



CORPORATE INFORMATION

Bassari Resources Limited is an Australian ASX-listed company focused on discovering and developing multimillion ounce gold deposits in the Birimian Gold Belt, Senegal, West Africa.

FAST FACTS

ASX Code	BSR
Issued Capital	1,181,136,981
No of shareholders	1,769
Top 20	44%

INVESTMENT HIGHLIGHTS

Mineral tenements over approximately 790km² of prospective Birimian Gold Belt, Senegal.

- Makabingui Gold Project Feasibility Study – Initial high grade open pit project of 1Mt at 5.7g/t for 171,000 oz production inventory, \$680/oz cash cost, US\$88m after tax cash flow in first three years, and expansion anticipated from underground and infill drilling of 8km Makabingui South zone.
- Makabingui Gold Project Mineral Resource (Prepared and disclosed under JORC Code 2004 and remains unchanged) **1 Moz in 11.9 Mt at 2.6 g/t gold (0.5 g/t cut-off)** :
 - Indicated: 336,000 oz in 2.6 Mt at 4.0g/t
 - Inferred: 669,000 oz in 9.3 Mt at 2.2g/t
- Makabingui Gold Project open pit JORC 2012 Probable Ore Reserve:
 - **158,000 oz in 0.86 Mt at 5.7 g/t**
- Senegal, stable democracy since 1960.
- Well located tenements in a +60M ounce gold province hosting world class deposits.
- Multiple prospects identified along 80km of partially drilled mineralised strike.

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

Website: www.BassariResources.com

27 January 2015

Key Achievements - Makabingui Gold Project Development Activities

Gold developer Bassari Resources Limited (ASX:BSR) is pleased to provide an update on the development of its high-grade Makabingui Gold Project in Senegal, West Africa.

Highlights

- Environmental & Social Impact Assessment (ESIA) **completed and lodged** with Senegalese Government
- Production permit application **advanced**
- Project financing – **multiple alternatives being advanced**
- Detailed design of processing plant upgrade - **90% complete**
- Mining tender – **final review stage**
- Project development plan - **confirms first gold achievable in 2015**
- New waste rock dump design – **additional improvements lead to potential mine cost savings**
- **Improved project financials** - Global oil price reduction estimated improvement of **~\$15M**, at current fuel price, and current spot gold price higher than \$1,200/oz assumption.

Bassari's Managing Director Jozsef Patarica said: "We continue to make significant progress delivering our gold project in Senegal. Lodging the ESIA with the government is an important milestone and key step towards finalising the production permit. On behalf of the Board I wish to acknowledge the high standards applied by our specialist consultants Synergie Environment undertaking the assessment."

"Mincore together with Vanture International have detailed the design and procurement strategy for the existing plant upgrade. The focus continues to be on efficient use of capital and minimising the construction timeline currently estimated to be 8 months."

"With a strong team in place we are well positioned to deliver on our strategy to develop the Makabingui Gold Project, adding significant value to our shareholders, stakeholders and Senegal."

ENVIRONMENTAL & SOCIAL IMPACT ASSESSMENT

Lodging the Environmental and Social Impact Assessment (ESIA) with the Environmental Department of the Senegalese Government marks a significant milestone in the permitting process. The assessment process incorporates new requirements by the government related to mine rehabilitation, which extended the original timeline forecast late last year. Importantly the study has not identified a risk to the environment.

The next step in the process is a technical committee meeting to be held in the regional town of Kedougou by the Environmental Department under the supervision of the Department of Mines and Geology (DMG). The outcomes of this meeting will be incorporated into the assessment prior to a public meeting to be held in the region. We acknowledge and are encouraged by the support provided by the government departments involved throughout the assessment process.

PRODUCTION PERMIT AGREEMENT

The Ministry of Economy, Finance and Planning have provided the outcome of their assessment on the terms of the production permit agreement (mining concession) previously developed with the government. The production permit process has been run in parallel with the ESIA approval process. The company is encouraged by the outcome of their review, as there were no significant issues raised. Suggested amendments will be incorporated into the updated agreement, which along with the ESIA will be submitted to both the Director and Minister of the Mines & Geology Department for final review.

PROJECT FINANCING

A number of project financing options are being considered by the Company with due diligence processes running in parallel. The Board is focused on delivering a financing package which maximises value to shareholders.

Key aspects of the project highlighted by potential financiers:

- High grade starter project reduces overall capital.
- Highly experienced development team in place.
- Detailed design of processing plant upgrade well advanced.
- Senegal is a stable country with government focused on economic growth through mining sector.
- Previous operating experience of gravity plant reduces project risk.
- Infrastructure and existing gravity plant in place reduces development timeline.
- Excellent access to site with major port facility in capital city of Dakar.
- Significant upside beyond starter project within existing resource and multiple prospects identified and ranked.

PROCESSING PLANT UPGRADE

The strategy for the initial starter project is to leverage off the significant plant, infrastructure and previous operating experience in Senegal.

Mincore's team of highly experienced engineers and designers have made significant progress on the detailed design of the processing plant upgrade. The team has completed 90% of the civil, mechanical, piping and structural design. The processing plant layout has been locked in (refer Figure 1) aimed at minimising pump flows and to follow the general process flow within a compact footprint. Integrating process design with engineering has resulted in process circuits being simplified maximising the efficient use of capital.

Together with Vanture International the team has delivered advanced procurement support for key processing equipment to ensure delivery of required specifications. Work to date has included:

- Preparation of procurement packages (datasheets, scopes of work, specifications and pricing schedules).
- Technical bid reviews.
- Preparation of civil, structural, mechanical, piping and electrical and instrumentation scopes of work packages.
- Quality Assurance / Expediting support.
- Vendor design reviews.

Key achievements delivered:

- Modular plant design to fit into standard sea containers
- Steelwork to be pre-assembled in China as part of QA/QC process
- Bolted leach tanks to be pre-assembled in China as part of QA/QC process, reducing on site construction time
- Skid mounted 450Kw mills reducing concrete volumes
- Integrated Chinese procurement

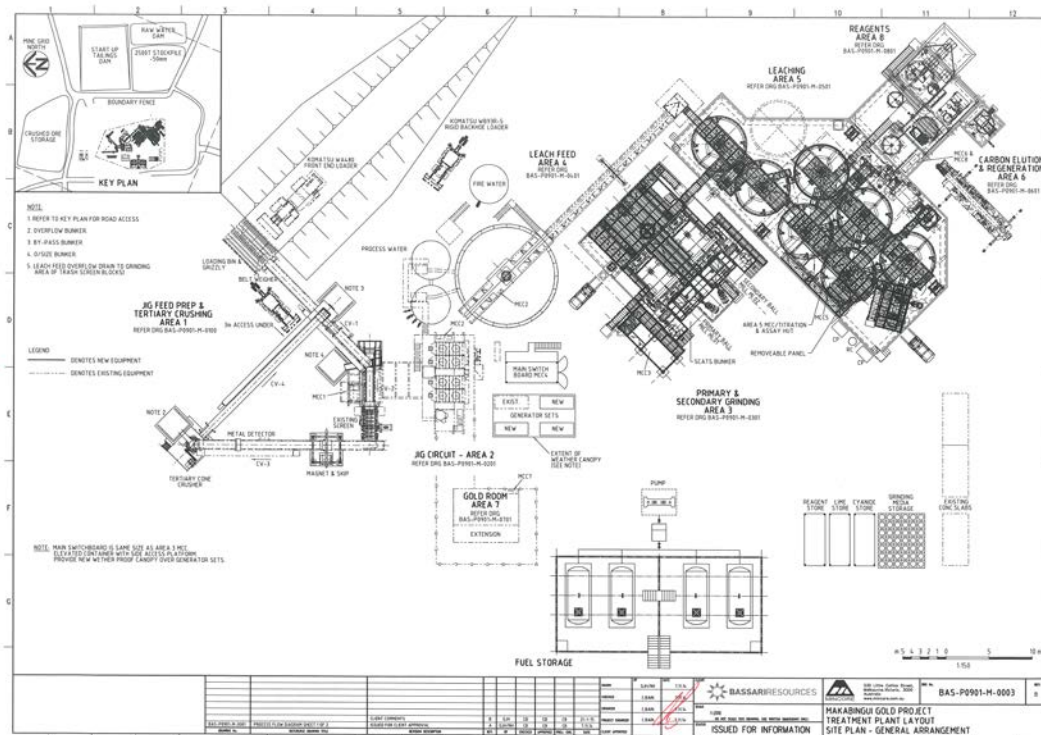


Figure 1 – Processing Plant Layout

MINING TENDER

Following the mining tender late last year the review process is now focused on the shortlisted companies with ongoing discussions in progress. Award of the contract is planned for Q1, 2015.

A new waste dump strategy, expected to deliver significant improvements and cost savings is being reviewed with the aim to incorporate the new designs into the scope of work. The new design has three separate waste dumps located closer to the pits being mined with a lower final height than the one large waste dump assumed in the feasibility study (refer Figure 2).

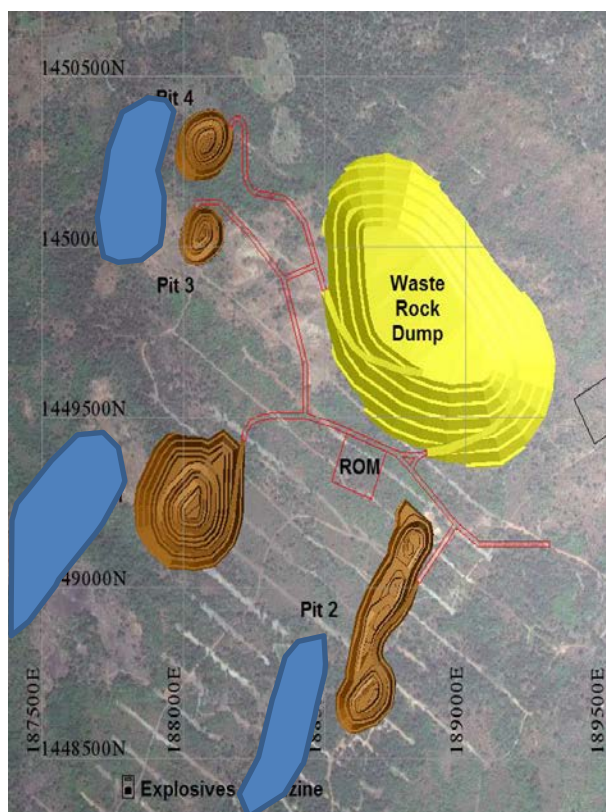


Figure 2 – New waste rock dumps shown in blue, feasibility study waste dump in gold

IMPROVED PROJECT FUNDAMENTALS

Since delivering the outstanding feasibility study results in June 2014 (refer ASX Release – 16 June 2014) a number of global economic factors have shown potential to deliver significant improvements to the project.

Global Oil Prices (Estimated reduction of ~US\$15M) - Global oil prices are down more than 50% from mid-2014 highs. As a result current fuel prices represent an estimated reduction of ~US\$15M compared to assumptions made in the feasibility study.

Gold Price (Estimated increase in gold revenue of ~US\$17M) – Feasibility gold price assumption was US\$1,200/oz with recent spot prices in the vicinity of US\$1,300/oz.

With the general downturn in the mining industry, access to experienced mining professionals both for the development and operations phase has improved. Bassari has already secured a highly experienced team for the current design stage and is confident of sourcing experienced people through both the construction and transition to operations phase.

Experience with tendering of contracts and equipment indicates that the downturn of the mining industry has provided advantages to the project both in terms of potential cost reductions and reduced lead times for delivering equipment and material.

MAKABINGUI GOLD PROJECT FEASIBILITY STUDY RESULTS

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>	180,000 ounces
○ <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

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:

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

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 790 km² in a central location of the highly prospective Birimian Kenieba Inlier (refer Figure 3). 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 4).

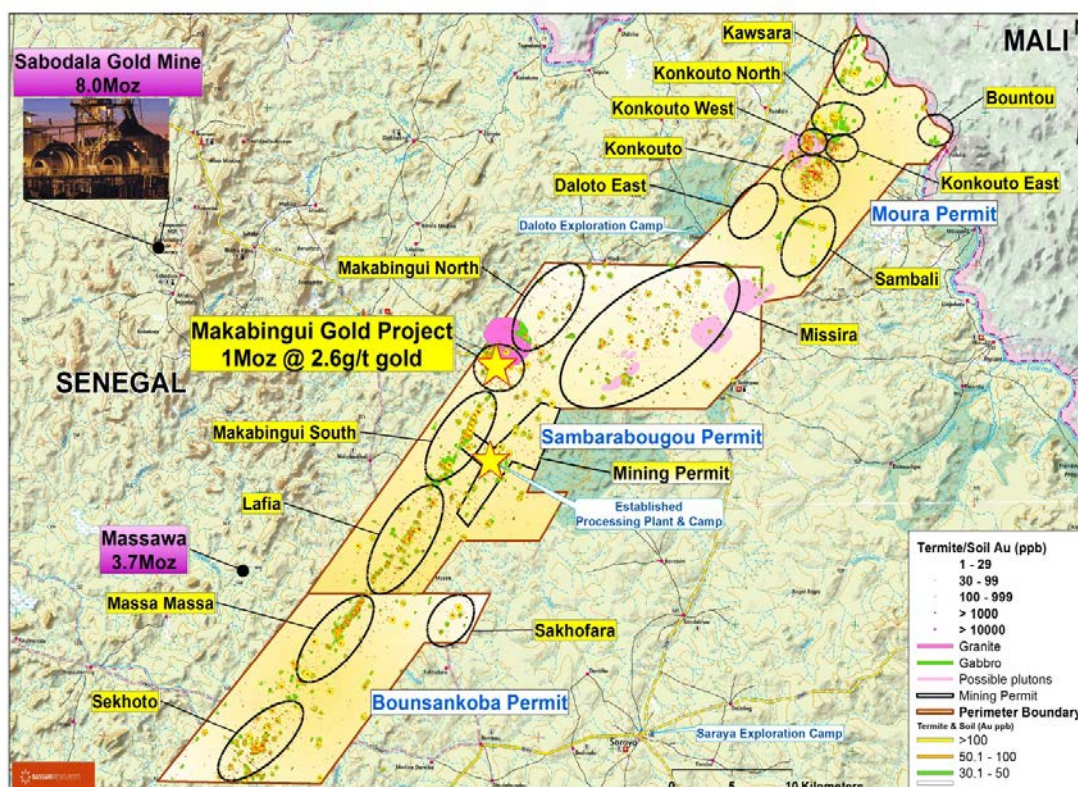


Figure 3 – Bassari's Permits with Project & Prospect Locations

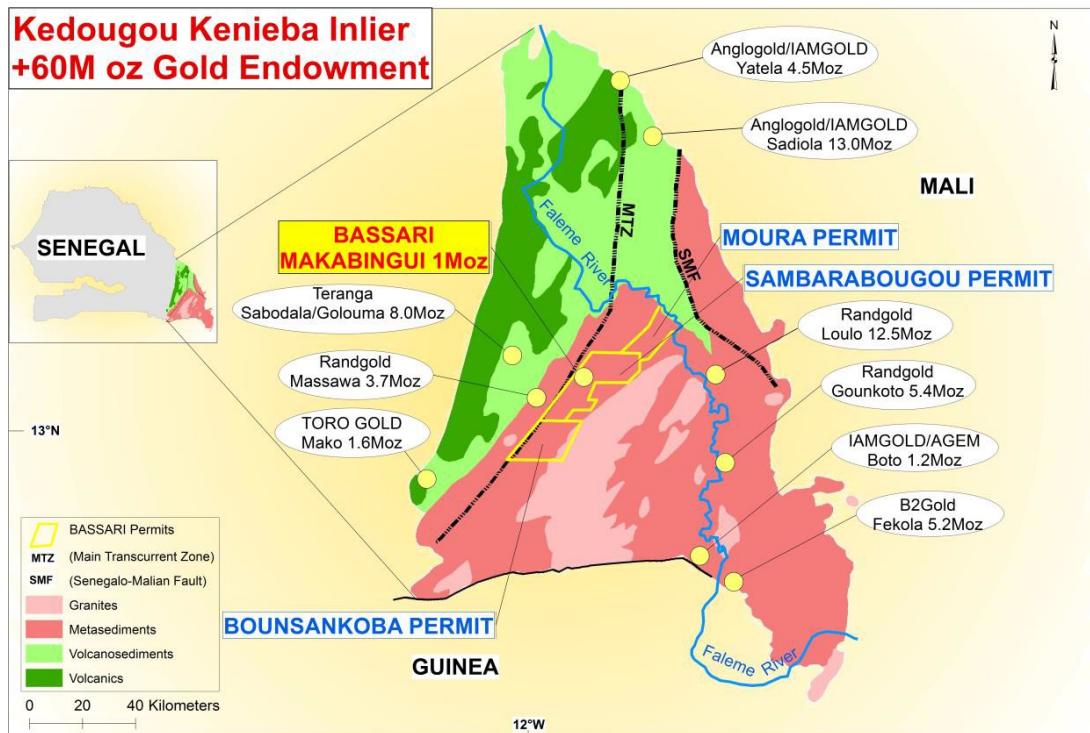


Figure 4 – Kedougou-Kenieba Inlier

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 790 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

NWR Communications

Mr Peter Taylor – Investor Relations

Mobile: +61 412 036 231