

12 July 2011

Dear Shareholder

**RE: 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 indicative timetable for the Rights Issue is as follows:

<b>Event</b>	<b>Date</b>
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 offer is underwritten to \$4.23 million.

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.

Offers of the Company's shares are made in the Prospectus dated 12 July 2011 which has been lodged with the Australian Securities and Investments Commission and ASX. Anyone wishing to acquire the Company's shares who is eligible to participate in the Rights Issue will need to complete an entitlement and acceptance (or application) form that will accompany the Prospectus. A copy of the Prospectus can be viewed on the website of ASX ([www.asx.com.au](http://www.asx.com.au)), or the Company's website ([www.bassari.com.au](http://www.bassari.com.au)) or can be requested from the Company. Before deciding to acquire shares, you should read and consider the Prospectus in its entirety and, if any doubt, consult with your professional advisor.

A copy of the Prospectus will be sent to each eligible Shareholder.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Ian Riley', written in a cursive style.

**Ian Riley**  
**Company Secretary**