	Executive Director

<b>Sam Willis</b>	Non-Executive Director
<b>Michael Anderson</b>	Non-Executive Director
<b>Michael Stirzaker</b>	Non-Executive Director
<b>Malcolm Macpherson</b>	Non-Executive Director

## NOMINATED ADVISOR & BROKERS

Nominated Advisor:

### **RFC Ambrian Limited**

Andrew Thomson / Stephen Allen

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Joint Brokers:

### **RFC Ambrian Limited**

Jonathan Williams

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### **Numis Securities Limited**

John Prior / James Black / Paul Gillam

Phone: +44 20 7260 1000

## SHARE REGISTRY

### **ASX**

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## COMPANY SECRETARY

Chadwick Poletti

## AUSTRALIA MEDIA RELATIONS

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## UK MEDIA RELATIONS

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## KENYA MEDIA RELATIONS

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## PRINCIPAL & REGISTERED OFFICE

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