

Full Year Results to 30 June 2016

Base Resources Limited (ASX & AIM: BSE) (“Base Resources”) is pleased to release its full year results for the reporting period to 30 June 2016, with the following highlights¹.

\$ million ²	2016	2015	% Change
Kwale Operation Sales Revenue	169.0	145.5	16%
Kwale Operation EBITDA	68.0	62.3	9%
Group EBITDA	60.6	55.0	10%
Net loss for the year	(20.9)	(16.0)	-30%
Operating cash flow	78.6	38.2	106%
Free cash flow ³	46.7	8.6	445%
Net debt (total borrowings less cash less debt service reserve account)	(192.1)	(241.0)	-20%

- Sales volumes of 480,538 tonnes of ilmenite, 85,536 tonnes of rutile and 33,062 tonnes of zircon, representing the top end of the guidance range.
- Sales revenue was \$169.0 million, achieving an average price of product sold (rutile, ilmenite and zircon) of \$282 per tonne, or US\$205 per tonne, (2015: \$309 per tonne or US\$256 per tonne). Lower average sale prices reflect the challenging market conditions faced by mineral sands producers for much of the reporting period.
- Total cost of goods sold increased to \$86.6 million (2015: \$73.3 million) driven largely by the 27% increase in sales volume, at an average cost of \$144 per tonne, or US\$105 per tonne of product sold, (2015: \$155 per tonne or US\$130 per tonne). The reduction in operating costs per tonne produced to \$121 per tonne, or US\$88 per tonne, (2015: \$124 per tonne or US\$103 per tonne) is reflective of a sharp focus on cost management.
- The Kwale Operation achieved a revenue to cost of sales ratio of 2:1, comfortably positioning it in the first quartile of mineral sands producers.
- Cash flow from operations was \$78.6 million for 2016 (2015: \$38.2 million), higher than Group EBITDA, predominately driven by a decrease in receivables of \$10.9 million during the reporting period, associated with \$10.3 million of Kenyan operational VAT refunds and timing of sales receipts.
- Free cash flow of \$46.7 million contributed to the overall reduction in net debt of \$48.9 million. Repayments of \$31.7 million (US\$23.5 million) were made against the Kwale Operation Debt Facility, reducing the outstanding balance to US\$180.5 million.

ENDS.

¹ Refer to Base Resources’ Annual Financial Report for the year ended 30 June 2016 for a more detailed review.

² All figures reported in Australian dollars unless otherwise stated.

³ 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 the debt service reserve account.

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

RFC Ambrian Limited

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