



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	1,787
Top 20	44%

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

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High Grade Makabingui Gold Project – Development Update

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

- Significant improvements identified to process flow sheet
- Field work completed for Environmental & Social Impact Study
- Team from Senegal & Australia kick off project in the field
- Water storage dam full and ready for commissioning
- Potential cost reductions in capex and operating identified

Bassari's Managing Director Jozsef Patarica said: "Having recently returned to Dakar from our Makabingui Gold Project I am extremely encouraged by the enthusiasm and commitment the development team has shown for this exciting project. Our time in the field with members of Bassari's development team from Senegal and Australia has kicked-off our development plans on the ground.

"Back in Australia, work is progressing detailing and improving various aspects of the project. The Bassari team is continually focused on upgrading our already outstanding feasibility study results and maximising the use of existing infrastructure.

"In addition, it is pleasing to see the significant progress being made and high standard being applied to our environmental and social impact study by Synergie Environmental now that the field work has been completed."

The focus of the development team has been on reviewing the feasibility study to undertake detailed design work, while also identifying further improvements and sustainable development options.

Process Flow Sheet & Plant Layout

A material cost improvement identified in the process flow sheet is to locate the primary and secondary crushing facilities at the mining area on the run-of-mine (ROM) pad. The two crushers initially planned for the processing plant will also be procured as off-the-shelf mobile units which present further advantages. Benefits from new crushing option are:

- ✓ A crushed product (<50 mm) will be trucked to the processing facility from the mine rather than direct ore from the open pits significantly reducing haulage costs.
- ✓ No need to expand existing plant footprint, saving costs associated with civil works. (See Figure 1)
- ✓ Crushing will be tendered as part of the mining contract potentially reducing the capital cost of the processing plant by \$800K.
- ✓ Procuring off-the-shelf mobile units provides flexibility to move crushers to new deposits in the future and,
- ✓ Reduces the capital cost associated with concrete foundations.



Figure 1 – Processing Plant Footprint

The existing wet scrubber currently installed will be removed from the processing plant as the existing double deck screen is adequate. Benefits of removing the scrubber are:

- ✓ Reduced maintenance costs.
- ✓ Reduces power requirement with 55kw motor removed.
- ✓ Reduced water demand in the plant.

The plant layout review is continuing, aimed at minimising pump flows and to follow the general process flow within a compact footprint.

Tailings Storage Facility

Work has commenced on site excavating test pits within the area of the proposed tailings storage facility (TSF). Analysis of samples taken from the test pits will enable detailed design of the TSF wall to be undertaken. A total of ten pits have been sampled with test work being undertaken in Dakar. Utilising the PC450 excavator which is part of the larger mobile fleet owned by Bassari saved substantial cost in undertaking this work (See Figure 2).



Figure 2 – Tailings Storage Facility Soil Sampling

Mine Camp

A review of the facilities and area available within the existing 120 person camp has identified that the additional rooms and facilities required for the mining contractor can be incorporated into the same secured area. Benefits of incorporating the mine accommodation requirements into the existing camp area are:

- ✓ Reduced capex for clearing and establishing a new camp.
- ✓ Utilise existing established services:
 - Power supply
 - Sewage System
 - Fresh water supply and purification
 - Internet/Phone communication
 - Security

Mining Area

A review of the mine layout has been undertaken incorporating preliminary feedback from recent field visits by Synergie Environmental, who are undertaking the Environmental & Social Impact Study. The Bassari geological team together with a representative of Australian Mine Design and Development (AMDAD) reviewed the proposed layout of the mining area (See Figure 3). Mining contractors were also briefed on the scope of work which will incorporate the mining activities, ore crushing and ore haulage to the processing facility.



Figure 3 – Makabingui Mine Area Field Review by Development Team

Previous artisanal activity, which ceased with government assistance earlier in the year, has not resumed. The Gendarmes (local police) have maintained a 24/7 presence at a permanent camp located at the Makabingui mine site area.

Existing Processing Plant & Mobile Fleet

The existing processing plant and mobile fleet has been inspected and found to be in good working order. A comprehensive care and maintenance program has been in place for the processing plant and mobile fleet which has been regularly serviced. The mobile fleet has supported our exploration programs and continues to support early stage development activities. The gravity processing facility is operational and has been inspected as part of the current field activities (see Figure 4).



Figure 4 – Existing Gravity Plant

The mobile equipment fleet will be utilised for pre-development work with the PC450 excavator utilised for excavating test pits within the proposed TSF location. Utilising the company owned fleet saves significant cost associated with the development of the project.

Water Storage Dam

The existing water storage dam is full with the wet season commenced (see Figure 5 & 6). The rains will start to build up through the month of August and continue through September. A representative of Trevor Clark & Associates has inspected the dam and prepared a plan for remediation works and ongoing maintenance. There is ample water already available to both commission and operate the processing plant in the new year.



Figure 5 – Water Storage Dam



Figure 6 – Water Storage Dam Spillway

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 7). 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 hosts several multi-million ounce gold deposits and extends into the bordering country of Mali (refer Figure 8).

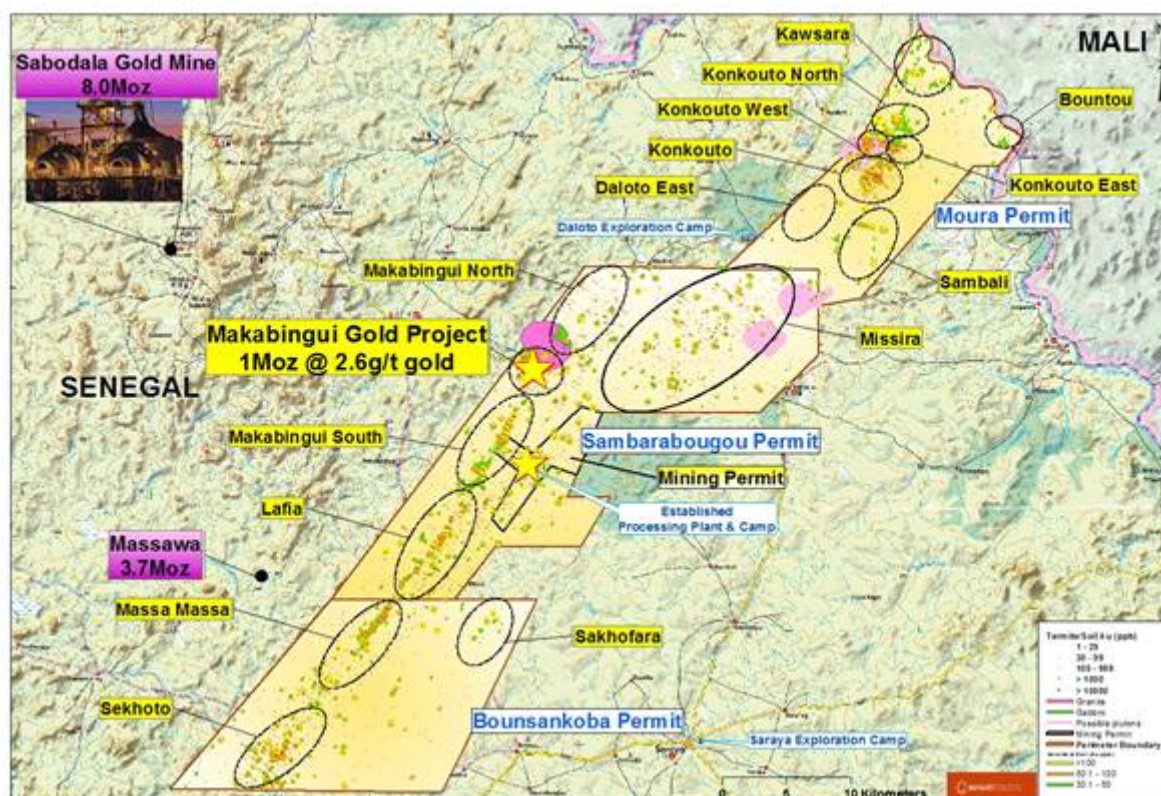


Figure 7 – Bassari's Permits with Project & Prospect Locations

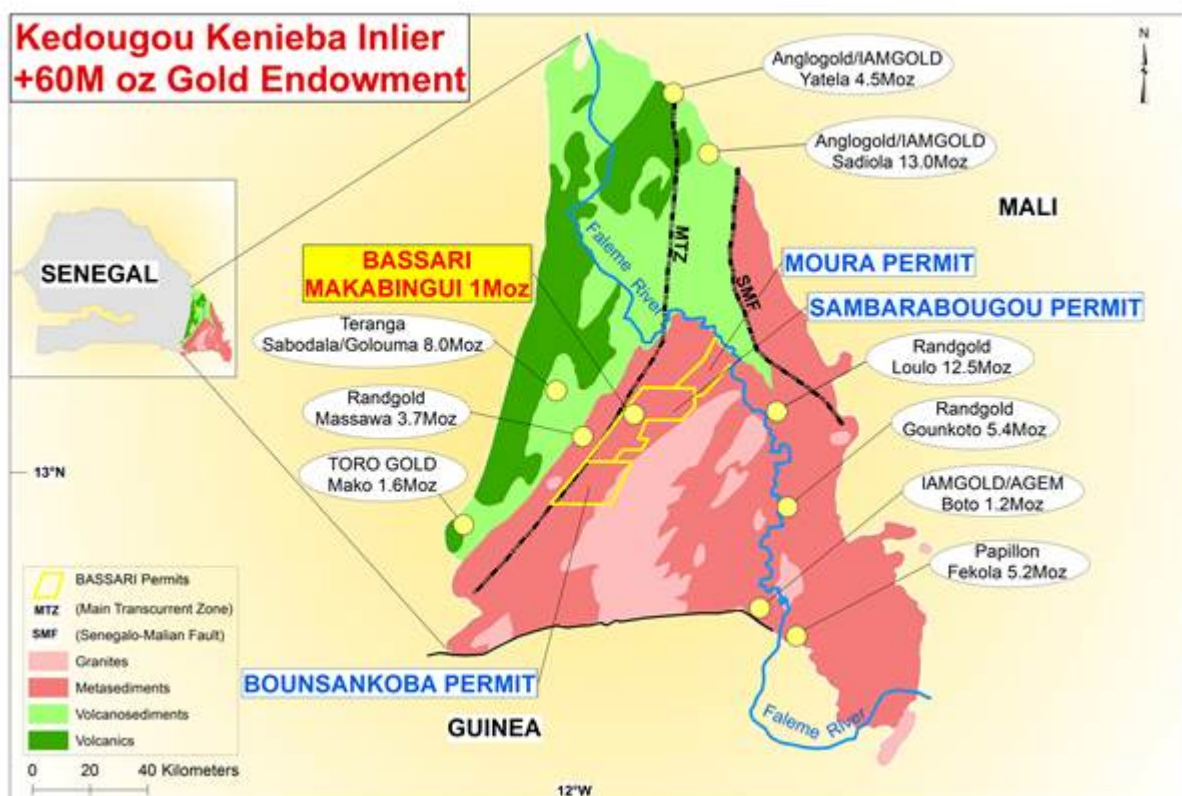


Figure 8 – Kedougou-Kenieba Inlier

Makabingui Open-Pit Project Study summary at US\$1200/oz gold price:

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

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**

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