

15 January 2015

The Manager
Companies Announcements Office
Australian Securities Exchange

NOTICE UNDER SECTION 708A(12C)(e)

This notice is given by Bassari Resources Ltd Limited (ACN 123939042) (**Bassari** or the **Company**) (ASX:BSR) pursuant to Section 708A(12C)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**).

As announced to the market on 17 November 2014, Bassari was arranging a Convertible Note issue to the value of \$1,000,000 with a face value of 1.6 cents based on the following instalments:

- 21 November 2014 21,875,000 (Tranche 1 - \$350,000)
- 22 December 2014 21,875,000 (Tranche 2 - \$350,000)
- 21 January 2015 18,750,000 (Tranche 3 - \$300,000)

The Company has now completed part 1 of Tranche 2 of the Note Issue and raised \$50,000.00

The Company hereby gives notice that:

- (a) the Convertible Notes under Tranche 1 were issued without a disclosure document under Part 6D.2 of the Corporations Act; and
- (b) this notice has been given in accordance with Section 708A(12C)(e) of the Corporations Act as inserted by Class Order [CO 10/322] (on-sale for convertible notes issued to wholesale investors).

1. EFFECT OF THE ISSUE ON THE COMPANY

- (a) The intended use of the funds raised (A\$50,000) will be allocated towards development activities for the Makabingui Gold Project and working capital.

A summary of the rights and liabilities attaching to the Convertible Notes issued are set out in Section 2 below.

- (b) The effect on the issued share capital of the Company on conversion of the Convertible Notes is set out in the table below. This is based on a price of \$0.016 and does not account for any accrued interest.

	Number
Shares currently on issue	1,175,661,981
Total shares issued upon conversion of the Convertible Notes ¹	25,000,000
Total Shares on issue following conversion of the Convertible Notes	1,200,661,981

Note:

1. This is based on a price of \$0.016 and does not account for any accrued interest under the Convertible Note Facility.

2. RIGHTS AND LIABILITIES ATTACHING TO THE CONVERTIBLE NOTES

The following is a summary of the rights and liabilities attaching to the Convertible Notes:

(a) Term

Beginning 21 November 2014 and ceasing on the earlier of:

- (i) that date which is twelve (12) months from the Completion date; or
- (ii) such other date as agreed in writing between the Company and the noteholder.

(b) Interest

8.0% per annum accruing from date of issue (inclusive) until the earlier of the Conversion Date or Redemption Date. Interest will be paid quarterly in arrears and on Redemption Date;

(c) Security

Unsecured and will rank equally with all other unsecured creditors of the Company.

(d) Conversion

The Convertible Notes held by the Noteholder may be converted in whole or in part at the election of the Noteholder at any time on or before the Redemption Date; and each Convertible Note shall convert into one ordinary share at a conversion price of \$0.016 (1.6 cents) each;

- (i) The Company will apply for quotation of the Shares issued on conversion of the Convertible Notes. The Convertible Notes themselves will not be quoted on the ASX.
- (ii) Shares issued on conversion (including in respect of accrued interest) will rank equally with all other Shares on issue in the Company.

(e) Transferability

Convertible Notes are not transferable and will not be quoted on ASX.

(f) Repayment

Any Convertible Notes outstanding at the Redemption Date, and which are not then subject to a conversion notice, the Company will repay all or any of the unconverted outstanding amount of the Convertible Note to the Noteholder;

3. RIGHTS AND LIABILITIES ATTACHING TO THE SHARES ISSUED ON CONVERSION

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders of the Company (**Shareholders**). To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4. COMPLIANCE WITH REGULAR REPORTING AND DISCLOSURE OBLIGATIONS

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request:
- (A) the annual financial report most recently lodged by the Company with the ASIC;
 - (B) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this notice with the ASIC; and
 - (C) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this notice with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this notice with the ASIC are set out in the table below:

Date	Description of Announcement
29 April 2014	Bassari Resources Completes Above-Market Share Placement
30 April 2014	Notice of AGM March 2014 Quarterly Activity Report
9 May 2014	Appendix 3B and Section 708A(5) Cleansing Statement
22 May 2014	Bassari Fast Tracking Development of its Makabingui Gold Project
30 May 2014	CEO's presentation to AGM and Chairman's Address <u>Result of Resolutions put to AGM</u>
26 June 2014	Bassari Delivers Outstanding Feasibility Study Results – Makabingui Gold Project
2 July 2014	Major Gold Corridor – Makabingui Project Area
8 July 2014	Environmental and Social Impact Study – Makabingui Gold Project
16 July 2014	Trading Halt Request
18 July 2014	Makabingui Gold Project Development Funding
22 July 2014	Grade is King – July Investor Roadshow
25 July 2014	Appendix 3B and Section 708A(5) Cleansing Statement
29 July 2014	Makabingui Gold Project Development Team
30 July 2014	June 2014 Quarterly Activity Report
31 July 2014	Bassari Strikes Equipment Procurement Alliance for Makabingui Gold Project
5 August 2014	High-grade Underground Study Commissioned for Makabingui Gold Project
8 August 2014	Notice under Section 708AA of the Corporations Act 2001 – 1-for-5 Non-Renounceable Rights Issue
12 August 2014	Letters to Shareholders
14 August 2014	Bassari Secures Gold Refining Agreement for Makabingui Gold Project
20 August 2014	High Grade Makabingui Gold Project – Development Upgrade Pro-Rata Non-Renounceable Rights Issue

2 September 2014	High Grade Underground Extension at Makabingui Gold Project
11 September 2014	Makabingui Gold Project Funding Update and Rights Issue Shortfall Notice
12 September 2014	Half Year Report to 30 June 2014
15 September 2014	Appendix 3B Change of Directors' Interests – A Mackenzie and J Patarica
16 September 2014	Maiden Gold Ore Reserve Makabingui Gold Project
29 September 2014	Open Briefing with Managing Director, Jozsef Patarica
13 October 2014	October Investor Presentation
28 October 2014	September 2014 Quarterly Activity Report
17 November 2014	Makabingui Gold Project Funding Update
21 November 2014	Notice under Section 708A(12C)(e) Appendix 3B
5 December 2014	Notice under Section 708A(5) Appendix 3B
8 December 2014	Notice under Section 708A(5) Appendix 3B
12 January 2015	New Bassari Resources Website Address

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website: www.bassari.com.au

5. INFORMATION EXCLUDED FROM CONTINUOUS DISCLOSURE NOTICES

The market is fully informed of the Company's activities and the Company is not aware of any other information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules;
and
- (b) is information that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the body; and
 - (ii) the right and liabilities attaching to the Convertible Notes being offered.



Ian Riley
Company Secretary