

Base Resources Limited

08:53 21 Mar 2019

Toliara's world class status confirmed by study says Base Resources

A feasibility study for its Toliara project in Madagascar has confirmed it is a world-class project, said minerals sands miner Base Resources Limited (LON:BSE).

The net present value of Toliara was estimated at US\$671m in the study, which was better than expected said Peel Hunt.

"Capex looks in line with our estimates but margins look stronger - largely due to better quality ilmenite product suite than we had baked into our present estimates," said the broker.

Based on the existing resource, the PFS estimated a mine life of 33 years producing 806,000 tonnes of ilmenite, 54,000t zircon and 8,000t of rutile each year.

Annual revenues would be US\$254m and net profits of US\$110m, though Base added the study assumed only 46% of the existing Ranobe deposit being utilised, which leaves significant development potential.

Key mineral sands

Tim Carstens, managing director, said the PFS confirmed that Toliara is one of the best mineral sands development opportunities in the world.

Costs of stage one construction for a 13Mtpa procession operations are estimated at US\$439m US\$67m to boost processing production to 19Mtpa.

Peel Hunt added that management had mentioned a US\$100m equity raise to help fund the capital cost.

Colin Bwyne, operations and development director, said work had already started on the Definitive Feasibility Study, which it aims to complete by the end of 2019.

A final investment decision will be made in the first quarter of next year with Toliara potentially in operation by the end of 2021.

Shares rose 2% to 14.5p.

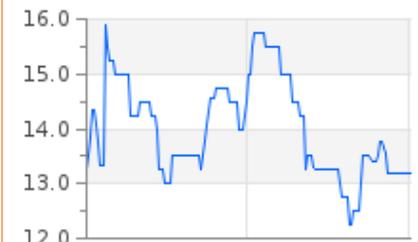
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Price: £0.13

Market Cap: £153.99 m

1 Year Share Price Graph



September 2018 March 2019 September 2019

Share Information

Code: BSE

Listing: AIM

52 week High Low
17.835 12

Sector: Mining

Website: www.baseresources.com.au

Company Synopsis:

Base Resources (ASX & AIM: BSE) 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 Sands Project in Madagascar.

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