



BASE RESOURCES LTD

ASX, AIM and Media Release

11 January 2013

35% LOCAL EQUITY REGULATION NOT APPLICABLE TO KWALE

Base Resources Limited (ASX:BSE) ("Base") is pleased to advise that it has received formal notification that the Attorney General of Kenya has determined that the recently introduced 35% Local Equity Participation Regulation ("the Regulations") cannot be applied to the Special Mining Lease No. 23 covering the Company's 100% owned Kwale Mineral Sands Project.

The Attorney General's advice that the Regulations can only be applied to mining licenses issued after the Regulations came into force, being 12 October 2012, corroborates the legal advice previously received by Base in this respect.

Notwithstanding this determination, Base will continue to work constructively with the Government of Kenya to facilitate greater Kenyan equity participation over time in both Base and the mining industry in general.

ENDS

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Corporate Details:

Board of Directors:

Andrew King	Non-Executive Chairman
Tim Carstens	Managing Director
Colin Bwye	Executive Director
Sam Willis	Non-Executive Director
Michael Anderson	Non-Executive Director
Trevor Schultz	Non-Executive Director
Winton Willesee	Non-Executive Director/ Company Secretary

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About Base Resources

Base Resources Limited (ASX:BSE) is developing the world-class Kwale Mineral Sands Project in Kenya, East Africa. Kwale is an advanced and highly competitive project in a sector with a significant forecast supply shortfall widely expected to emerge in the medium term.

The Kwale Project represents an advanced development opportunity with all material project approvals, permits and licenses required for development currently in place, funding in place and construction of all project elements underway.

The Project enjoys a high level of support from the Government of Kenya as well as the local community and, located just 50km from Mombasa, Kenya's principal port facility, is well serviced by existing physical infrastructure.

Importantly, two pilot plant operations at Kwale provide confidence in processing behaviour and indicate a suite of readily marketable products. The Project's high value mineral assemblage and low stripping ratio result in a projected revenue to cash cost ratio that would place Kwale in the top quartile of world producers.

A realistic development time line should see the Kwale Project in production in the second half of 2013.