



CORPORATE INFORMATION

Bassari Resources Limited is an Australian listed company focused on discovering and delineating high-grade gold resources which can be developed into profitable operations in the Birimian Gold Belt, Senegal, West Africa.

FAST FACTS

ASX Code	BSR
Issued Capital	1,093,837,102
No of shareholders	1,640
Top 20	47%

INVESTMENT HIGHLIGHTS

Exploration permits (BSR: 70%) cover approx. 850 km² over prospective Birimian Gold Belt, Senegal, West Africa.

- Makabingui Gold Project Feasibility Study – 171,000 ounces, low cost, highly profitable and significant free cash flows
- Makabingui Gold Project, Mineral Resource (Prepared and disclosed under the JORC Code 2004 and remains unchanged) **1.0 million ounces in 11.9 Mt at 2.6 g/t gold at a 0.5 g/t cut-off**, comprising:
 - Indicated: 336,000 ozs in 2.6Mt at 4.0g/t
 - Inferred: 669,000 ozs in 9.3Mt at 2.2g/t
- Senegal, stable democracy since 1960
- Quality ground holding in a +60M ounce gold region which hosts a number of world class deposits
- Multiple prospects identified along 80km strike length within world class gold province

BOARD AND MANAGEMENT

Alex Mackenzie

Executive Chairman

Jozsef Patarica

Managing Director/CEO

Chris Young

Non-Executive Director

Philip Bruce

Non-Executive Director

Ian Riley

Company Secretary/Chief Financial Officer

CONTACT US

Bassari Resources Limited (ACN 123939042)

Level 17, 500 Collins Street,
Melbourne, Victoria, 3000, Australia.

T: +61 3 9614 0600

F: +61 3 9614 0550

Email: admin@bassari.com.au

www.bassari.com.au

ASX Release

2 July 2014

Major Gold Corridor - Makabingui Project Area

Bassari Resources Limited (ASX:BSR) is pleased to provide an update on field work along the major gold corridor immediately south of its Makabingui Gold Project. Previous shallow drilling and recent artisanal mining confirms widespread gold mineralisation in this area, addition to the 1 million ounce Makabingui gold resource which has strike and depth potential.

Key Points

- **Artisanal activity confirms extensive gold mineralisation**
- **Widespread gold mineralisation confirmed by previous drilling over ~12km strike**
- **Significant gold intercepts in shallow RAB, RC drilling and trenching, coincident with anomalous soil geochemistry identify high priority infill oxide zone drilling targets**
- **Along strike from Makabingui Gold Project which has outstanding feasibility results (See ASX Announcement 26 June 2014)**
- **Located in a world class gold province with more than 60 million ounce gold endowment**
- **Within regional shear zone which hosts significant large scale gold deposits and gold mines**

Bassari delivered an outstanding Feasibility Study for its Makabingui Gold Project (See ASX Announcement 26 June 2014) which supports profitable high-grade gold production by initially mining four high grade pits within the 1Moz Makabingui gold resource in Senegal, West Africa.

“With the Makabingui Gold Project Feasibility Study now completed we are focused on delivering a fast tracked development program to commence production in the shortest possible time to deliver a strong net cash flow. Together with reviewing numerous funding options, we are advancing discussions with key people, service providers and equipment suppliers identified during the Feasibility Study who have the necessary skills and experience to deliver Makabingui on time and within budget. Managing Director Jozsef Patarica said.

“Profitable, high-grade gold production at Makabingui is just the start, with along strike and depth potential within the existing one million ounce resource. Our geological team made the grass roots Makabingui gold discovery, and are progressing field work focused on unlocking the much larger gold potential within the Makabingui Project area.

“The recent level of artisanal activity in the region especially within the major gold corridor along strike of Makabingui to the south is compelling. The government has moved artisanal miners out of the area in the lead up to development with our geological team undertaking detailed mapping of their workings. We see strong potential to add more, high-grade near surface resources and are well advanced with planning the next phase of infill drilling at both Makabingui and to the south where previous drilling has been carried out on broad spaced lines.”



MAKABINGUI GOLD PROJECT

The Makabingui Gold Project currently hosts a Mineral Resource (prepared and disclosed under the JORC Code 2004 and remains unchanged), which comprises 11.9 million tonnes averaging 2.6 g/t gold for a contained 1 million ounces of gold classified into the Indicated and Inferred Resource categories. The initial mining phase focuses on the indicated component of the resource based on open pit mining with conventional gravity and Carbon-in-Leach (CIL) processing circuit.

Project Study summary at US\$1200/oz gold price:

○ <i>Production (recovered gold)</i>	171,000 ounces
○ <i>Average annual gold production</i>	50,000 ounces
○ <i>Average gold grade to the mill</i>	>5.6 g/t gold
○ <i>High processing recovery</i>	95%
○ <i>Processing rate</i>	300ktpa
○ <i>Initial project mine life</i>	3.4 years
○ <i>Cash Cost (C1)</i>	US\$683/oz
○ <i>Low additional capital</i>	US\$12M
○ <i>NPV (8% discount rate)</i>	US\$63M
○ <i>IRR</i>	404%
○ <i>Pre-capex free cash flow (after tax)</i>	US\$88M
○ <i>Payback from production start</i>	<12 months

MAKABINGUI SOUTH: SIGNIFICANT WIDESPREAD GOLD MINERALISATION

Bassari is extremely positive of the much larger potential that exists within close proximity to the Makabingui Gold Project and across its three contiguous permits. Makabingui South is defined by highly anomalous soil and termite mound gold anomalies and significant gold intercepts returned from previous wide spaced RAB & RC drilling (~400 metre spaced lines). Structural interpretation indicates the presence of a major mineralised gold corridor. As well as alluvial gold artisanal's have been mining quartz lode hosted gold mineralisation in the weathered bedrock.

Artisanal activity within the Makabingui Project area south of the existing resource has identified potential for multiple new areas of mineralisation within a regional NE trending shear zone (Main Transcurrent Zone – MTZ) - Refer Figure 1.

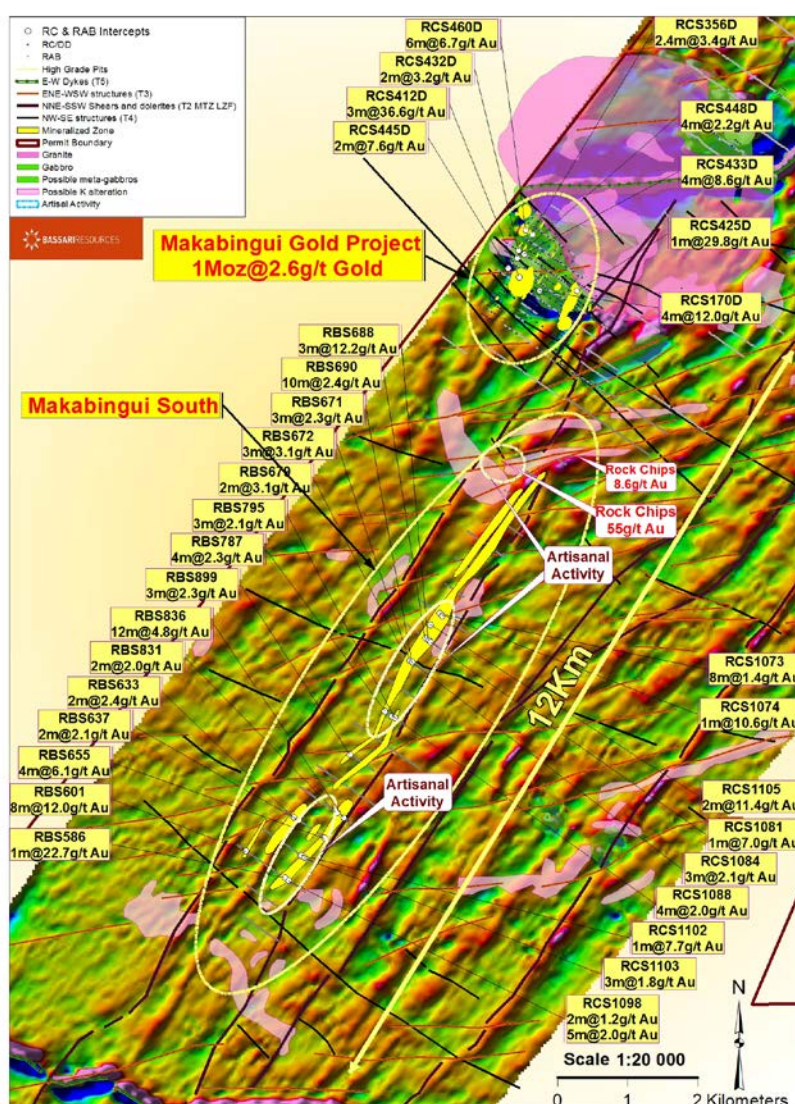


Figure 1 – Makabingui & NE Trending Mineralised Zone

Note: The gold intercepts shown on Figure 1 are from previous drilling and have been reported under the JORC Code 2004 with no material change.

Within the overall prospect area south of Makabingui, gold mineralisation is expected to occur within dilational sites that formed in local perturbations along the recognised cross-cut faults during structural reactivation. Bassari has identified three priority infill drilling areas south of the existing gold resource MS1, MS2 and MS3 (refer Figure 2).

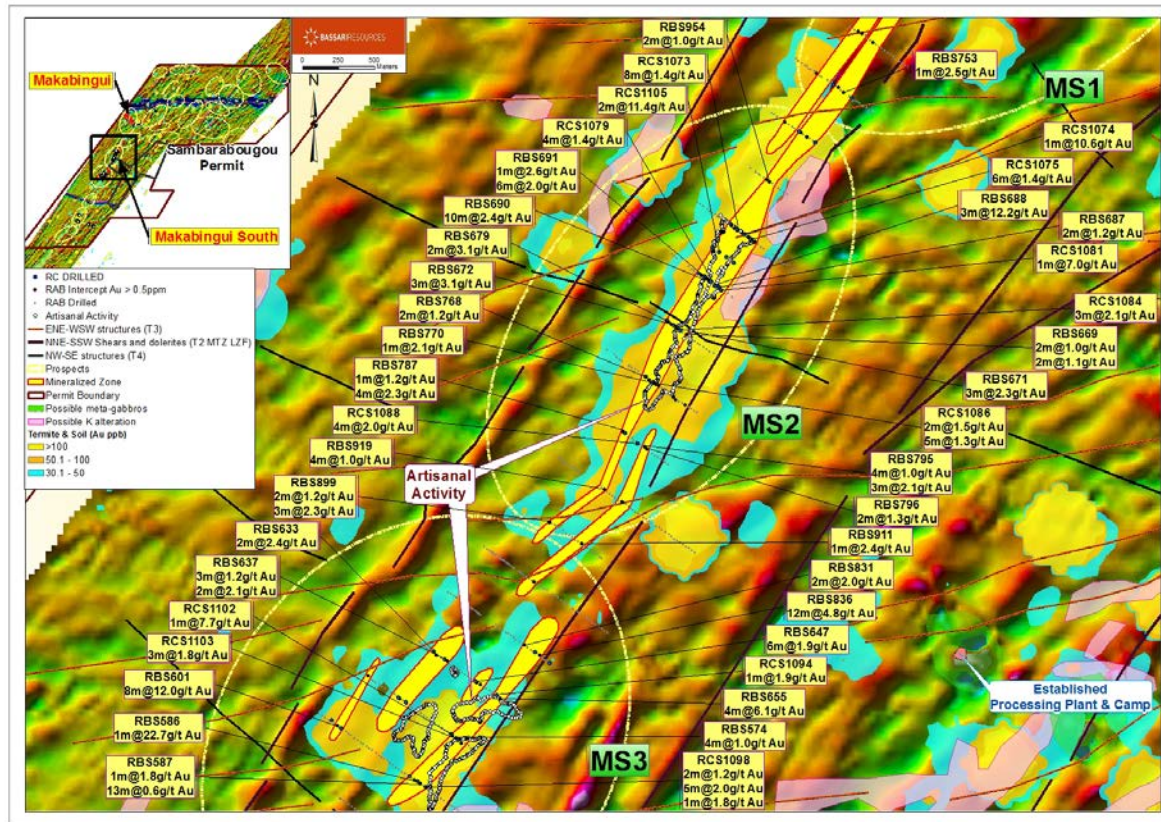


Figure 2 – Makabingui South Prospect

Note: The gold intercepts shown on Figure 2 are from previous drilling and have been reported under the JORC Code 2004 with no material change.

The MTZ is viewed as a long acting and wide zone of crustal deformation which acts as a primary regional and crustal scale control for the existing gold deposits and gold mines in Mali and Senegal. Previous soil and termite mound sampling results clearly indicate highly anomalous gold mineralisation along the length of the MTZ within Bassari's permits (refer Figure 3).

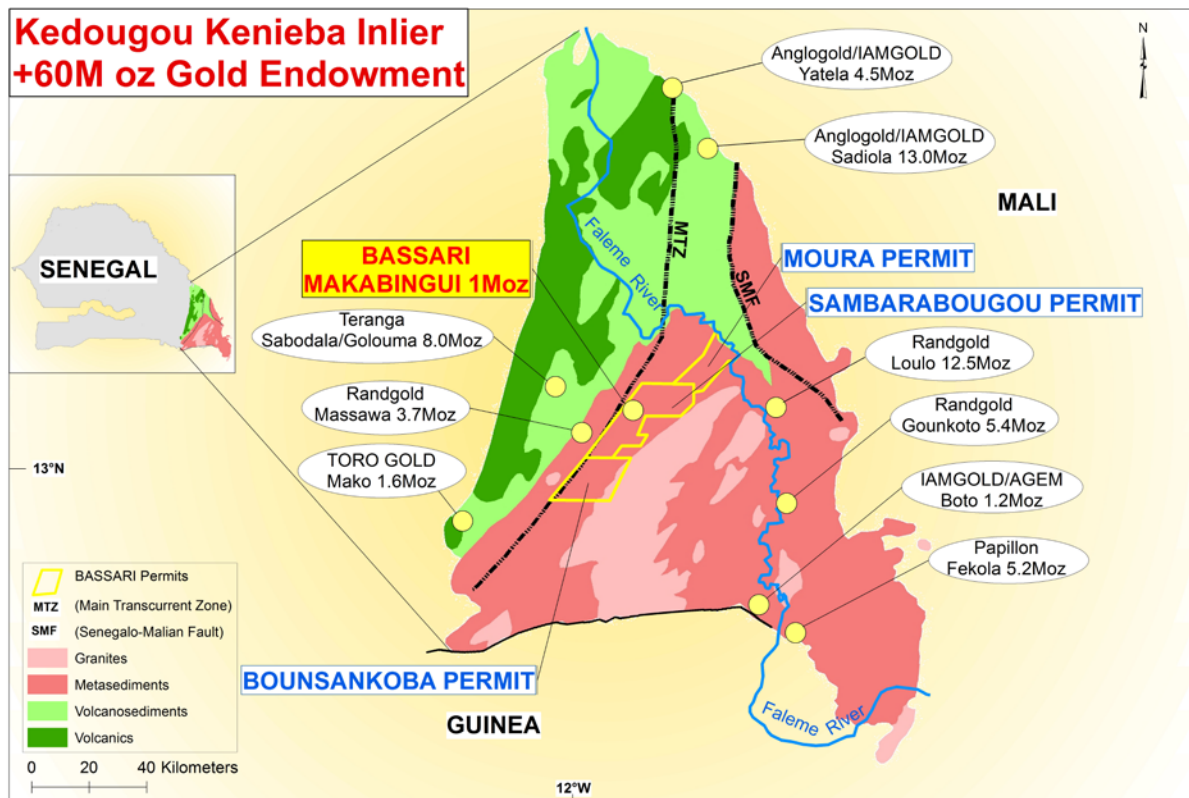


Figure 3 – Kedougou-Kenieba Inlier

Glossary of Terms

AMDAD	<i>Australian Mine Design and Development</i>
ASX	<i>Australian Securities Exchange</i>
Au	<i>Chemical symbol for gold</i>
BSR	<i>Bassari Resources Limited</i>
CIL	<i>Carbon-in-Leach</i>
COG	<i>Cut-off grade</i>
C1	<i>The costs of mining, milling and concentrating, onsite administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of the by-product credits.</i>
DCF	<i>Discounted cash flow</i>
DD Drilling	<i>Diamond drilling</i>
ENE	<i>East North East</i>
FS	<i>Feasibility Study</i>
g/t	<i>grams per tonne</i>
GDP	<i>Gross Domestic Product</i>
IRR	<i>Internal rate of return</i>
JORC	<i>Joint Ore Reserves Committee</i>
JORC Code	<i>Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves</i>
k	<i>Thousand</i>
kg	<i>kilogram</i>
km²	<i>square kilometres</i>
km	<i>kilometres</i>
ktpa	<i>Thousand tonnes per annum</i>
kva	<i>kilovolt-ampere</i>
m	<i>metre</i>
M	<i>Million</i>
Mt	<i>Million tonnes</i>
Mtpa	<i>Million tonnes per annum</i>
mm	<i>millimetres</i>
MTZ	<i>Main Transcurrent Zone</i>
Moz	<i>Million ounces</i>
NE	<i>North East</i>
NPV	<i>Net Present Value</i>
NW	<i>North West</i>
NNE	<i>North North East</i>
NN	<i>Nearest neighbour – estimation method</i>
OK	<i>Ordinary Kriging – estimation method</i>
Oz	<i>Troy ounces (1 troy oz = 31.10348 grams)</i>
ppb	<i>parts per billion, e.g. 1000 ppb gold is 1 g/t gold</i>
ppm	<i>parts per million</i>
p80	<i>80% passing a specific material size</i>
RAB Drilling	<i>Rotary Air Blast drilling.</i>
RC Drilling	<i>Reverse Circulation drilling</i>
RL	<i>Reduced Level (Elevation in metres)</i>
ROM	<i>Run of mine (includes mining loss and dilution)</i>
SE	<i>South East</i>
SSW	<i>South South West</i>
tph	<i>tonnes per hour</i>
tpa	<i>tonnes per annum</i>
t/m³	<i>tonnes per cubic metre</i>
US\$	<i>United States dollars</i>
3D	<i>Three dimensional</i>
24/7	<i>24 hour operation, 7 days a week</i>

About Bassari

Melbourne - based West African gold explorer Bassari Resources Limited (ASX:BSR) has a strategic portfolio of exploration permits focused on the Birimian Gold Belt in Senegal. The permits cover an area of 850 km² with 80 km of strike along the combined three contiguous permits. The permits are located within the Kenieba Inlier which is a +60M ounce gold region. Bassari's vision is to discover and delineate gold resources which can be developed into profitable operations.

Forward-Looking Statement

This release may include forward-looking statements which are based on assumptions and judgements of management regarding future events and results. Statements regarding Bassari Resources Limited plans with respect to future exploration and drilling are forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Bassari Resources Limited that could cause actual results to differ materially from such statements. Bassari Resources Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

Competent Persons Statement

The information in this announcement that relates to the Mineral Resources and Exploration Results has been reviewed and approved by Mr Chris Young who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Young is a non-executive director and consultant to Bassari Resources Limited and has over 40 years' experience in the industry and has more than five years' experience which is relevant to the style of mineralisation being reported upon and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Young consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The Mineral Resource information referred to in the announcement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not changed since it was last reported.

For Further Information Contact:**Managing Director/CEO**

Mr Jozsef Patarica

Ph: +61 3 9614 0600

Mobile: +61 419 899 966

E: Jozsef@bassari.com.au