

FY23 half-year results - high prices deliver record first half revenue

African mineral sands producer and developer, **Base Resources Limited** (ASX & AIM: BSE) (**Base Resources** or the **Company**) is pleased to present its financial results for the six-month period ended 31 December 2022 (**H1 FY23**) and announce an interim dividend of AUD 2.0 cents per share (unfranked).

Kwale Operations continued to perform consistently and remains on track to achieve production guidance for FY23. Strong markets for mineral sands in the first part of H1 FY23 saw price improvements for all products, delivering a record first half revenue of US\$126.6 million. Implementation of the Bumamani Project, to extend Kwale Operations mine life to late 2024, progressed to plan with mining of the Kwale North Dune recently commencing.

The Toliara Project in Madagascar is a significant growth opportunity for the Company and remains an area of critical focus. Discussions with the Government of Madagascar on the fiscal terms applicable to the project progressed substantially during the period though an agreement has not yet been signed.

Financial highlights for H1 FY23

- Record first half revenue of US\$126.6 million following a 32% increase in average realised unit sales price compared to the prior period ended 31 December 2021 (**H1 FY22**).
- Group EBITDA of US\$80.7 million and net profit after tax of US\$44.6 million.
- Free cashflow of US\$29.0 million (operating cashflows of US\$56.1 million less investing cashflows of US\$27.1 million).
- Net cash position of US\$60.2 million at 31 December 2022.

Interim dividend of AUD 2.0 cents per share 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\$60.2 million at the end of the period and continued strong financial performance, the Board has determined an interim dividend of AUD 2.0 cents per share (unfranked), totalling A\$23.6 million in aggregate (approximately US\$16.0 million), which is to be paid wholly from conduit foreign income. The record date for the interim dividend is 13 March 2023 and the payment date is 30 March 2023 – refer to Base Resources' accompanying announcement "FY23 Interim Dividend – Key dates and information" for further information.

Upon payment of the FY23 interim dividend, dividends distributed to shareholders since October 2020 will total AUD 18.5 cents per share, equal to A\$217.9 million in aggregate (approximately US\$156.0 million).

Operational and development highlights for H1 FY23.

- Production of 38,384 tonnes of rutile, 170,771 tonnes of ilmenite, 14,043 tonnes of zircon and a combined 9,228 tonnes of low-grade rutile and zircon products from Kwale Operations.
- Increases in average achieved product prices of 36% for rutile, 12% for ilmenite and 29% for zircon compared to H1 FY22.
- Kwale Operations Bumamani Project implementation, to extend mine life to late 2024, saw mining operations commence on the Kwale North Dune in late February as planned.
- Near-mine exploration drilling at Kwale East commenced, with 493 holes for 5,071m drilled to date.
- Phase 1 of the initial exploration drilling program in northern Tanzania was completed, with a total of 149 holes for 3,889m drilled.
- Toliara Project rare earths concept study was completed subsequent to period end, with the Board approving progression to the pre-feasibility study phase.
- Inaugural Sustainability Report and Sustainability Databook released.

Managing Director of Base Resources, Tim Carstens, said:

“We have achieved another consistent and operationally strong half year period at Kwale Operations which, when combined with increased prices for all products, has resulted in record first half revenue and the continuation of returns to shareholders via another dividend.”

“With the recent commencement of mining operations on the North Dune, the Bumamani Project has extended Kwale mine life until late 2024. Beyond this, the exploration program underway in the Kwale East region represents our best opportunity for further, near term, mine life extension, with over 5,000m drilled to date. Further afield, and a longer dated prospect, we have also completed the first phase of reverse circulation exploration drilling in the Umba region of northern Tanzania, with preliminary results expected to be released shortly.”

“We retain a heavy focus on advancing the Toliara Project in Madagascar and have continued to progress our discussions with the Government of Madagascar on fiscal terms and lifting of the on-ground suspension. Though we have not yet signed an agreement, we are encouraged by our recent engagement and the ongoing support from local communities and leaders.”

“This is an exciting time for Base Resources. We look forward to sharing a series of significant, and long awaited, developments with investors over the coming months.”

Investor webcasts

Investor 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 that propose using 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 without needing to speak to an operator.

Asia Pacific webcast

Date: Monday, 27 February 2023

Time: 8.30am AWST / 11.30am AEDT

Webcast URL: <https://edge.media-server.com/mmc/p/d2t7ov4r>

Teleconference registration URL: <https://register.vevent.com/register/Blaa849e3278cf48d5a1257c42aba53867>

Europe webcast

Date: Monday, 27 February 2023

Time: 5.00pm AWST / 9.00am GMT

Webcast URL: <https://edge.media-server.com/mmc/p/ni5izmm7>

Teleconference registration URL: <https://register.vevent.com/register/Blee6b0b2e83194de58e54e496b04268b5>

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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 future production and grades, capital cost, capacity, 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, is developing the Toliara Project in Madagascar and is conducting exploration in Tanzania. Base Resources is an ASX and AIM listed company. Further details about Base Resources are available at www.baseresources.com.au.