



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	1,775
Top 20	46%

INVESTMENT HIGHLIGHTS

Exploration permits (BSR: 70%) cover approx. 850 km² 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

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

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High-grade Underground Study Commissioned for Makabingui Gold Project

Gold developer Bassari Resources Limited (ASX:BSR) is pleased to announce it has commissioned a high-grade underground study for the Makabingui Gold Project in Senegal, West Africa.

The Makabingui Underground Scoping Study will be completed this quarter by Australian Mine Design & Development (AMDAD).

Bassari's Managing Director Jozsef Patarica said: "We have unlocked significant value from our Makabingui Open Pit Feasibility Study which we are now fast tracking to development. The high grade underground potential will be another significant contributor to what will be Senegal's next large scale gold operation.

"This study will be completed over the next two months with a focus on developing a profitable high grade underground operation at Makabingui funded from cash flow. It will be one of many options to provide significant additional mill feed to the operation which already shows outstanding results.

"Underground mining will be additional to the open pit strike potential within the existing one million ounce resource and the much larger potential already identified at Makabingui South along the confirmed major gold corridor on the Company's permits"

Makabingui Open-Pit 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

During the Open Pit Feasibility Study a review of underground mining potential was undertaken by AMDAD. Continuous zones of mineralisation generally greater than 4 g/t gold were identified with nine high grade targets beneath Pit 1, which could be mined at an average grade of over 10 g/t gold (refer Figure 1). Pit 1 contains a total of 460K tonnes at ~7.5 g/t gold for 111,000 ounces.

Conceptual mine planning indicates that these targets alone have potential to support a profitable underground operation generating a significant cashflow.

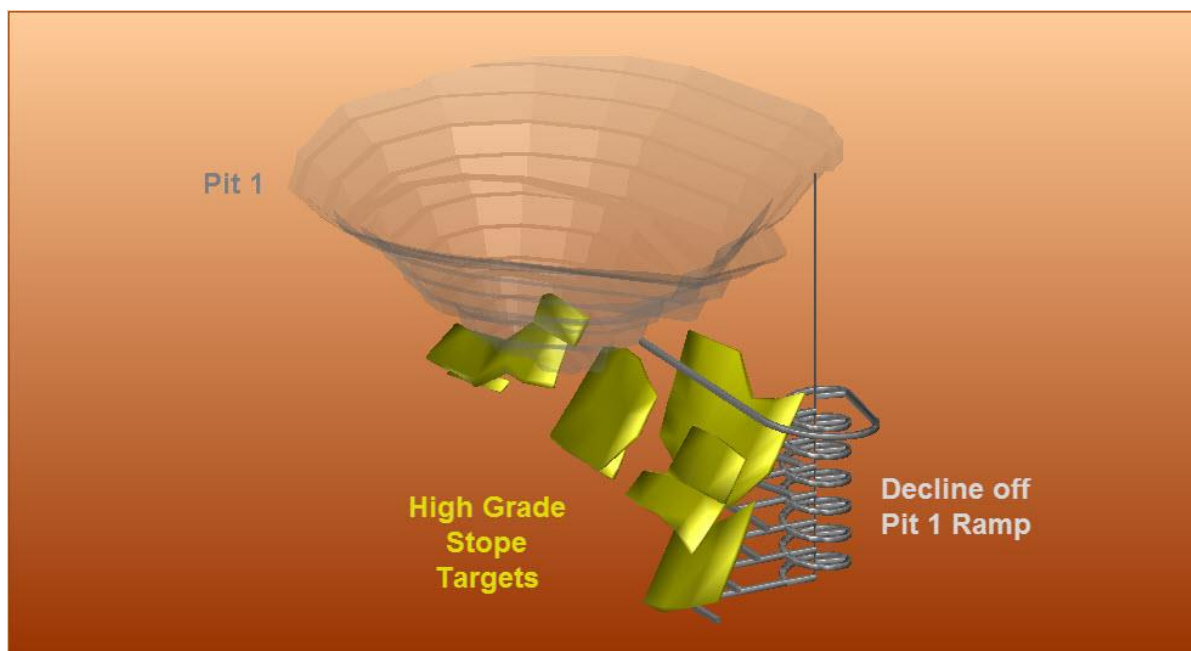


Figure 1 – High Grade Stope Targets

MAKABINGUI SOUTH: SIGNIFICANT WIDESPREAD GOLD MINERALISATION

Bassari is extremely positive about the much larger exploration potential close to the Makabingui Gold Project along strike south within “Makabingui South” and within the major gold corridor that extends through the three contiguous permits (see ASX Announcement 2 July 2014).

In addition, previous artisanal activity within the Makabingui Project area south of the existing 1 million ounce resource has identified potential for multiple new areas of mineralisation within the major NE trending shear zone (Main Transcurrent Zone – MTZ) - Refer Figure 2.



Figure 2 – Makabingui & NE Trending Mineralised Zone

Makabingui South is defined by highly anomalous soil and termite mound gold anomalies as well as significant gold intercepts returned from previous wide spaced RAB & RC drilling (~400 metre spaced lines). Structural interpretation has focused on the major mineralised gold corridor (MTZ) which hosts this mineralisation.

Within the MTZ, artisanal miners were mining quartz lode hosted gold mineralisation in the weathered metasediments.

Bassari's permits host gold mineralisation within dilational sites that formed in local perturbations along the recognised cross-cut faults during structural reactivation. At Makabingui South, Bassari has identified three high priority infill drilling areas MS1, MS2 and MS3 (refer Figure 3).

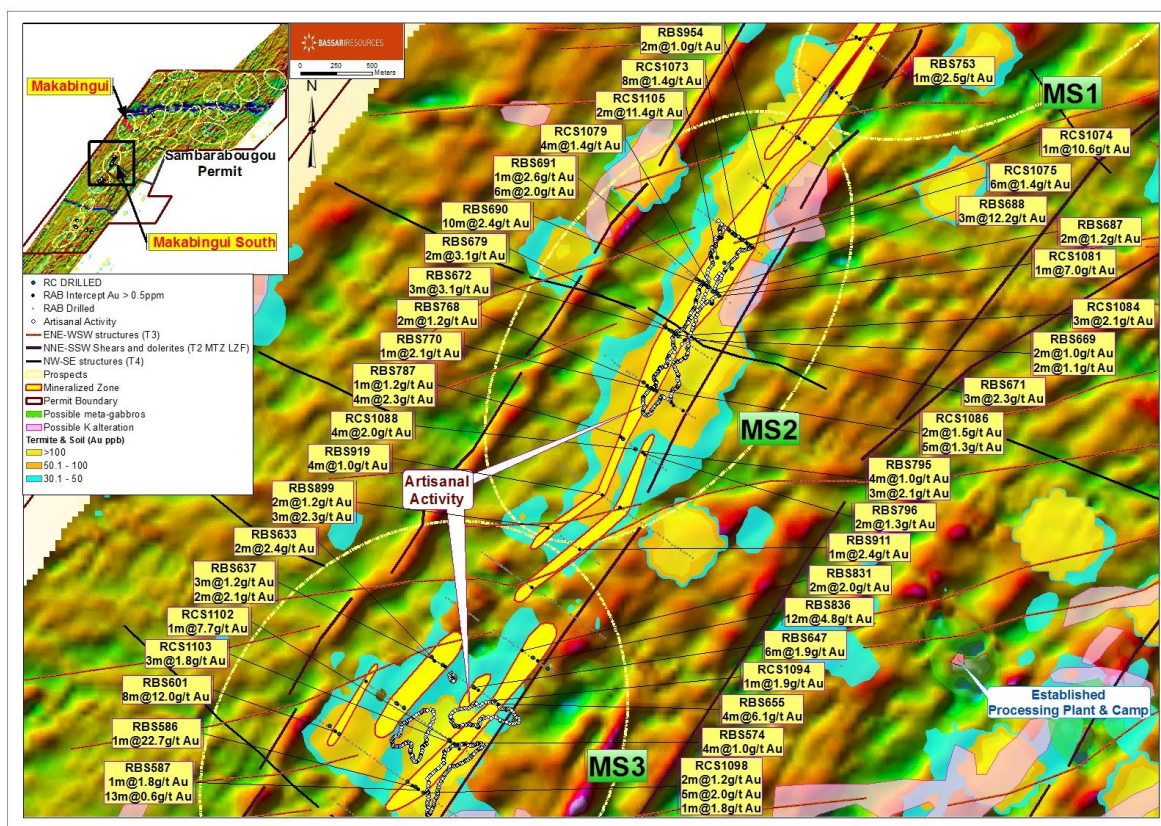


Figure 3 – Makabingui South Prospect

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. Soil and termite mound results clearly indicate highly anomalous gold mineralisation along the length of the MTZ regarded as one of the primary controls of gold mineralisation (refer Figure 5).

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 mine development focuses on the indicated component of the resource based on open pit mining with a conventional gravity and Carbon-in-Leach (CIL) processing circuit.

PROJECT LOCATION

Bassari holds a 70% interest in each of three contiguous exploration permits; Sambarabougou, Moura and Bounsankoba, covering approximately 850 km² in a central location of the highly prospective Birimian Kenieba Inlier (refer Figure 4). The permits are located approximately 750km 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 is host to several multi-million ounce gold deposits and extends into the bordering country of Mali (refer Figure 5).

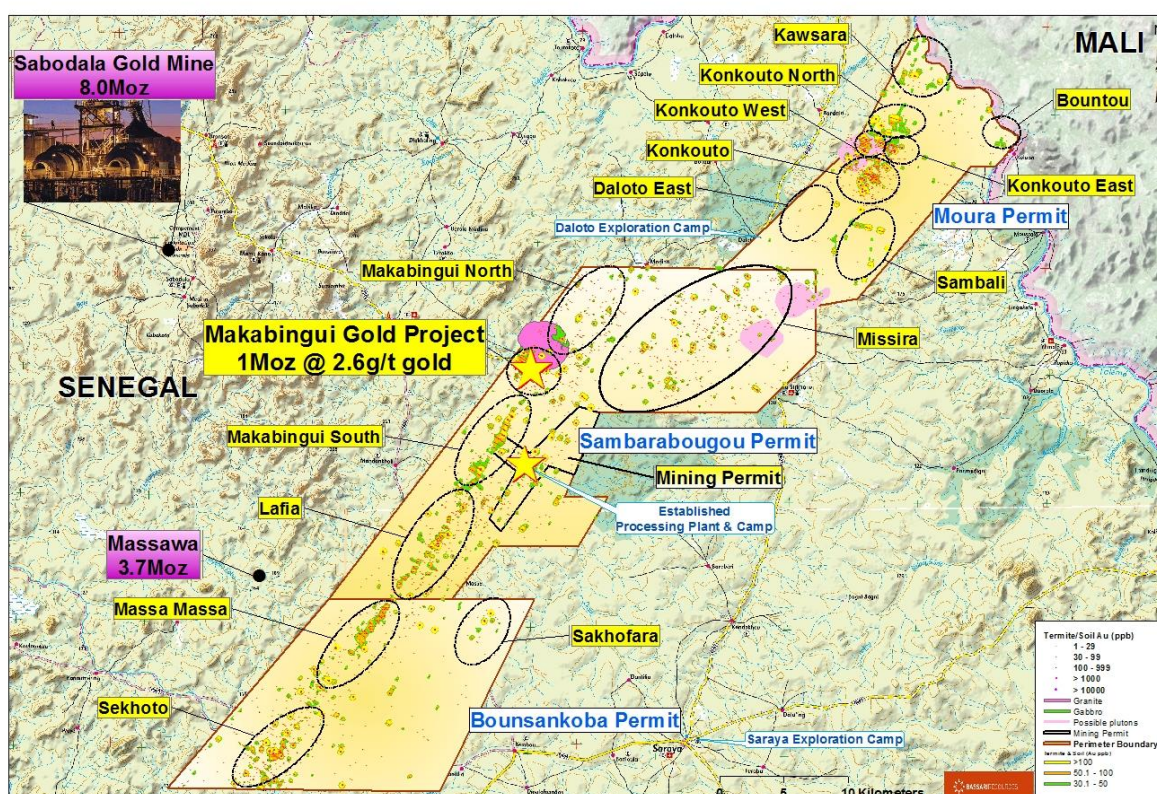


Figure 4 – Bassari's Permits with Project & Prospect Locations

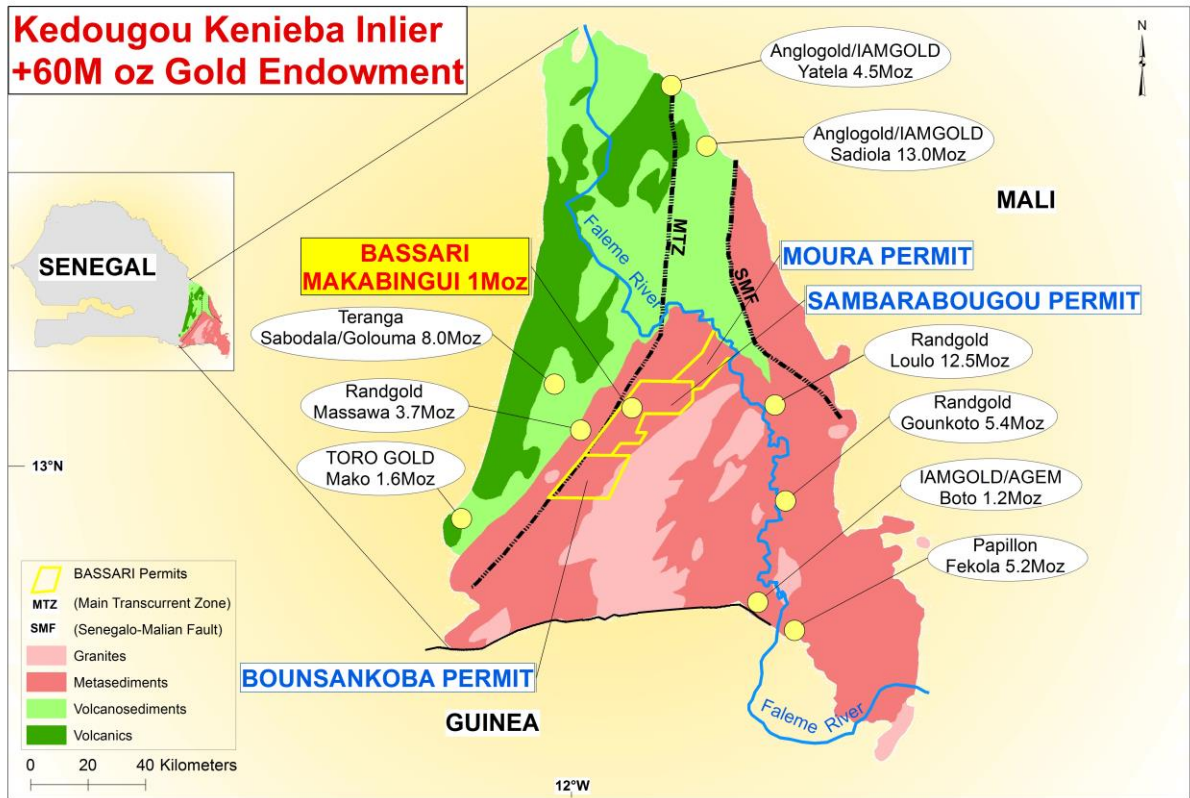


Figure 5 – Kedougou-Kenieba Inlier

About Bassari

Melbourne based West African gold developer Bassari Resources Limited (ASX:BSR) has a strategic portfolio of exploration permits and an exploitation licence 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 and develop them 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 Nathan Ryan – Investor Relations

Mobile: +61 420 582 887