

ASX, AIM and Media Release
7 November 2019

Toliara Project – Government of Madagascar statement

African mineral sands producer, **Base Resources Limited** (ASX & AIM: BSE) (**Base Resources** or the **Company**) advises that an official statement has been released by the Government of Madagascar requiring the suspension of on-the-ground activity at the Company's Toliara Project whilst discussions on fiscal terms applying to the project are progressed.

This development will not impact the Company's progression of the Definitive Feasibility Study for the Toliara Project as all necessary on-ground works have been completed. The Definitive Feasibility Study remains on track for release in December 2019.

Unfortunately, however, this suspension will impact the community development programs currently underway and the several hundred local Malagasy people who are presently undertaking training programs with the Toliara Project. This is clearly regrettable.

The Toliara Project enjoys broad community support, locally, regionally and nationally, as the significant economic and social benefits are clear. While there were some early community protests, these have dissipated with an extensive communication program better explaining the project and the opportunity it represents. The few more recent localised events have represented illegal actions by a small minority that were dealt with by the Malagasy legal system. It is therefore disappointing that the Malagasy government has now stated this as a justification for requiring a suspension.

The Company will continue to engage in a transparent and respectful dialogue with Government to deepen its understanding of the significant benefits of the project to Madagascar and secure agreement on mutually beneficial fiscal terms that represent a sound and sustainable basis on which the Toliara Project may proceed to development.

A further update will be provided when discussions with Government have progressed.

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