

12 July 2011

Dear Option Holder

RENOUNCEABLE PRO-RATA RIGHTS ISSUE

Bassari Resources Limited [ABN 84 123 939 042] (ASX:BSR) ("the Company") announces that it lodged a Prospectus with ASIC on 12 July 2011 in respect of a pro-rata renounceable rights issue of two (2) new shares for every seven (7) shares held at an issue price of 5.5 cents (\$0.055) together with one (1) free-attaching option for every two (2) new shares successfully subscribed for ("the Rights Issue"). Each new option will have an exercise price of 11 cents (\$0.11) and an expiry date of 30 November 2012.

The maximum amount that may be raised under the Rights Issue will depend on the number of Shares that are offered under the Prospectus and, ultimately, the number of Shares that are subscribed for. If none of the Company's existing options are exercised 76,884,894 Shares will be offered and approximately \$4.23 million (before costs) will be raised.

The Rights Issue is underwritten to \$4.23 million by the joint Underwriters, Patersons Securities Limited [ABN 69 008 896 311] (AFSL 239052) and RBS Morgans Corporate Limited [ABN 32 010 539 607] (AFSL 235407).

The full terms and conditions of the Rights Issue are detailed in the Prospectus which can be viewed on the ASX website at www.asx.com.au or on the Company's website at www.bassari.com.au. A copy of the Prospectus will be sent to each eligible Shareholder.

Under the terms of the existing options you currently hold, there is no entitlement to participate in the Rights Issue unless you exercise your options, and are entered onto the register as a shareholder on or before the Record Date.

The timetable and important dates of the Rights Issue are set out below:

Event	Date
Lodgement of Prospectus	12 July 2011
Notice to shareholders containing details of timetable and statement that prospectus lodged with ASX	13 July 2011
"Ex" date (the date Shares are quoted ex-rights and Rights trading commences)	14 July 2011
Proposed record date to identify Shareholders entitled to participation in the Rights Issue ("the Record Date")	20 July 2011

Dispatch of Prospectus	25 July 2011
Rights trading ends	2 August 2011
Deferred trading date	3 August 2011
Closing Date	9 August 2011
Notice of under subscriptions to ASX	12 August 2011
Despatch of Holding Statement	17 August 2011

*Note: The above dates should be regarded as **indicative only**. Subject to the Corporations Act, the Listing Rules and other applicable laws, the Company in consultation with the Underwriter reserves the right to change the above dates, to close the Rights Issue before the date stated above, to extend the closing date and subsequent dates, or not to proceed with the Rights Issue described in this Prospectus. Shareholders should refer to announcements to ASX by the Company on the ASX website and the Company's website for updated information about the Closing Date and timetable.*

The shares offered are fully paid ordinary shares, and will rank equally with the Company's existing ordinary shares.

The Company will apply to ASX for quotation of the Shares offered. In addition, subject to being able to satisfy any requirements imposed by the ASX Listing Rules, the Company will make an application to quote the new Options that are issued pursuant to the Rights Issue.

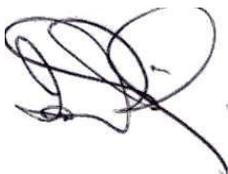
If you wish to participate in the Rights Issue (in respect of some or all of your existing options) it will be necessary for you to exercise your options. Accordingly, you should complete a Notice of Exercise of Options and lodge the Notice with the Company, together with your payment for the number of shares in respect of which you wish to exercise your existing options. If payment for the exercise of options is not received in time for your new shares to be entered in the register prior to the Record Date, you will not be able to participate in the Rights Issue.

Offers of the Company's shares and options are made in the Prospectus. Anyone wishing to acquire the Company's shares and options who is eligible to participate in the Rights Issue will need to complete an entitlement and acceptance form that will accompany the Prospectus. Before deciding to acquire shares and options, you should read and consider the Prospectus in its entirety and, if any doubt, consult with your professional advisor.

If you do not wish to participate in the Rights Issue (in respect of your existing options), you do not need to take any action.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety and, if in any doubt, consult with your professional advisor.

Yours faithfully



Ian Riley
Company Secretary