

BASSARI RESOURCES LIMITED

(ABN 84 123 939 042)

PROSPECTUS

A renounceable pro-rata rights issue of two (2) shares for every seven (7) shares held at 5.5 cents (\$0.055) each, together with one (1) free-attaching option for every two (2) new shares issued having an exercise price of 11 cents (\$0.11) each expiring on 30 November 2012, to raise up to approximately \$4.23 million before costs of the issue.

Applications may also be made for additional shares and options from the shortfall in acceptances (if any).

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)

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

If you do not understand its contents, you should consult your stockbroker, accountant or other professional adviser without delay.

This prospectus ("this Prospectus") is dated 12 July 2011. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission ("ASIC") on the same date. Neither ASIC nor ASX Limited ("ASX") nor their respective officers take any responsibility as to the contents of this Prospectus.

The securities offered under this Prospectus are considered speculative.

The Rights Issue described in this Prospectus is only addressed to, and directed at, persons who are Shareholders of the Company on the Record Date whose address in the Company's register of members is in Australia, New Zealand, Hong Kong, the United Kingdom or Senegal.

Notice to United Kingdom investors:

This Prospectus does not constitute an approved prospectus for the purposes of section 85 of the Financial Services and Markets Act 2000 (FSMA) and has not been approved by the Financial Services Authority pursuant to section 85 FSMA. In the United Kingdom, no offer of New Shares or New Options under this Prospectus (including any Shortfall Offer) is being made in circumstances that would result in a requirement for the publication by the Company of an approved prospectus pursuant to section 85 FSMA.

In the United Kingdom, this Prospectus is only addressed to, and directed at, persons who are Shareholders of the Company in accordance with Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "FPO") (all such persons together being referred to as "Relevant Persons"). Any investment or investment activity to which this Prospectus relates is available in the United Kingdom only to Relevant Persons and will be engaged in only with Relevant Persons. This Prospectus must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons.

CORPORATE DIRECTORY

Directors

Dr David S Tyrwhitt (Non-Executive Chairman)
Mr Jozsef Patarica (Managing Director, CEO)
Mr Clive Wright (Non-Executive Director)

Secretary

Mr Ian Riley

Proposed Non-Executive Director

Mr Jonathan Warner

Registered Office

Level 17 500 Collins Street
MELBOURNE, VIC, AUSTRALIA 3000
Telephone: +613 9614 0600
Facsimile: +613 9614 0550
Email: admin@bassari.com.au
Web: www.bassari.com.au

Share Registry

Link Market Services Limited
Level 12, 680 George Street
SYDNEY, NSW, AUSTRALIA 2000

Postal Address for Return of Acceptances in Australia

For return of Entitlement and Acceptance Forms

Bassari Resources Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

ASX Code: BSR

Joint Underwriters

Patersons Securities Limited Level 15 333 Collins Street MELBOURNE, VIC, AUSTRALIA 3000	RBS Morgans Corporate Limited Level 27 367 Collins Street MELBOURNE, VIC, AUSTRALIA 3000
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PROPOSED TIMETABLE

Lodgement of Prospectus	12 July 2011
Notice of Rights Issue sent to shareholders	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
Despatch of Prospectus	25 July 2011
Rights trading ends	2 August 2011
Securities quoted on a deferred settlement basis	3 August 2011
Closing Date	9 August 2011
Notification to ASX of under subscriptions	12 August 2011
Despatch date of holding statements. Deferred settlement trading ends.	17 August 2011

*The above dates should be regarded as **indicative only**. Subject to the Corporations Act, the Listing Rules and other applicable laws, the Company reserves the right to change the above dates, to close the Offer before the date stated above, to extend the Closing Date and subsequent dates, or not to proceed with the Offer described in this Prospectus.*

No securities will be issued on the basis of this Prospectus after 12 August 2012, being the expiry date of this Prospectus.

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1. The Offer

The Rights Issue and the opportunity to acquire Shortfall Shares and Options, as described below, are collectively referred to as “the Offer”.

1.1 Pro Rata Entitlement

Bassari Resources Limited (“the Company” or “BSR”) offers its Shareholders, as recorded on the share registry records on the Record Date, the right to participate in a renounceable rights issue of two (2) new fully paid ordinary shares for every seven (7) shares held at the Record Date at an issue price of 5.5 cents (\$0.055) each (“Share”), together with one (1) free attaching option for every two (2) Shares issued (“the Rights Issue”). Each option will have an exercise price of 11 cents (\$0.11) and expire on 30 November 2012 (each an “Option”).

Fractional entitlements will be rounded up.

1.2 Additional Shares and Options

In addition to being able to apply for Shares and Options in the manner described in this Prospectus, Shareholders also will have the opportunity to apply for Shares and Options that are not subscribed for under the Rights Issue (“Shortfall Shares and Options”).

The Shortfall Shares and Options will be issued at the same price and on the same terms as the Shares. Shareholders may only make an application for Shortfall Shares and Options if they accept their maximum entitlement of Shares and Options under the Rights Issue.

Shortfall Shares and Options will only be issued if the Rights Issue is undersubscribed. The Company is not obliged to accept, or issue Shares and Options in response to, applications for Shortfall Shares and Options. The issue of any Shortfall Shares and Options will be at the discretion of the Directors in consultation with the Underwriters.

Non-Shareholder applicants can also apply for Shortfall Shares and Options at the same price as Shareholders under the Rights Issue. Applications by non-shareholders must be made by completing a Shortfall Application Form which accompanied or was downloaded with a copy of this Prospectus and returning it, together with a cheque for the application amount. The Directors reserve the right to issue less than the number of Shortfall Shares and Options applied, or not to accept an application for Shortfall Securities, at their discretion in consultation with the Underwriters.

The opportunity for non-shareholders to apply for Shortfall Shares and Options is a separate offer pursuant to this Prospectus. The Directors in consultation with the Underwriters may accept applications by non-shareholders after the closing date.

If the Company receives applications for Shortfall Shares and Options that would result in the Rights Issue being oversubscribed, the Company will not accept any oversubscriptions and will scale back applications received for Shortfall Shares and Options at the Directors’ discretion in consultation with the Underwriters. In the event an application for Shortfall Shares and Options not being accepted, including because of a scale back, the application monies received for unsuccessful application for Shortfall Shares and Options (or the applicable portion if the application is partly successful) will be refunded as soon as practicable. No Shortfall Shares and Options will be issued to an applicant if to do so would result in a breach of the restrictions on obtaining or increasing relevant interests of greater than 20% of the Company’s issued voting shares under Chapter 6 of the Corporations Act or would otherwise be contrary to the Corporations Act or the Listing Rules of ASX. No interest will be paid on application monies held and returned.

The acceptance of Shortfall applications will reduce the number of Shares and Options to be taken up by the Underwriter.

1.3 Underwriting of Rights Issue

The Rights Issue is jointly underwritten by Patersons Securities Limited and RBS Morgans Corporate Limited (“the Underwriters”) to \$4.23 million. Under the terms of the Underwriting Agreement each of the Underwriters has agreed to severally underwrite 50% of the Offer. Neither of the Underwriters is responsible

for the other Underwriter's underwriting obligation. Further details of the underwriting arrangement are set out in Section 6 of this Prospectus.

1.4 Rights Trading

Entitlements to Shares and Options pursuant to the Rights Issue ("Rights") are renounceable. This enables shareholders who do not wish to subscribe for some or all of their entitlement to Shares and Options under the Rights Issue to sell their respective Rights and also enables shareholders to purchase additional Rights if they wish.

Rights trading commences on ASX on 14 July 2011 and will cease trading on 2 August 2011, as further detailed in Section 5.

Shortfall Shares and Options are not renounceable.

1.5 Placement and General Meeting

On 11 July 2011 the Company announced a placement of Shares and Options to raise \$2.1 million before costs of the placement. The placement comprised Shares to be issued at 6 cents (\$0.06) each, with a 1 for 2 free attaching Option (having the same terms as the Options offered under this Prospectus). Upon and subject to receipt of application monies the Company will issue 35,000,000 Shares under the placement. It is anticipated the Shares will be issued on or about 15 July 2011, before the Record Date for the Rights Issue. The Shares to be issued under the placement are included for the purposes of calculating the total number of Shares to which the Rights Issue applies. Holders of Shares issued under the placement will be eligible to participate in the Rights Issue or to renounce and sell their Rights in the same way and subject to the same conditions as other Shareholders as at the Record Date.

The issue of free attaching Options under the placement is subject to shareholders approving the issue of the options at a general meeting.

The Company has also agreed to issue 6,666,667 Shares and 3,333,333 1 for 2 free attaching Options on the same terms as the placement to discharge the balance of AUD\$400,000 drawn down against a loan facility with Senegal Nominees SARL, subject to obtaining shareholder approval.

The general meeting of the Company's shareholders is proposed to be held on or about 16 August 2011. The purpose of the general meeting will be to seek shareholder authorisation to the issue of the 17,500,000 free attaching Options to participants in the placement, and to issue the above Shares and Options to discharge the loan facility. The Company will also seek shareholder ratification of the issue of the 35,000,000 placement Shares, for the purposes of maintaining the Company's ability to issue further securities up to the 15% limit imposed by the ASX Listing Rules.

A notice of general meeting and accompanying explanatory statement containing further details regarding the meeting and resolutions to be voted on at the meeting will be issued to shareholders and released to ASX as an announcement. Shareholders should read and consider the notice and accompanying statement before deciding how to vote on the resolutions proposed for the meeting.

The Rights Issue and the offer of Shortfall Shares and Options are not conditional upon shareholders approving the issue of the placement options or the Shares and Options to discharge the loan facility, or the outcome of the general meeting.

The placement was jointly managed by Patersons Securities Limited and RBS Morgans Limited (who are also the Underwriters of the Rights Issue).

1.6 Application for Quotation

The Company will, within seven days of the date of this Prospectus, apply to ASX for admission of the Shares and Options offered under this Prospectus to official quotation. Official quotation of Options will be conditional upon there being a sufficient number of holders of the Options to satisfy the requirements of ASX for the creation of a secondary class of listed security. No application monies will be repaid if the new Options offered under this Prospectus are not admitted to official quotation.

2. Purpose of the Offer

After payment of the costs of the Offer, the funds raised will be applied to fund ongoing exploration costs and further opportunities that may arise and for ongoing working capital.

The exploration program over the next nine months will be based on the following estimated drill metres across each of the permits:

Sambarabougou Permit

- 16,000 metres of combined Reverse Circulation (“RC”)/Diamond Drilling (“DD”) on the Makabingui Project
- 15,000 metres of Rotary Air Blast (“RAB”) program on Makabingui, Missira and Lafia

Moura Permit

- 5,000 metres of combined RC/DD on Konkoutou, Bennajiggi and Yoroya Prospects
- 10,000 metre RAB program on Bountou and Kawsara Prospects

Bounsankoba Permit

- 4,000 metres of combined RC/DD on Sekhoto Prospect
- 5,000 metre RAB program at Massa Massa

The funds raised will be applied as follows:

Activity	Estimated costs (\$)
Exploration program *	\$3.0 M
Working capital and other opportunities	\$0.9 M
Costs of the offer	\$0.3 M
Total	\$4.2 M

** The drilling program will be determined by the Directors on an ongoing basis taking into account assay results and geological reviews based on these results.*

3. Effect of the Offer on BSR

The effect of the Offer on BSR will be to:

- Provide the funds to undertake the activities described in Section 2; and
- Alter the capital structure of BSR as described in Section 4.

4. Effect on the Capital Structure of BSR

4.1 Shares and Options

The table below sets out the existing issued shares of the Company, and the effect on the Company’s capital structure of issuing the securities offered under this Prospectus.

SHARES

	Number
Existing issued ordinary shares	234,097,128

Shares to be issued before Record Date pursuant to placement [^]	35,000,000
Shares offered under this Prospectus *	76,884,894
TOTAL*	345,982,022

OPTIONS

	<i>Number of options</i>	<i>Expiry date</i>	<i>Exercise price</i>
<i>Existing</i>	3,500,000	31 January 2013	\$0.45
	2,500,000	31 December 2013	\$0.30
	19,508,101	30 June 2012	\$0.20
<i>Offered under this Prospectus:</i>	38,442,447*	30 November 2012	\$0.11
Total options (existing and offered)	63,950,548*		

[^] To be issued before the Record Date. These Shares are included for the purposes of calculating the total number of Shares to which the Rights Issue applies.

+ The issue of a further 17.5 million Options (having an exercise price of 11 cents and expiry date of 30 November 2012) to participants in the placement is subject to shareholder approval – see Section 1.5.

* Subject to rounding up fractional entitlements.

The above table assumes:

- (a) acceptances are received for all Shares and Options offered under this Prospectus.
- (b) none of the Company's option holders exercise their options and are issued with Shares prior to the Record Date.

The percentage shareholding in the Company of Shareholders who do not take up all of their rights pursuant to the Rights Issue will be diluted.

4.2 Historical And Pro-Forma Balance Sheets Of Bassari Resources Limited

Set out below is the Balance Sheet of Bassari Resources Limited and its controlled entities as at 31 December 2010 and the 31 March 2011 unaudited management accounts balance sheet.

The financial information has been extracted from the audit reviewed financial report of Bassari Resources Limited at 31 December 2010 and the 31 March 2011 unaudited management accounts.

The Pro Forma balance sheet assumes the Offer is fully subscribed (refer further below for Pro Forma adjustments), and raises approximately \$4.23 million before costs of the Offer.

Proforma Balance Sheet

	Audit Reviewed Balance Sheet	Management Balance Sheet (Unaudited)	Proforma Balance Sheet (Unaudited)
	31 Dec '10	31 Mar '11	31 Mar '11
	\$'000	\$'000	\$'000
Current Assets			
Cash and cash equivalents	811	2,032	6,231
Receivables	198	521	521
Total Current Assets	1,009	2,553	6,752

	Audit Reviewed Balance Sheet	Management Balance Sheet (Unaudited)	Proforma Balance Sheet (Unaudited)
	31 Dec '10	31 Mar '11	31 Mar '11
Non-Current Assets			
Property, plant, equipment	9,721	9,913	9,913
Exploration and evaluation assets	16,291	18,722	20,149
Total Non-Current Assets	26,012	28,635	30,062
Total Assets	27,021	31,189	36,814
Current Liabilities			
Trade and other payables	2,671	1,403	1,050
Borrowings	545	-	400
Provisions	29	39	39
Total Current Liabilities	3,245	1,442	1,489
Total Liabilities	3,245	1,442	1,489
Net Assets	23,776	29,747	35,325
Equity			
Contributed Equity	30,561	37,017	42,945
Reserves	(1,835)	(1,835)	(1,835)
Accumulated losses	(4,950)	(5,435)	(5,785)
Total Equity	23,776	29,747	35,325

Notes on the Proforma Balance Sheet

The Proforma Balance Sheet illustrates the net cash of the offer (approximately \$3,914,000) after anticipated costs described below.

Costs of prospectus:

Underwriting fee	211,500
Managers corporate fee	60,000
Share registrar	17,750
Printing, postage & dispatch	5,000
Legal & regulatory costs	<u>21,000</u>
	<u>\$315,250</u>

- Receipts of \$2,100,000 comprising the gross proceeds from the July 2011 placement of Shares (see Section 1.5, above), less the estimated costs associated with the placement of approximately \$94,000.
- Receipts of \$4,228,699 comprising the gross proceeds, assuming the Offer is fully subscribed, from the issue of Shares and Options under the Offer, less estimated costs associated with the issue of \$315,250.
- Subsequent to 31 March 2011 the company has expended funds on its exploration activities and received the proceeds of borrowings, \$400,000
- Loan funds have been drawn upon by the Company from June 2011, in the amount of \$400,000. Loan is proposed to be discharged by the issue of 6,666,667 Shares and 3,333,333 1 for 2 free attaching Options upon the same terms as the placement (see Section 1.5). The issue of Shares

and Options to discharge the loan is subject to approval by shareholders at the general meeting of the Company to be held around 16 August 2011. Should shareholders not approve the issue of Shares and Options in settlement of the loan, the figures for Borrowings, Current Liabilities and Total Liabilities in the pro forma balance sheet would increase by \$400,000 and Net Assets, Contributed Equity and Total Equity would reduce accordingly

- (e) The Company's total issued ordinary shares at conclusion of the Rights Issue, assuming the Offer is fully subscribed, would be 345,982,022.

5. Acceptance Instructions

Shareholders may:

- exercise their right to participate in the Rights Issue by accepting their entitlement in full; or
- exercise their rights to participate in the Rights Issue in full and apply for Shortfall Shares and Options as described in Section 1; or
- exercise their right to participate in the Rights Issue in part by accepting part of their entitlement and sell the balance on the ASX; or
- exercise their right to participate in the Rights Issue in part by accepting part of their entitlement and allow the balance to lapse; or
- sell all of their Rights on ASX; or
- deal with all or part of their Rights other than on ASX; or
- take no action under this Offer, thereby allowing their Rights to lapse.

A Shareholder who sells Rights cannot exercise the Rights sold by also accepting the entitlement to the Shares and Options represented by those Rights. This means a Shareholder who sells all their Rights cannot accept any entitlement to Shares and Options. A Shareholder who sells part of their Rights cannot accept any entitlement to Shares and Options represented by the Rights sold (but can for the rights retained).

Non-Shareholders who wish to apply for Shortfall Shares and Options may do so by completing and returning a "Shortfall Application Form" which accompanied or was downloaded with a copy of this Prospectus, together with a cheque or money order for the application amount. Do not use the example Entitlement and Acceptance Form or Shortfall Application Form attached to this Prospectus.

Sub-underwriters will receive an application form which is to be returned in accordance with the instructions in the form, by the date specified in the form.

If paying by cheque or money order:

For shareholders: To apply and pay by cheque or money order, you should:

- Read this Prospectus and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- Complete the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Instructions for completing and returning the Entitlement and Acceptance Form are set out on the form; and
- Return the completed Entitlement and Acceptance Form together with a cheque or money order for the applicable amount (being the Offer Price of 5.5 cents (\$0.055) per Share multiplied by the number of Shares you are applying for) to:

IN AUSTRALIA:

LINK MARKET SERVICES LIMITED

POSTAL ADDRESS:

For returning Entitlement and Acceptance Forms (existing Shareholders only):

**BASSARI RESOURCES LIMITED
C/- LINK MARKET SERVICES LIMITED
GPO BOX 3560
SYDNEY NSW 2001**

For returning Shortfall Application Forms (non-shareholders only):

**BASSARI RESOURCES LIMITED
C/- LINK MARKET SERVICES LIMITED
LOCKED BAG A14
SYDNEY SOUTH NSW 1235**

HAND DELIVERY ADDRESS:

**BASSARI RESOURCES LIMITED
C/- LINK MARKET SERVICES LIMITED
LEVEL 12
680 GEORGE STREET
SYDNEY NSW 2000 *(Please do not use this address for mailing purposes)***

so that it is received by no later than 5:00pm (Melbourne, Victoria, Australia time ("AEST")) on 9 August 2011, or such later date as the Company may specify.

IN NEW ZEALAND:

***BASSARI RESOURCES LIMITED*
C/ GOODMAN TAVENDALE REID
PO BOX 442
CHRISTCHURCH 8140
NEW ZEALAND**

so that it is received by no later than 5:00pm (New Zealand standard time) on 9 August 2011, or such later date as the Company may specify. Shareholders in New Zealand may also return Entitlement and Acceptance Forms and payments to the address Link Market Services Limited (above) but must ensure sufficient time is allowed for delivery by the above date

The Company, Link Market Services Limited and **Goodman Tavendale Reid** accept no responsibility for delayed or misdelivered Entitlement and Acceptance Forms or payments.

If you choose to pay by cheque or money order you must submit the completed Entitlement and Acceptance Form.

Cheques should be made payable to "Bassari Resources Ltd Share Application A/C" and crossed "Not Negotiable". Cheques must be payable in Australian dollars, drawn on an Australian branch of an Australian bank.

For non-shareholders: To apply and pay by cheque or money order, you should follow the above instructions, but use a "Shortfall Application Form" which accompanied or was downloaded with a copy of this Prospectus. Do not use any example Acceptance Form or Shortfall Application Form attached to this Prospectus.

If paying by BPAY¹:

Only existing Shareholders may apply and pay by BPAY. Non-shareholders who acquire Rights or apply for Shortfall Shares and Options must pay by cheque or money order (see above) unless other arrangements have been made in writing directly with the Company.

¹ ® Registered to Bpay Pty Ltd ABN 69 079 137 518

To apply and pay via BPAY, you should:

- Read this Prospectus and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- Make your payment via BPAY for the number of Shares you wish to subscribe for (being the Offer Price of 5.5 cents (\$0.055) per Share and Option multiplied by the number of Shares and Options you are applying for) so that it is received no later than 5:00pm (AEDT) on 9 August 2011, or such later date as the Company may specify. You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution.

If you choose to pay via BPAY you are not required to submit the Entitlement and Acceptance Form.

If your BPAY payment is received by 5:00pm (AEDT) on 9 August 2011 or such later date as the Company may specify, the Rights Issue Shares and Options offered on a 2 for 7 basis (up to the payment amount received) are anticipated to be allotted to you on 17 August 2011 (which date may change without notice). The issue of any Shortfall Shares and Options for which payment is received is dependent upon sufficient Shortfall Shares and Options being available.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

If you have multiple holdings you will have multiple BPAY reference numbers. To ensure that you receive your entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any Shares that you wish to apply for in respect of that holding.

For payments by cheque, money order or BPAY:

Your application or payment may not be accepted if received after 5:00pm (AEST) on 9 August 2011, or such later date as the Company may specify, in which case no Shares or Options would be issued to you in respect of that application or payment, and any payment received will be refunded to you after the allotment date in accordance with the Corporations Act, without interest. The Company and Link Market Services Limited accept no responsibility for delayed or misdelivered applications or payments.

The amount payable on application will be deemed not to have been received until the Company is in receipt of cleared funds. Payments in cash will not be accepted.

If the amount of payment is insufficient to pay in full for the number of Shares you applied for, or is more than the number of Shares and Options you applied for, you will be taken to have applied for such whole number of Shares and Options which you are entitled to and which is covered in full by your payment. Alternatively, the Company may in its discretion and in consultation with the Underwriter reject your application, in which case any payment will be refunded to you after the allotment date in accordance with the Corporations Act, without interest.

If you apply for Shortfall Shares and Options in excess of your entitlement and you are not allocated all or some of the Shortfall Shares or Options applied for, the relevant payment will be refunded to you after the allotment date in accordance with the Corporations Act, without interest.

If you have any questions about your entitlement, please contact the Company on (03) 9614 0600 (for calls within Australia) or +61 3 9614 0600 (for calls outside Australia). Alternatively, contact your stockbroker or other professional adviser.

The issue of Shares and Options will occur as soon as practicable after the Offer has closed. Thereafter, statements of Share and Option holdings will be despatched. It is the responsibility of recipients to determine their allocation prior to trading in Shares or Options. Recipients trading Shares or Options before they receive their statements will do so at their own risk. The Company may reject an acceptance where payment of the

application monies is not received or a cheque is not honoured, or without prejudice to its rights, issue Shares and Options in response to the acceptance and recover outstanding application monies from the recipient.

Subject to the requirements of the Corporations Act and the Listing Rules of ASX, the Directors reserve the right at any time up to three months after the closing date to issue (at their discretion) Shares and Options for which acceptances or payments have not been received by the closing date, up to the maximum number referred to in this Prospectus at an issue price not less than the issue price at which the Shares and Options are offered under this Prospectus. The recipients of these Shares and Options need not be shareholders of the Company.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia and New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether formalities need to be observed to enable them to acquire Shares and Options. Return of a duly completed Entitlement and Acceptance Form or payment will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No account has been taken of the particular objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept the Offer, or to acquire Shares and Options or other securities of the Company.

6. Underwriting Arrangements

The Underwriters have agreed to underwrite the Rights Issue to \$4.23 million. Under the terms of the Underwriting Agreement each of the Underwriters has agreed to severally underwrite 50% of the Offer. Neither of the Underwriters is responsible for the other Underwriter's underwriting obligation. The maximum number of Shares and Options which an Underwriter may be required to apply for (assuming no entitlements are taken up by any Shareholder and no Shortfall Shares and Options are issued) would be 38,442,447 Shares and 19,221,224 Options, being half the total Shares and Options underwritten (76,884,894 Shares and 38,442,447 Options), all subject to rounding. The Underwriters have informed the Company they have commitments from sub-underwriters equal to the entire amount underwritten. Accordingly the Underwriters will not be acquiring any relevant interest in voting Shares of the Company as a result of the underwriting.

The Underwriters are also entitled to receive fees of \$47,000 each (\$94,000 in total) plus GST if applicable as joint lead managers of the placement of 35 million Shares and 17.5 million 1 for 2 free attaching Options announced by the Company on 11 July 2011 (see Section 1.5, above).

During the two years prior to the date of this Prospectus the Company also paid the Underwriters the following amounts:

<i>Underwriter:</i>	<i>Transactions</i>	<i>\$ (plus GST if applicable)</i>
Patersons Securities Limited	Prior rights issue	211,821
RBS Morgans Corporate Limited	Prior rights issue and placements	657,967

Summary of Underwriting Agreement

Pursuant to the Underwriting Agreement between the Company and Patersons Securities Limited and RBS Morgans Corporate Limited ("the Underwriting Agreement") the Underwriters have agreed to fully underwrite the Rights Issue.

Pursuant to the Underwriting Agreement, the Company has agreed to:

- (a) pay to each of the Underwriters one half of a total underwriting fee of 5% on the underwritten amount of \$4,230,000 ("the Underwritten Amount"), being \$211,500 in total (\$105,750 for each Underwriter); and
- (b) pay to each of the Underwriters one half of the total corporate advisory fee of \$60,000.

The Underwriters are acting severally, not jointly and not jointly and severally, with each Underwriter underwriting a 50% share of the Rights Issue securities.

Representations and Warranties of the Company:

- (a) Prospectus complies with section 713 of the Corporations Act;
- (b) Forecasts are made with reasonable grounds;
- (c) Due diligence results are correct and there is no material omissions;
- (d) No rights to securities;
- (e) Permits held by relevant Companies;
- (f) No encumbrances over assets;
- (g) No litigation pending or current;
- (h) No event of insolvency has occurred;
- (i) Corporate authority exists for the Company to enter into Underwriting Agreement;
- (j) Underwriting Agreement does not result in any breach;
- (k) Underwriting Agreement constitutes a binding obligation;
- (l) No breach by the Company of any material agreements;
- (m) No prescribed occurrence has taken place;
- (n) Certificate correct;
- (o) No determination made by ASIC under section 713(6) of the Corporations Act;
- (p) No on sale restrictions on shares;
- (q) Company listed;
- (r) No contravention of section 708A(2) of the Corporations Act by the Company;
- (s) Purpose of issue by Company;
- (t) Information provided to the Underwriters is materially true and correct;
- (u) Company is in compliance with Acts;
- (v) Accounts present a true and fair view of the financial position of the Company;
- (w) Constitution compliant;
- (x) Uncalled capital;

- (y) Shares to be issued will be fully paid;
- (z) Register of members has been diligently and properly kept;
- (aa) Options will be free of all encumbrances and will rank equally.

The obligation of the Underwriters to underwrite the Rights Issue is subject to certain events of termination. The Underwriters may terminate its obligations under the Underwriting Agreement on the occurrence of specified events including:

- (a) **(Indices fall)**: the S&P/ASX All Ordinaries Index as published by ASX is at any time after the date of the Underwriting Agreement 10% or more below its respective level at the close of business on the Business Day prior to the date of the Underwriting Agreement for more than 2 consecutive business days; or
- (b) **(Prospectus)**: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or Offer is withdrawn by the Company; or
- (c) **(Copies of Prospectus)**: the Company fails to comply with its obligation to deliver to the Underwriters 25 copies of the Prospectus within 7 days of the Lodgement Date and as many copies of the Prospectus prior to the Closing Date as the Underwriters may reasonably require and such failure is not remedied within 2 business days of being requested to do so by an Underwriter; or
- (d) **(No Official Quotation)**: Official Quotation has not been granted for all the Shares and Options by the Shortfall Notice Deadline Date or, having been granted, is subsequently withdrawn, withheld or qualified; or
- (e) **(Supplementary prospectus)**:
 - a. the Underwriters, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in the Underwriting Agreement, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriters may reasonably require; or
 - b. the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriters; or
- (f) **(Non compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information required by section 713 of the Corporations Act; or
- (g) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
- (h) **(Restriction on allotment)**: the Company is prevented from allotting the Rights Shares and Options within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority; or
- (i) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriters) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or
- (j) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;

- (k) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act; or
- (l) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company **are** unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel; or
- (m) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world, provided that such circumstance is not existing at the date of this Agreement, which has or is reasonably likely to have a materially adverse effect; or
- (n) **(Authorisation):** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriters; or
- (o) **(Indictable offence):** a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (p) **(Sub-underwriters):** any of the Company Sub-underwriters that are introduced by the Company do not comply with their respective obligations under the sub-underwriting agreement with the Underwriters or threaten not to comply with all of its respective obligations under the sub-underwriting agreements with the Underwriters; or
- (q) **(Prior Share Issues)** any matter of event occurs in relation to prior share issues by the Company which, in the reasonable opinion of the Underwriters reached in good faith, will or will be reasonably likely to have a material adverse effect or could reasonably be expected to give rise to a liability of the Underwriters under the Corporations Act or otherwise; or
- (r) **(Termination Events):** subject to the occurrence of the event described below having a material adverse effect on the Rights Issue, any of the following events occurs:
 - a. (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking; or
 - b. (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect; or
 - c. (Contravention of constitution or Act): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX; or
 - d. (Adverse change): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriters' reasonable opinion, unlikely to be met in the projected time; or
 - e. (Error in Due Diligence Results): it transpires that any of the Due Diligence Results or any part of the Verification Material was false, misleading or deceptive or that there was an omission from them; or
 - f. (Significant change): a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor; or

- g. (Public statements): without the prior approval of the Underwriters a public statement is made by the Company in relation to the Offer , the Rights Issue or the Prospectus; or
- h. (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriters in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive; or
- i. (Official Quotation qualified): the Official Quotation is qualified or conditional (other than as set out in the definition of "Official Quotation" in the Underwriting Agreement); or
- j. (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy; or
- k. (Prescribed Occurrence): a Prescribed Occurrence occurs that is not otherwise permitted by the Underwriting Agreement; or
- l. (Event of Insolvency): an Event of Insolvency occurs in respect of a Relevant Company; or
- m. (Judgment against a Relevant Company): a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days; or
- n. (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any the Company, other than any claims foreshadowed in the Prospectus; or
- o. (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company; or
- p. (Timetable): there is a delay in any specified date in the Timetable which is greater than 5 Business Days and the Underwriters have not given their prior written consent; or
- q. (Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs; or
- r. (Certain resolutions passed): the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriters; or
- s. (Capital Structure): the Company alters its capital structure in any manner not contemplated by the Prospectus; or
- t. (Breach of Material Contracts) any of the Material Contracts is terminated or substantially modified; or
- u. (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of a Relevant Company; or
- v. (Market Conditions): a suspension or material limitation in trading generally on ASX occurs; or
- w. (Suspension): the Company is removed from the Official List or the shares become suspended from official quotation and that suspension is not lifted within 24 hours following such suspension.

The ability of the Company to terminate the Underwriting Agreement arises without cost or liability to itself and without prejudice to any rights for damages arising out of any breach by the Underwriters of their

representations, warranties or obligations under the Underwriting Agreement if any of the following events occur:

- (a) **(Default):** material default by the Underwriters under the Underwriting Agreement; or
- (b) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Underwriters in the Underwriting Agreement is or becomes untrue or incorrect.

In the event that the Underwriting Agreement is terminated by either of the Underwriters for cause or the Company terminates the Underwriting Agreement otherwise than for cause, the Company must pay one half of the corporate advisory fee of \$60,000 to the terminating Underwriter (or to each of the Underwriters in the event of the Company terminating the Underwriting Agreement) as a termination fee together with the reimbursement of any expenses incurred or accrued up to the date of termination.

The Underwriting Agreement also contains a number of indemnities provided by the Company for the benefit of the Underwriters to hold the Underwriters and all its officers, employees, agents and advisors harmless from and against all prosecutions, losses, penalties, actions, suits, claims, expenses, costs, liabilities, charges, outgoings, payments, demands and proceedings arising out of or in respect of:

- (a) the Offer;
- (b) non-compliance with or breach of the ASX Listing Rules in relation to the Prospectus or any Offer documents accompanying the Prospectus;
- (c) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy or omission from the Prospectus or any Offer documents accompanying the Prospectus;
- (d) any advertising, publicity, announcements, statements and reports in relation to the Offer made with the agreement of the Company;
- (e) any breach or failure by the Company to observe any of the terms of the Underwriting Agreement or any breach of the representations and warranties given by the Company in the Underwriting Agreement;
- (f) any claim that either of the Underwriters have any liability under the Corporations Act or any other law in relation to the proposed offer; and
- (g) any review or investigation undertaken by ASIC, ASX or any other governmental authority or agency as a result of an actual, alleged or asserted failure to comply with the conditions and requirements of any law or regulation.

Additionally, the Company will indemnify the Underwriters in respect of any payment made by the Underwriters to reimburse or provide for payment of any loss suffered personally by an officer, employee, agent or advisor of the Underwriters in respect of the matters described in (a) to (g) above. The Company is obliged to reimburse the Underwriters' expenses incurred in connection with the matters described in (a) to (g) above.

These indemnities are limited by any contravention by the Underwriters of the Corporations Act or anything done which results in losses for wilful default, misconduct, fraud, negligence or breach of contract of the person claiming the indemnity.

The indemnities contained in the Underwriting Agreement survive termination of the Underwriting Agreement.

All the obligations of the Underwriters under the Underwriting Agreement are discharged when any of the following occurs:

- (a) On the date on which all Rights Shares have been subscribed;
- (b) Each Underwriter lodges applications for 50% of the Shortfall Securities accompanied by payment in accordance with section 6;

- (c) On the date either Underwriter terminates the Underwriting Agreement;
- (d) The Company fails to give the Underwriters a valid notice by the Shortfall Notice Deadline Date;
- (e) Approval for official quotation has not been obtained by the Shortfall Notice Deadline Date; or
- (f) If Completion has not taken place within ten business days of the Closing Date.

7. Continuous Disclosure Obligations

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities.

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities or options offered to acquire securities under that prospectus are continuously quoted securities within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities that were quoted enhanced disclosure securities at all times during the 12 months before the date of the prospectus.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company, and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

For the purpose of satisfying Section 713(5) of the Corporations Act a prospectus must incorporate information if such information:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; and
 - the rights and liabilities attaching to the securities being offered.

The Prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the Prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus. The Company also seeks and engages in discussions in respect of potential opportunities for strategic development and expansion of the Company's activities. While the Company continues to seek potential commercial partners and to advance discussions or negotiations, there is no certainty that any arrangement(s) will be finalised on particular terms, at a specific time, or at all. The Company will make further announcements in respect of any such discussions or negotiations in accordance with its disclosure obligations as developments occur.

As a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Any person may request, and the Company will provide free of charge, a copy of each of the following documents during the acceptance period of this Prospectus:

- (g) the financial statements of the Company for the financial year ended 30 June 2010, being the most recent annual financial report of the Company lodged with ASIC before the lodgement of this Prospectus with ASIC;
- (h) the half yearly financial report of the Company for the period ending 31 December 2010 lodged with ASIC on 16 March 2011
- (i) any continuous disclosure notices given by the Company since the lodgement of the annual financial report referred to in (a) above and before lodgement of this Prospectus. Continuous disclosure notices given by the Company since the lodgement of the annual financial report to the date of this Prospectus are listed in Section 8 of this Prospectus.

8. ASX Announcements

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodging its Annual Report for the year ended 30 June 2010 with ASIC:

<u>Date</u>	<u>Headline</u>
11/07/2011	Share Placement and Rights Issue to raise \$6.33 million
07/07/2011	Trading Halt
07/07/2011	Investor Presentation - July 2011
04/07/2011	Appointment of Director - Mr Jonathan Warner
16/05/2011	High Grade Gold Intercepts at Makabingui Project
12/05/2011	Appendix 3B
12/05/2011	Change of Directors Interest Notices x 3
06/05/2011	Notification of Change to Company Constitution
06/05/2011	Change of Director`s Interest Notices x 2
04/05/2011	Results of General Meeting
03/05/2011	Bassari Resources Ltd Broadcast
02/05/2011	240,000 ozs of Gold - Maiden Resource for Makabingui Project
29/04/2011	March 2011 Quarterly Activity and Appendix 5B
19/04/2011	Bassari Resources Ltd Broadcast
18/04/2011	High Metallurgical Recoveries from Makabingui Project
05/04/2011	Makabingui Project Continues to Deliver
30/03/2011	Notice of General Meeting/Proxy Form
28/03/2011	First Gold Shipment
17/03/2011	Bassari Resources Ltd Broadcast
16/03/2011	Half Year Accounts
15/03/2011	Strong Gold Intercepts - Makabingui Project
07/03/2011	Investor Presentation March 2011
03/03/2011	Appendix 3B
10/02/2011	Bassari Resources Ltd Broadcast
08/02/2011	Makabingui Continues to Return Strong Gold Intercepts
04/02/2011	Appendix 3B
04/02/2011	Despatch of Transaction Statements for Rights Issue
04/02/2011	Appendix 3Y - Change of Director`s Interest Notices
01/02/2011	Amended December 2010 Quarterly Activity Report
01/02/2011	Bassari Resources Ltd Broadcast
31/01/2011	Bassari Announces Successful Completion of Rights Issue
31/01/2011	December 2010 Quarterly Activity and Cash Flow Report
24/01/2011	Infill Drilling Returns Strong Gold Intercepts at Makabingui
11/01/2011	Rights Issue - Extension of Closing Date
11/01/2011	Rights Issue Prospectus Despatch

<u>Date</u>	<u>Headline</u>
04/01/2011	Appendix 3Y - Change of Directors' Interest Notice
31/12/2010	Securities Trading Policy
24/12/2010	2010 Annual Report Re-Lodged
22/12/2010	Bassari broadcast re Rights Issue
22/12/2010	Rights issue letter to eligible shareholders
21/12/2010	Rights Issue Prospectus
20/12/2010	Appendix 3B
20/12/2010	Fully Underwritten Rights Issue to Raise \$7 million
16/12/2010	Trading Halt
08/12/2010	Douta Alluvial Gold Project - Official Mine Opening
08/12/2010	Bassari Resources Ltd Broadcast
06/12/2010	New Diamond Drilling Results Confirm Mirphoto Lode
17/11/2010	Results of Meeting
17/11/2010	Chairman`s Address to AGM
17/11/2010	2010 AGM - Withdrawal of Resolutions 2 and 5
17/11/2010	CEO`s Presentation to AGM
05/11/2010	Bassari Resources Ltd Broadcast
04/11/2010	Non Executive Chairman
03/11/2010	First Gold - Douta Alluvial Project
29/10/2010	Quarterly Activities and Cash Flow Report
14/10/2010	Notice of Annual General Meeting/Proxy Form
12/10/2010	Initial Director`s Interest Notice
12/10/2010	Appointment of Director
24/09/2010	Annual Report to shareholders

Any person may request, and the Company will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website, www.asx.com.au, and will also be made available on the Company's web site, www.bassari.com.au. Copies of announcements can also be obtained from the Company upon request. Prospective investors are advised to refer to ASX's website or the Company's website for updated releases about events or matters affecting the Company.

In making statements in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act 2001 and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

9. Terms of Securities Offered

The Shares including the Shortfall Shares will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as the existing issued shares of the Company. The rights attaching to the Company's shares are set out in the Company's constitution, the Listing Rules of ASX and the Corporations Act. The Company's constitution has been lodged with ASIC. The constitution contains provisions of the kind common for public companies in Australia and are taken to be included in this Prospectus by operation of Section 712 of the Corporations Act. Any person may request a copy of the constitution during the application period of the Prospectus, which the Company will provide free of charge. The constitution is also available at the Company's web site, www.bassari.com.au.

Rights attaching to the Options offered under this Prospectus are as follows:

- (a) Each Option entitles the holder to acquire one ordinary fully paid share in the capital of the Company.

- (b) The Options are exercisable at any time on or before 5:00 pm Melbourne time on 30 November 2012 ("the Exercise Period") by completing the Option exercise form and delivering it together with the payment for the number of shares in respect of which the Options are exercised to the registered office of the Company. Any Option that is not exercised during the Exercise Period automatically lapses.
- (c) The exercise price of the Options is 11 cents (\$0.11) per Option payable in full on exercise.
- (d) Subject to the Corporations Act, the ASX Listing Rules, and the Constitution of the Company, Options are freely transferable. All shares issued upon exercise of Options will rank *pari passu* in all respects with, and will have the same terms as, the Company's then issued ordinary fully paid shares. The Company will apply for official quotation by ASX of all shares issued upon exercise of Options.
- (e) The Options will not give any right to participate in dividends until shares are issued pursuant to the exercise of the relevant Options.
- (f) There are no participation rights or entitlements inherent in the Options. Option holders are not entitled to participate in new issues of securities offered to shareholders without first exercising the Options. Subject to any waiver granted by ASX, the Company will send notices to Option holders at least five business days prior to the record date applying to offers of securities made to shareholders during the currency of the Options.
- (g) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of the Exercise Period, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction

Shares issued upon the exercise of Options will be fully paid ordinary shares and will have the same voting and other rights as the existing shares of the Company.

10. Directors' Interests

10.1 Securities

Existing Interests

As at the date of this Prospectus, the Directors' and proposed Director's direct and indirect interests in shares and options of Bassari Resources Ltd are as follows:

<i>Director or Proposed Director</i>	<i>Shares</i>	<i>Options</i>
Dr David Tyrwhitt	Nil	500,000
Mr Clive Wright	1,335,800	602,983
Mr Jozsef Patarica	263,650	1,217,804
Mr Jonathan Warner	1,968,709	162,642

Participation by Directors in the Rights Issue

The Directors are entitled, but not obliged, to participate in the Rights Issue without the need for Shareholder approval. Shareholder approval would however be required for the Directors to apply for any Shortfall Shares and Options. If the Directors each participate to the maximum extent permissible then their respective direct and indirect interests will increase and upon issue of the Shares and Options they will have the following direct or indirect interests:

<i>Director or Proposed Director</i>	<i>Entitlement under the Rights Issue (shares)</i>	<i>Entitlement under the Rights Issue (options)</i>	<i>Total interest if full entitlement taken up (shares)</i>	<i>Total interest if full entitlement taken up (options)</i>
Dr David Tyrwhitt	Nil	Nil	Nil	500,000
Mr Clive Wright	381,657	190,829	1,717,457	793,812
Mr Jozsef Patarica	75,329	37,664	338,979	1,255,468
Mr Jonathan Warner	562,488	281,244	2,531,197	443,886

Except as disclosed in the Prospectus, no Director or proposed Director has, or has had within two years of lodgement of this Prospectus, any interest in

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

10.2 Remuneration

Directors are entitled to receive directors' fees and other remuneration (which may include consulting fees) from the Company in relation to services provided to the Company. Details of the remuneration paid to Directors to 30 June 2010 are set out in the financial statements of the Company for the financial year ended 30 June 2010, referred to in Section 4 of this Prospectus.

The total amounts payable (inclusive of GST) to current Directors as fees and executive service remuneration in 2 year period prior to lodgement of this Prospectus are:

<i>Director</i>	<i>Total</i>
Dr David Tyrwhitt (i)	46,750
Mr Clive Wright	86,250
Mr Jozsef Patarica	482,492

Note 1: Fees were paid to D.S. Tyrwhitt & Associates Pty Ltd [ACN 100 012 995] ("Tyrwhitt & Associates") a director related entity of Dr David Tyrwhitt, as consideration for providing the services of Dr David Tyrwhitt as Non-Executive Chairman of the Company].

The Company has agreed to pay Mr Jonathan Warner fees as a non-executive director of \$45,000 per annum, commencing upon him taking office as a Director of the Company in August 2011.

Except as disclosed in this Prospectus, no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director of the Company or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the Offer.

10.3 Payments to Entities Associated with Directors

In the past two years the Company has paid the amounts (inclusive of GST) set out below to D.S. Tyrwhitt & Associates Pty Ltd as consideration for providing geological consulting services to the Company. Jocelyn Peak Pty Ltd provided consulting services, concluded 30 November 2010, to the Company. Payments with respect to these items are included in the figures in the table below. D.S. Tyrwhitt & Associates Pty Ltd is a

director related entity of Dr David Tyrwhitt and Jocelyn Peak Pty Ltd is a director related entity of Mr Clive Wright.

<i>Entity</i>	<i>Total</i>
D.S. Tyrwhitt & Associates Pty Ltd	\$129,500
Jocelyn Peak Pty Ltd	\$112,860

11. Taxation

Recipients of the Offer should seek and obtain their own taxation advice before applying for Shares and Options so that they may first satisfy themselves of any taxation implications associated with acquiring Shares and Options.

12. Overseas Shareholders

12.1 New Zealand Regulatory Requirements

This Rights Issue to New Zealand investors is a regulated Rights Issue made under Australian and New Zealand Law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings - Australia) Regulations 2008. This Rights Issue and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the Rights Issue must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Rights Issue. If you need to make a complaint about this Rights Issue, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain as to whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial advisor.

The Rights Issue may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a financial market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from markets that operate in New Zealand.

12.2 Hong Kong - Caution

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

12.3 United Kingdom

This Prospectus does not constitute an approved prospectus for the purposes of section 85 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA") and has not been approved by the Financial Services Authority pursuant to section 85 FSMA. In the United Kingdom, no offer of Shares or Options under this Prospectus (including any Shortfall Shares or Options) is being made in circumstances that would result in a requirement for the publication by the Company of an approved prospectus pursuant to section 85 of the FSMA.

Any Shareholder that is resident or incorporated in the United Kingdom and that applies to subscribe for Shares and Options under the Rights Issue or for Shortfall Shares and Options will be deemed to have represented and warranted to the Company that it is acting as principal only in respect of such application or, if it is acting for any other person in respect of such application, the Shareholder is: (i) duly authorised to act for such person; (ii) is a 'qualified investor' as defined in Article 2.1(e)(i) of Directive 2003/71/EC (the "Prospectus Directive") acting as agent for such person; and (iii) each such person for whom the Shareholder is acting is (unless otherwise previously agreed in writing with the Company) either (a) a 'qualified investor' as defined in section 86(7) of FSMA or (b) the Shareholder's 'client' (as defined in section 86(2) of FSMA) that has engaged the Shareholder to act as his agent on terms which enable the Shareholder to make decisions concerning the New Shares and New Options under the Rights Issue or any Shortfall Offer or any other offers of transferable securities on his behalf without reference to him.

12.4 Other Jurisdictions

The Company is of the view that it is unreasonable to make an offer under this Prospectus to Shareholders outside of Australia, New Zealand, Hong Kong, the United Kingdom and Senegal having regard to:

- (a) the number of Shareholders registered outside of Australia, New Zealand, Hong Kong, the United Kingdom and Senegal;
- (b) the number and value of the securities to be offered to Shareholders registered outside of Australia, New Zealand, Hong Kong, the United Kingdom and Senegal; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company will not make offers under the Prospectus to Excluded Shareholders, being Shareholders registered outside of Australia, New Zealand, Hong Kong, the United Kingdom and Senegal.

This Prospectus does not constitute an offer for securities in any place where, or to any person whom, it would be unlawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, Hong Kong, the United Kingdom, and Senegal may be restricted by law, and persons outside those countries who come into possession of this Prospectus should seek advice on, and observe any, such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Securities or the Rights Issue or otherwise to permit a public offering of the Securities in any jurisdiction outside Australia, New Zealand, Hong Kong, the United Kingdom, and Senegal. The Securities have not been, and will not be, registered under the United States Securities Act of 1933 and should not be offered or sold within the USA. Any person accessing the electronic version of this Prospectus for the purpose of investing in the Company must only access it from within Australia, New Zealand, Hong Kong, the United Kingdom, and Senegal.

13. Privacy

Link Market Services Limited advises that Chapter 2C of the Corporations Act 2001 requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder. These statutory obligations are not altered by the Privacy Amendment (Private Sector) Act 2000. Information is collected to administer your security holding and if some or all of the information is not collected then it might not be possible to administer your security holding. Our privacy policy is available on our website (www.linkmarketservices.com.au).

14. Electronic Prospectus

This Prospectus is available in electronic format at www.bassari.com.au. Offers constituted by this Prospectus in electronic form (if any) are only available to eligible persons receiving this Prospectus in electronic form within Australia. Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of charge) by telephoning the Company on (03) 9614 0600 (for calls within Australia) or +61 3 9614 0600 (for calls outside Australia). Acceptances for Shares and Options may only be made on the Entitlement and Acceptance Form or Shortfall Application Form which accompanied or was attached to a copy of this Prospectus in its paper copy form or a print out of the form which formed part of or was accompanied by the complete and unaltered electronic version of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Entitlement and Acceptance Form or Non-Shareholder Application Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

15. Consents

Link Market Services Limited has given and, as at the date hereof, not withdrawn, its written consent to be named as Share Registry in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. Link Market Services Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Each of Patersons Securities Limited and RBS Morgans Corporate Limited has given, and at the time of lodgement of this Prospectus, has not withdrawn their consent to be named as Underwriters of the Rights Issue of securities under this Prospectus, in the form and context in which it is named. Patersons Securities Limited and RBS Morgans Corporate Limited were not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. Patersons Securities Limited and RBS Morgans Corporate Limited make no express or implied representation or warranty in relation to Bassari Resources Limited, this Prospectus or the Offers and do not make any statement in this Prospectus, nor is any statement in it based on any statement made by Patersons Securities Limited and RBS Morgans Corporate Limited. To the maximum extent permitted by law, each of Patersons Securities Limited and RBS Morgans Corporate Limited expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

Goodman Tavendale Reid Limited has given, and, as at the date hereof, not withdrawn, its written consent to be named as New Zealand agent to the Rights Issue in the form and context in which it is named. Goodman Tavendale Reid Limited has had no involvement in the preparation of any part of the Prospectus other than being named as New Zealand agent to the Rights Issue. Goodman Tavendale Reid Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Mr Jonathan Warner has given and, as at the date hereof, not withdrawn, his written consent to being named as a proposed director of the Company in the form and context in which he is named. Mr Warner was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus other than consenting to being named as a proposed director of the Company. To the maximum extent permitted by law, Mr Warner expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to his name.

16. Enquiries

If you have any questions regarding the content of this Prospectus or how to complete the Entitlement and Acceptance Form, please contact the Company on (03) 9614 0600 (for calls within Australia) or +61 3 9614 0600 (for calls outside Australia). Alternatively, you should contact your stockbroker, accountant or independent professional financial adviser prior to accepting the Offer.

Any questions concerning the Offer should be directed to the Company Secretary, Mr Ian Riley, on (03) 614 0600 (for calls within Australia) or +61 3 9614 0600 (for calls outside Australia). The Company's address is shown in the Corporate Directory on page 1 of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any such information not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Directors' Responsibility Statement

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.

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

Jozsef Patarica
Managing Director and CEO

SRN/HIN:
Entitlement Number:
Subregister:
**Number of Eligible Shares held as
at the Record Date, 7:00pm (AEST)
on 20 July 2011:**
**Entitlement to New Shares
(on a 2 New Shares for 7 basis):**
**Amount payable on full acceptance
at A\$0.055 per Share:**

Offer Closes 5:00pm (AEST):	9 August 2011
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ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 2 New Shares for every 7 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.055 per New Share and One attaching New Option for every 2 New Shares issued for no additional consideration. You may also apply for New Shares and attaching New Options in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Prospectus dated 12 July 2011. The Prospectus contains information about investing in the New Shares and attaching New Options. Before applying for New Shares and attaching New Options, you should carefully read the Prospectus. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus.

If you do not have a paper copy of the Prospectus, you can obtain a paper copy at no charge, by calling the Registry on 1300 554 474 (within Australia) or +61 2 8280 7111 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares and attaching New Options, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEST) on 9 August 2011. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will have deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (AEST) on 9 August 2011.


 Biller Code: 707992
 Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

© Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form. If you do not take up or sell your rights, you may not receive any value for them. It is important that you decide whether to accept or sell your rights in accordance with the Prospectus.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



Please detach and enclose with payment


SRN/HIN:
Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)	B Number of additional New Shares	C Total number of New Shares accepted (add Boxes A and B)
<input type="text"/>	+ <input type="text"/>	= <input type="text"/>

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Bassari Resources Limited Share Application Account” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

E CONTACT DETAILS – Telephone Number Telephone Number – After Hours Contact Name

<input type="text"/>	<input type="text"/>	<input type="text"/>
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BASSARI RESOURCES LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia, Hong Kong, United Kingdom, Senegal and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Bassari Resources Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.055.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Bassari Resources Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Bassari Resources Limited Share Application Account" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Bassari Resources Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. SALE OF YOUR ENTITLEMENT IN FULL OR IN PART BY YOUR STOCKBROKER AND ACCEPTANCE OF THE BALANCE

If you wish to sell all of your Rights through your stockbroker or if you wish to sell part of your Rights through your stockbroker and accept the balance you should contact your stockbroker and provide details as requested which appear overleaf.

You should complete the "Instructions to your Stockbroker" panel below and forward this Entitlement and Acceptance Form to your stockbroker.

Instructions to your Stockbroker

I/We have accepted

And attach a cheque/bank draft for

I/We wish to sell

New Shares as per reverse side

A\$

being acceptance monies at A\$0.055 per New Share

Rights to Ordinary Shares

4. DISPOSAL OF YOUR ENTITLEMENT OTHER THAN THROUGH A STOCKBROKER

A renunciation form must be used for all other transactions. These forms may be obtained from the Bassari Resources Limited Registry or your stockbroker.

5. OVERSEAS SHAREHOLDERS

The Prospectus and Entitlement and Acceptance Form do not constitute an offer of securities in any jurisdiction outside of Australia, Hong Kong, United Kingdom, Senegal and New Zealand or to any person to whom it would not be lawful to issue the Prospectus. By applying for New Shares under this Entitlement and Acceptance Form or by accepting this offer, you represent and warrant that applying for New Shares does not breach any law in any relevant overseas jurisdiction.

6. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Prospectus electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Bassari Resources Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Bassari Resources Limited
C/- Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEST) on 9 August 2011. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Bassari Resources Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Registry on 1300 554 474 (within Australia) or +61 2 8280 7111 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.



Shortfall Application Form for non-shareholders

This is a Shortfall Application Form for use by non-shareholders to apply for New Shares and attaching New Options in Bassari Resources Limited ("The Company") under the terms set out in the Prospectus dated 12 July 2011. Shortfall New Shares and attaching New Options are allotted at the Directors' discretion. The Company cannot guarantee the availability of Shortfall New Shares and attaching New Options for all or any of the applications. This Shortfall Application Form and your cheque or bank draft must be received by the Share Registry by **5:00pm (AEST) on 9 August 2011**.

Do not use this Form to accept your pro rata entitlement under the Rights Issue if you are a shareholder as at the Record Date 20 July 2011.

If you are in doubt as to how to deal with this Shortfall Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in New Shares and attaching New Options and you should read the entire Prospectus carefully before applying for Shares.

New Shares applied for at **A \$0.055** Application Monies **B A\$**

(New Options will be issued for no additional consideration as described above and in the Prospectus)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

Applicant Surname/Company Name

Title First Name Middle Name

Joint Applicant #2 Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code
First Applicant Joint Applicant #2 Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box Company Partnership Trust Super Fund

PLEASE COMPLETE ADDRESS DETAILS
PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHES HIN (if you want to add this holding to a specific CHES holder, write the number here)

Please note: that if you supply a CHES HIN but the name and address details on your Shortfall Application Form do not correspond exactly with the registration details held at CHES, your Application will be deemed to be made without the CHES HIN and any New Shares and attaching New Options issued as a result of the Offer will be held on the issuer sponsored sub-register.

Telephone Number where you can be contacted during Business Hours Contact Name (PRINT)

Cheques or bank drafts should be made payable to "Bassari Resources Limited Share Application Account" in Australian currency and crossed "Not Negotiable".

Cheque or Bank Draft Number BSB - Account Number

Total Amount **A\$**

LODGEMENT INSTRUCTIONS

You must return your application so it is received before 5:00pm (AEST) on 9 August 2011 to:
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

BSR EAC002



Your Guide to the Shortfall Application Form

Please complete all relevant white sections of the Shortfall Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The shares to which this Shortfall Application Form relates are Bassari Resources Limited New Shares and attaching New Options. Further details about the Shares are contained in the Prospectus 12 July 2011 issued by Bassari Resources Limited.

The Australian Securities and Investment Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Shortfall Application Form is included in or accompanies the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for New Shares and attaching New Options.

- A** Insert the number of New Shares and attaching New Options you wish to apply for. You may be issued all of the New Shares and attaching New Options applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of New Shares applied for by the Issue Price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of New Shares and attaching New Options. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Bassari Resources Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Bassari Resources Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your New Shares and attaching New Options will be issued to Bassari Resources Limited's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount should agree with the amount shown in section B. Make your cheque or bank draft payable to "Bassari Resources Limited Share Application Account" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

Before completing this Shortfall Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging this Shortfall Application Form, the Applicant agrees that this Application for Additional New Shares and New Options in Bassari Resources Limited is upon and subject to the terms of the Prospectus and the Constitution of Bassari Resources Limited, agrees to take any number of Additional New Shares and New Options that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate and further declares that if the Applicant resides outside of Australia, it is lawful for that Applicant to receive and participate in any offer made to them under the Prospectus.

Do not use this Form to accept your pro rata entitlement under the Rights Issue if you are a shareholder as at the Record Date 20 July 2011.

LODGEMENT INSTRUCTIONS

This Shortfall Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEST) on 9 August 2011 at:

Bassari Resources Limited Share Offer
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Bassari Resources Limited Share Offer
C/- Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000 **(do not use this address for mailing purposes)**

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold New Shares and attaching New Options. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Shortfall Application Form.