



## CORPORATE INFORMATION

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

### FAST FACTS

ASX Code	BSR
Issued Capital	1,147,841,258
No of shareholders	1,789
Top 20	44%

### INVESTMENT HIGHLIGHTS

Exploration permits (BSR: 70%) cover approx. 850 km<sup>2</sup> over prospective Birimian Gold Belt, Senegal, West Africa.

- Makabingui Gold Project Feasibility Study – low capital cost initial stage 171,000 recovered 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 major gold corridor 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

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## ASX Release

**11 September 2014**

# Makabingui Gold Project Funding Update and Rights Issue Shortfall Notice

Gold developer Bassari Resources Limited (ASX:BSR) is pleased to announce the initial stage of the 1 for 5 non renounceable pro rata rights issue (“Rights Issue”). The Company has received commitments from eligible shareholders raising \$556,414 at \$0.02 (2 cents) per new share.

A total of 201,747,529 shortfall shares are available under the Rights Issue to be issued by Directors at an issue price of not less than \$0.02 (2 cents) within 3 months of the Rights Issue closing date (8 September 2014). The Directors are in advanced discussions with investors who have expressed interest in taking shortfall shares.

The allotment and issue of new shares to accepting shareholders will occur on 15 September 2014. Holding statements will be despatched shortly thereafter.

Net proceeds of the Rights Issue will be applied to develop the Company’s Makabingui Gold Project in Senegal, West Africa and for working capital.

“On behalf of the Directors I would like to thank all shareholders who participated in the Rights Issue,” **Managing Director Jozsef Patarica said.**

“We continue to review additional funding options with a number of banks and financial institutions to fund the project. The outstanding results of the high grade open pit Feasibility Study along with the high grade underground scoping study has attracted considerable interest from a number of funding sources.

“Significant progress has been made in detailing the design of the processing facility upgrade and developing the mine services contract for the initial development phase of the project. These funds raised will allow works to be fast tracked over the coming weeks.”

## MAKABINGUI GOLD PROJECT

The Makabingui Gold Project currently hosts a Mineral Resource (*Note 1*), 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 open pit mining phase focuses on the Indicated Resource based on a conventional gravity and Carbon in Leach (CIL) processing circuit. The Open Pit Feasibility Study for the initial mining phase delivered outstanding results:

### ***Makabingui initial stage high grade Open Pit Project Feasibility Study summary at US\$1200/oz gold price:***

○ <i>Mined ounces</i>	<b>180,000 ounces</b>
○ <i>Production (recovered gold)</i>	<b>171,000 ounces</b>
○ <i>Average annual gold production</i>	<b>50,000 ounces</b>
○ <i>Average gold grade to the mill</i>	<b>&gt;5.6 g/t gold</b>
○ <i>High processing recovery</i>	<b>95%</b>
○ <i>Processing rate</i>	<b>300ktpa</b>
○ <i>Initial project mine life</i>	<b>3.4 years</b>
○ <i>Cash Cost (C1)</i>	<b>US\$683/oz</b>
○ <i>Low additional capital</i>	<b>US\$12M</b>
○ <i>NPV (8% discount rate)</i>	<b>US\$63M</b>
○ <i>IRR</i>	<b>404%</b>
○ <i>Pre-capex free cash flow (after tax)</i>	<b>US\$88M</b>
○ <i>Payback from production start</i>	<b>&lt;12 months</b>

An Underground Scoping Study has been undertaken providing an assessment of the potential for an underground development phase for the Makabingui Gold Project within the one million ounce gold resource. Underground development would commence on Completion of Pit 1 mining operations and utilise existing infrastructure and 300ktpa processing plant factored into the Open Pit Feasibility Study for the development of four high grade open pits.

### ***Makabingui High Grade Underground Scoping Study highlights at US\$1200/oz gold price:***

○ <i>Mined ounces</i>	<b>120,000 ounces (additional to open pits)</b>
○ <i>Average gold grade to the mill</i>	<b>&gt;7.0 g/t gold</b>
○ <i>Mine life extension</i>	<b>~2.5 years</b>
○ <i>Estimated Revenue</i>	<b>US\$144M</b>
○ <i>Estimated OPEX</i>	<b>US\$56M</b>
○ <i>Estimated CAPEX</i>	<b>US\$35M</b>
○ <i>Processing recovery</i>	<b>95%</b>
○ <i>Cut-off-grade</i>	<b>3g/t gold</b>

*Note 1 :- Prepared and disclosed under the JORC Code 2004 and remains unchanged*



## PROJECT LOCATION

Bassari holds a 70% interest in each of three contiguous exploration permits; Sambarabougou, Moura and Bounsankoba, covering approximately 850 km<sup>2</sup> in a central location of the highly prospective Birimian Kenieba Inlier (refer Figure 1). The permits are located approximately 750 km east of Senegal's capital city of Dakar and about 70km north east of the town of Kedougou, and span 80km strike length of parts of a major crustal shear zone, the Main Transcurrent Shear Zone (MTZ), a well-defined gold mineralised structural corridor. The Kenieba Inlier hosts several multi-million ounce gold deposits and extends into the bordering countries of Mali and Guinea (refer Figure 2).

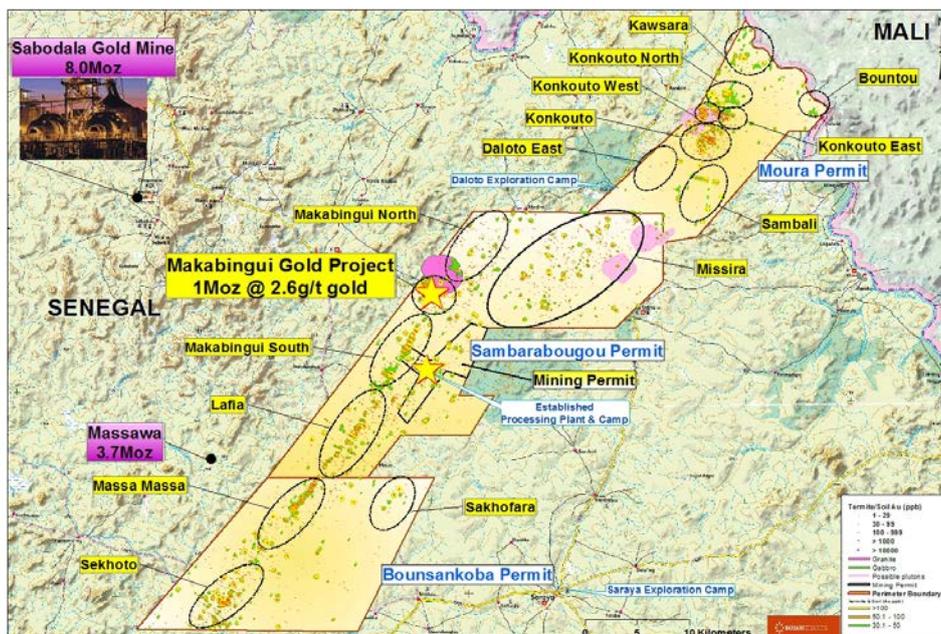


Figure 1 – Bassari's Permits with Project & Prospect Locations

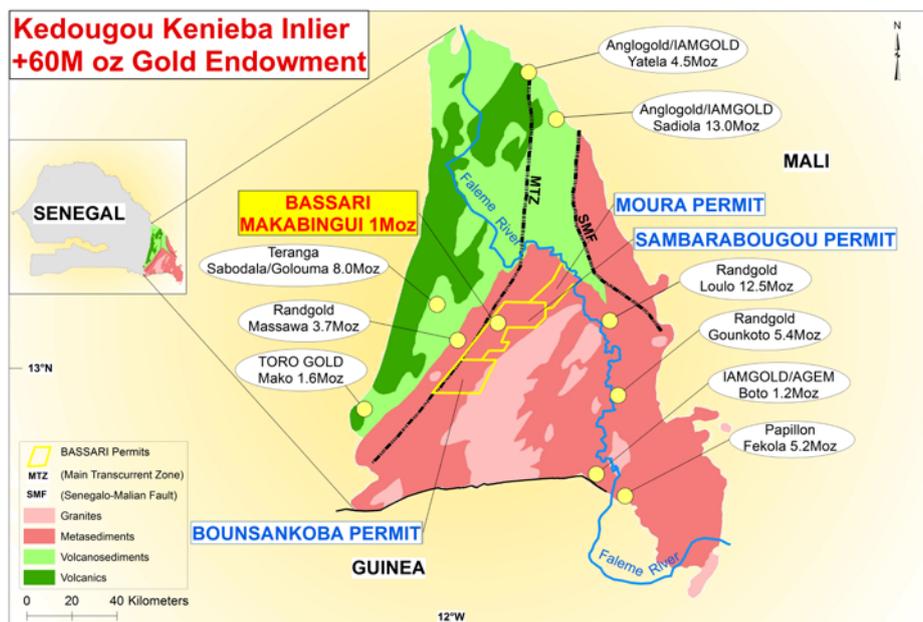


Figure 2 – Kedougou-Kenieba Inlier

## STRATEGIC EXPLORATION PACKAGE – PLENTY OF UPSIDE

Bassari is extremely positive of the much larger exploration potential that exists within close proximity to both the Makabingui Gold Project and also within the three contiguous permits.

Previous artisanal activity within the Makabingui Project area south of the existing resource has identified potential for multiple new areas of mineralisation within a significant NE trending shear zone, and further highlights the prospectivity of Makabingui (refer Figure 3). Previous broad spaced drilling (both RAB and RC) has returned significant gold intercepts which combined with the level of previous artisanal activity highlight the strong prospectivity.

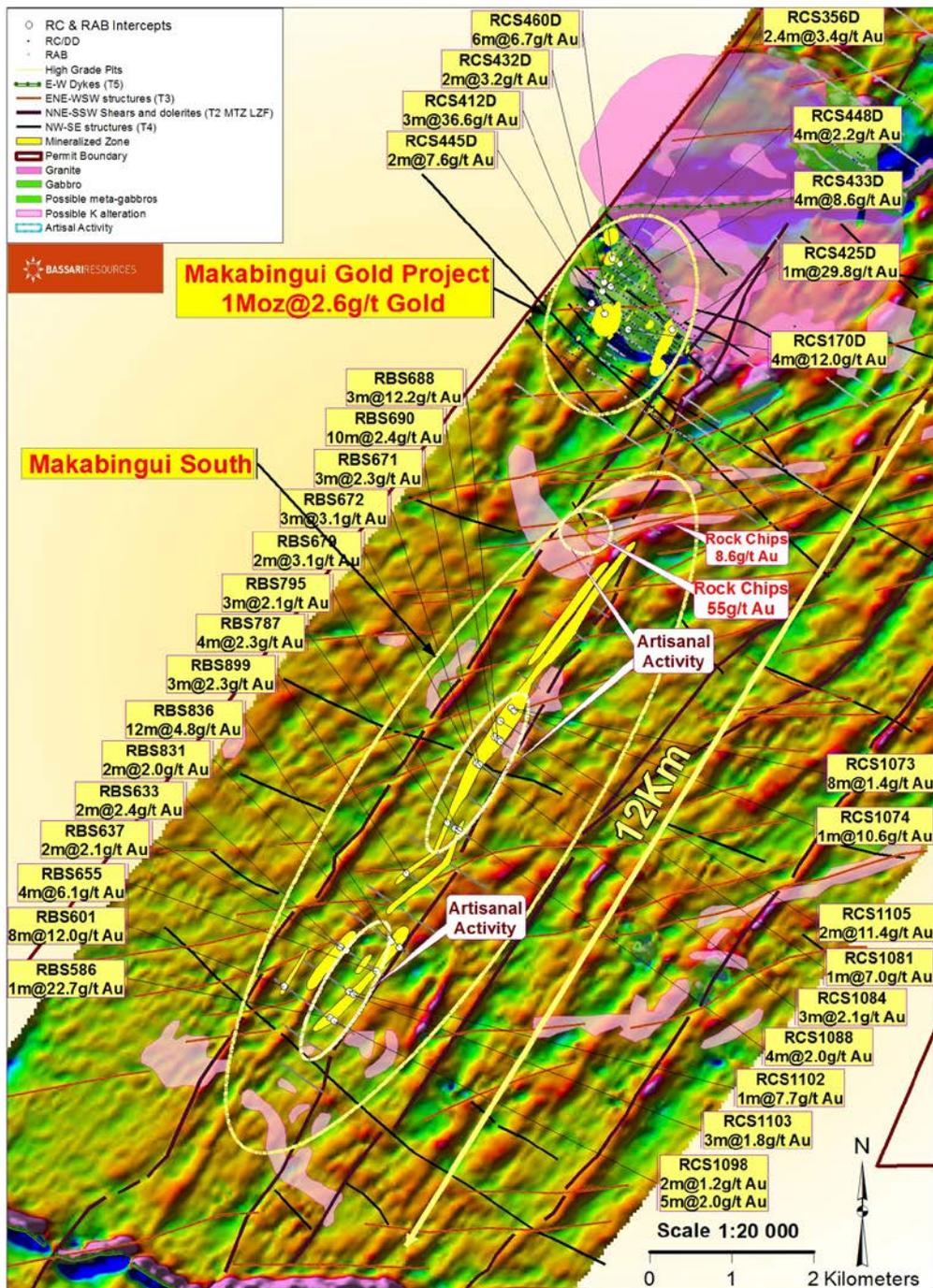


Figure 3 – Makabingui & NE Trending Mineralised Zone

**About Bassari**

Melbourne - based West African gold developer 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 km<sup>2</sup> 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 Person's 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**

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