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# BASSARI RESOURCES LIMITED

ACN 123 939 042

## NOTICE OF ANNUAL GENERAL MEETING

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**TIME:** 10.30am

**DATE:** 30 May 2014

**PLACE:** Institute of Chartered Accountants in Australia  
Level 3  
600 Bourke Street  
Melbourne VIC 3000

*This Notice of Meeting and the accompanying Explanatory Statement should be read in their entirety.*

*If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 3) 9629 9925.*

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Annual General Meeting of Shareholders to which this Notice of Meeting relates will be held at 10.30am on Friday, 30 May 2014: at:

Institute of Chartered Accountants in Australia  
Level 3  
600 Bourke Street  
Melbourne VIC 3000

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**YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects the Company and your vote is important.

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**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the time and place set out above.

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**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return it by:

- (a) post to Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235, or
- (b) facsimile on facsimile number (+61 2) 9287 0309,

so that it is received no later than 10.30am on 28 May 2014.

You can also register your proxy online via [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) to be received no later than 10.30am on Wednesday, 28 May 2014.

**Proxy Forms received later than this time will be invalid.**

Notice is given that the Annual General Meeting of Bassari Resources Limited (“the Company” or “Bassari”) will be held at the Institute of Chartered Accountants in Australia, Level 3, 600 Bourke Street, Melbourne at 10.30am (Melbourne, Victoria time) on 30 May 2014.

Further details in respect of each of the resolutions proposed in this Notice of Annual General Meeting are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting. The details of the resolutions contained in the Explanatory Memorandum should be read together with, and form part of, this Notice of Annual General Meeting.

## **BUSINESS**

### **2013 ANNUAL FINANCIAL STATEMENTS**

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2013 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report.

### **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

*“That the Company approves the adoption of the Remuneration Report for the year ended 31 December 2013”.*

#### ***Voting Note (key management personnel exclusion)***

*In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report, or any of that person’s closely related parties (such as close family members and any controlled companies of those persons) (collectively referred to a “Restricted Voter”). However, the Company need not disregard a vote if:*

- it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1;*
- it is not cast on behalf of a Restricted Voter.*

*If you appoint the person chairing the meeting as your proxy and you are not a Restricted Voter, by marking the box on, and submitting, the Proxy Form you authorise the person chairing the meeting (the Chair) to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Company’s key management personnel, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you have appointed the Chair as your proxy he or she can only cast your votes on Resolution 1 if you expressly authorise him or her to do so by marking the box on the proxy form or if you direct the Chair how to vote by marking either ‘for’, ‘against’ or ‘abstain’ for this item of business.*

### **RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ALEX MACKENZIE**

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

*“That Mr Alex Mackenzie, a Director of the Company since 12 April 2013 who will retire at the close of the meeting in accordance with ASX Listing Rule 14.4, being eligible for re-election, be re-elected as a Director of the Company.”*

### **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES**

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 7.4, shareholders ratify the prior issue of 111,424,405 ordinary shares to BCM International Limited, Brown Superannuation Fund and Bruno Delanoue (or their respective nominees) at an issue price of \$0.009 (0.9 cents) each as described in the Explanatory Memorandum which accompanied and forms part of the Notice of Meeting."*

#### **Voting Exclusion Statement:**

*The Company will disregard any votes cast on this Resolution by:*

- *a person who participated in the issue; or*
- *an associate of those persons.*

*However, the Company need not disregard a vote on this Resolution if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

### **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES TO HEGL INVESTMENTS PTY LTD**

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 7.4, shareholders ratify the prior issue of 31.25 million ordinary shares to HEGL Investments Pty Ltd at a deemed issue price of \$0.008 (0.8 cents) each as described in the Explanatory Memorandum which accompanied and forms part of the Notice of Meeting."*

#### **Voting Exclusion Statement:**

*The Company will disregard any votes cast on this Resolution by:*

- *a person who participated in the issue (HEGL Investments Pty Ltd); or*
- *an associate of HEGL Investments Pty Ltd.*

*However, the Company need not disregard a vote on this Resolution if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

## RESOLUTION 5 – APPROVAL OF PLACEMENT FACILITY

To consider, and if thought fit, pass the following resolution as a **special resolution** with or without amendment:

*“That for the purposes of ASX Listing Rule 7.1A, and for all other purposes, shareholders approve the Company having the additional capacity to issue fully paid ordinary shares in the capital of the Company up to a maximum number permitted under ASX Listing Rule 7.1A, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum which accompanied and forms part of the Notice of Meeting.”*

### **Voting Note:**

*If as at the time of the Annual General Meeting, the Company:*

- *is included in the S&P/ASX 300 Index; and/or*
- *has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of greater than AU\$300 million,*

*then this Resolution will be withdrawn.*

### **Voting Exclusion Statement:**

*The Company will disregard any votes cast on this Resolution by:*

- *persons who may participate in the proposed issue and persons who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; or*
- *an associate of those persons.*

*However, the Company need not disregard a vote on this Resolution if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*



By the order of the Board  
Ian Riley  
Company Secretary

Dated: 29 April 2014

The accompanying Explanatory Memorandum and the Proxy Form and Voting Instructions form part of this Notice of Meeting.

## PROXY AND VOTING INSTRUCTIONS

### Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; and
- (b) one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at the registered office of the Company or sent by facsimile transmission to the Company's registered office on (03) 9614 0600 not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy. In that case, your shares will not be voted on Resolution 1 (Remuneration Report) unless you direct the Chair how to vote by marking the appropriate box on the proxy form or otherwise indicate your express consent to the Chair voting your votes on Resolution 1.

### Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

### Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7.00pm, 29 May 2014 (Melbourne, Victoria time) are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

### How the Chair Will Vote Undirected Proxies

The Chair of the meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions. However, any undirected proxies held by the Chair of the meeting will not be voted on Resolution 1 unless the express consent of the shareholder is given in the proxy appointment.

### Proxies that are Undirected on Resolution 1

If you appoint the Chair of the meeting as your proxy (or if he may be appointed by default) and do not either (a) direct the Chair how to vote on Resolution 1, or (b) provide your express consent to the Chair voting your undirected proxy on Resolution 1; the Chair will not vote your proxy on that item of business. Accordingly, if you appoint the Chair of the meeting as your proxy (or if he may be appointed by default) and you want your shares to be voted on that item of business, you should either (a) direct the Chair how to vote on Resolution 1 (Remuneration Report); or (b) tick the box on the proxy form to confirm your consent to the Chair voting your undirected proxy on Resolution 1.

Other directors of the Company, any other of its key management personnel or any of their closely related parties will not be able to vote undirected proxies held by them on Resolution 1. Key management personnel of the Company comprise the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

The Remuneration Report identifies key management personnel for the year ending 31 December 2013. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

### Special Resolution

For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

## EXPLANATORY MEMORANDUM

### PURPOSE OF INFORMATION

This Explanatory Memorandum ("this Memorandum") accompanies and forms part of the Company's Notice of Annual General Meeting to be held at the Institute of Chartered Accountants in Australia, Level 3, 600 Bourke Street Melbourne at 10.30am (Melbourne, Victoria time) on 30 May 2014. The Notice of Annual General Meeting incorporates, and should be read together with, this Memorandum.

### 2013 ANNUAL FINANCIAL STATEMENTS

The 2013 Annual Financial Statements, comprising the Financial Report, Directors' Report and Auditor's Report for the year ended 31 December 2013 will be laid before the meeting. There is no requirement for shareholders to approve the Annual Financial Statements. However, shareholders will have the opportunity to ask questions about or make comments on the 2013 Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend to answer questions about the audit of the Company's 2013 Annual Financial Statements.

The Company's 2013 Annual Financial Statements are set out in the Company's 2013 Annual Report which can be obtained from the Company's website, [www.bassari.com.au](http://www.bassari.com.au) or upon request to the Secretary at the Company's registered office, Level 17, 500 Collins Street, Melbourne, Victoria, 3000 (telephone (03) 9614 0600).

### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Company is required, pursuant to the Corporations Act 2001, to propose a non-binding resolution regarding the Remuneration Report, which forms part of the Directors' Report in the Annual Financial Statements. The Remuneration Report sets out the Company's remuneration arrangements for directors.

Shareholders attending the Annual General Meeting of the Company will have an opportunity to discuss and put questions in respect of the Remuneration Report. In addition, shareholders will be asked to vote on the Remuneration Report.

This resolution is advisory only and does not bind the Company or its Directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, shareholders will be required to vote at the second of those AGM's on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director and CEO as applicable) must be put up for re-election. The vote on the Remuneration Report contained in the Company's 2012 Annual Financial Statements was passed with the support of more than 75% of votes thus a spill resolution will not be required in the event that 25% or more of votes that are cast are against the adoption of the 2013 Remuneration Report. However, in the event that 25% or more of votes that are cast are against the adoption of the 2013 Remuneration Report, shareholders should be aware that if there is also a 'no' vote of 25% or more at the same resolution at the next Annual General Meeting the consequences are that it may result in another meeting be held to consider a spill resolution after that Annual General Meeting.

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you mark the box on, and submit, the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration the

Company's key management personnel. By marking the box on, and submitting, the Proxy Form you will be taken to have directed the Chair of the meeting to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to carefully read the Proxy Form.

#### **RESOLUTION 2 – RE-ELECTION OF DIRECTOR - MR ALEX MACKENZIE**

Pursuant to the Constitution of the Company, one-third of the Directors or, if their number is not a multiple of three, the number nearest to one-third, except the Managing Director, are required to retire by rotation at each Annual General Meeting. The Company has four directors, one of whom is the Managing Director. Accordingly, one director is required to retire by rotation at the Annual General Meeting.

Additionally, under ASX Listing Rule 14.4, a Director must not hold office without re-election past the third annual general meeting following the director's appointment, or three years whichever is longer. A Director who retires in accordance with these provisions is eligible for re-election.

Accordingly, Mr Alex Mackenzie retires by rotation and, being eligible, offers himself for re-election.

The non-candidate directors unanimously support the re-election of Mr Alex Mackenzie.

#### **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES**

This Resolution seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of shares.

On 29 April 2014 the Company announced that it had received commitments for a placement of 111.4 million fully paid ordinary shares at 0.9 cents each to raise approximately \$1 million. As at the time of preparation of the Notice of Meeting it is anticipated that the shares will be issued before the Annual General Meeting. Resolution 3 is proposed and the following information is provided on the basis that the shares are issued before the Annual General Meeting. If the shares were not issued, this Resolution will be withdrawn at or prior to the Annual General Meeting.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the issue of securities made pursuant to ASX Listing Rule 7.1 (provided that the previous issue of securities did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying the issue of the 111,424,405 shares by passing Resolution 3, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity without the requirement to obtain prior shareholder approval.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) Number of securities: 111,424,405 shares;
- (b) Issue price: \$0.009 (0.9 cents) per share;
- (c) Terms of the securities: Fully paid ordinary shares in the Company having the same terms and rights as, and ranking equally with, the Company's existing listed fully paid ordinary shares;



- (d) Recipients of the shares: BCM International Limited (100 million shares), Brown Superannuation Fund (8,646,627 shares) and Bruno Delanoue (2,777,778 shares) (or their respective nominees), each of whom is a sophisticated, professional or otherwise exempt investor, and is not a related party of the Company;
- (e) Use of funds: to pay existing trade creditors, to provide working capital while the Company completes a feasibility study of the Makabingui Gold Project with a view to maximising value for all shareholders;
- (f) A voting exclusion statement is contained in the Notice of Meeting.

#### **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES TO HEGL INVESTMENTS PTY LTD**

This Resolution seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of a total of 31.25 million shares to HEGL Investments Pty Ltd [ACN 123 696 766], a wholly owned subsidiary of Hill End Gold Limited (ASX: HEG) in lieu of repayment by the Company of a loan of \$250,000.

As referred to in the preceding section, where a company's shareholders ratify a previous issue of securities, provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1. By ratifying the prior issue of shares to HEGL Investments Pty Ltd, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity without the requirement to obtain prior shareholder approval.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The number of securities previously issued was 31.25 million shares;
- (b) The deemed issue price of the shares was \$0.008 (0.08 cents) per share, in lieu of repayment by the Company of a loan of \$250,000;
- (c) The securities issued were fully paid ordinary shares in the Company having the same terms and rights as, and ranking equally with, the Company's existing listed fully paid ordinary shares;
- (d) The shares were issued to HEGL Investments Pty Ltd;
- (e) The shares were issued in lieu of repayment by the Company of a loan of \$250,000. As a result no cash funds were received from the issue of shares;
- (f) A voting exclusion statement is contained in the Notice of Meeting.

#### **RESOLUTION 5 – APPROVAL OF PLACEMENT FACILITY**

Under ASX Listing Rule 7.1A certain companies may seek shareholder approval by special resolution passed at an annual general meeting to have the additional capacity to issue equity securities which do not exceed 10% of the existing ordinary share capital without further shareholder approval.

Approval under this Resolution is sought for the Company to issue ordinary shares under Listing Rule 7.1A.

If this Resolution is approved the Company may make an issue of ordinary shares under Listing Rule 7.1A at any time (either on a single date or progressively) up until the earlier of:

- the date which is 12 months after the date of the Annual General Meeting; or

- the date on which shareholders approve a transaction under Listing Rule 11.1.2 or 11.2 (i.e. the approval sought under this Resolution 5 will cease to be valid if shareholders approve a transaction under Listing Rule 11.1.2 or 11.2).

At the date of this Memorandum, the Company is an 'eligible entity', and therefore able to seek approval under Listing Rule 7.1A, as it is not included in the S&P/ASX300 and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million). If at the time of the Annual General Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

The maximum number of ordinary shares which may be issued in the capital of the Company under the approval sought by this Resolution will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

$(A \times D) - E$

where:

- A is the number of shares on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the 12 months;
  - (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4 (this does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval);
  - (iv) less the number of fully paid shares cancelled in the 12 months.
- D is 10%
- E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1. The effect of this Resolution will be to allow the Company to issue ordinary shares under Listing Rule 7.1A without using the Company's 15% placement capacity under Listing Rule 7.1.

As at the date of this Memorandum, the Company has on issue 982,412,697 ordinary shares and therefore has capacity to issue:

- 147,361,905 equity securities under Listing Rule 7.1; and
- subject to shareholder approval being obtained under this Resolution, 98,241,270 ordinary shares under Listing Rule 7.1A.

The actual number of shares which may be issued under Listing Rule 7.1A (and Listing Rule 7.1) will be a function of the number of shares on issue at the time an issue is proposed as calculated per the formula set out above.

The issue price of the ordinary shares issued under Listing Rule 7.1A will be determined at the time of issue. The minimum price at which the ordinary shares the subject of this Resolution will be issued is 75% of the volume weighted average market (closing) price (“VWAP”) of the Company’s ordinary shares over the 15 days on which trades in that class were recorded immediately before either:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 ASX trading days of the date in paragraph (a) the date on which the securities are issued.

If this Resolution is approved, and the Company issues ordinary shares under Listing Rule 7.1A, the existing shareholders’ voting power in the Company will be diluted. There is a risk that:

- the market price for the Company’s ordinary shares may be significantly lower on the issue date than on the date of the approval of this Resolution; and
- the ordinary shares issued under Listing Rule 7.1A may be issued at a price that is at a discount (as described above) to market price for the Company’s ordinary shares on the issue date;

which may have an effect on the amount of funds raised by the issue.

The table set out below shows the dilution of existing shareholders on the basis of:

- The current market price of the Company’s ordinary shares and the current number of ordinary securities as at the date of this Explanatory Memorandum.
- Two examples where the number of ordinary shares on issue (“A” in the formula set out above) has increased by 98,241,270 shares (ie. the additional 10% placement capacity) and 100% (i.e. doubled). The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, pro-rata entitlements issues) or as a result of future placements under Listing Rule 7.1 that are approved by shareholders.
- Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the market price as at the date of this Memorandum.

|                                       |  | Dilution                    |                    |                             |                    |
|---------------------------------------|--|-----------------------------|--------------------|-----------------------------|--------------------|
|                                       |  | 50% decrease in issue price | Issue Price **     | 50% increase in issue price |                    |
| Variable “A”<br>Listing Rule<br>7.1A2 | “A” is the current number of shares on issue 982,412,697 shares                                  | 10% voting dilution         | 98,241,270 shares  | 98,241,270 shares           | 98,241,270 shares  |
|                                       |  | Funds raised                | \$392,965          | \$785,930                   | \$1,178,895        |
|                                       | “A” is a 50% increase in current shares on issue to a total of 1,473,619,045 shares on issue *   | 10% voting dilution         | 147,361,905 shares | 147,361,905 shares          | 147,361,905 shares |
|                                       |  | Funds raised                | \$589,048          | \$1,178,095                 | \$1,767,143        |
|                                       | “A” is a 100% increase in current shares on issue to a total of 1,964,825,394 shares on issue ** | 10% voting dilution         | 196,482,539 shares | 196,482,539 shares          | 196,482,539 shares |
|                                       |  | Funds raised                | \$785,930          | \$1,571,860                 | \$2,357,790        |

Notes:

- (i) The table assumes that the Company issues the maximum number of ordinary shares available under Listing Rule 7.1A.

- (ii) *The table assumes that no options are exercised in ordinary shares before the date of the issue of ordinary shares under Listing Rule 7.1A.*
- (iii) *The table reflects the aggregate percentage voting dilution against the issued share capital at the time of issue. This is why the dilution is shown in each example as 10%*
- (iv) *The table does not show an example of dilution that may be caused to a particular shareholder by reason of issues of ordinary shares under Listing Rule 7.1A based on that shareholder's holding at the date of this Memorandum.*
- (v) *The table shows the effect of an issue of ordinary shares under Listing Rule 7.1A, not under the Company's 15% placement capacity under Listing Rule 7.1.*
- \* *Any issue of ordinary shares is required to be made in accordance with the ASX Listing Rules. Any issue made other than under the Company 15% capacity (Listing Rule 7.1) or the Company's additional 10% capacity (Listing Rule 7.1A) and not otherwise made under an exception in Listing Rule 7.2 (for example, a pro-rata rights issue) would require shareholder approval.*
- \*\* *Based on closing price of the Company's shares on ASX on 24 April 2014 \$0.008 cents (0.8 cents).*

If this Resolution is approved the Company will have the ability to issue up to 10% of its issued capital without further shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

As at the date of this Memorandum the Company has not formed an intention to offer any ordinary shares under Listing Rule 7.1A to any particular person or at any particular time. The total amount that may be raised by the issue of equity securities under Listing Rule 7.1A will depend on the issue price of the ordinary shares which will be determined at the time of issue. In some circumstances the Company may issue ordinary shares under Listing Rule 7.1A for non-cash consideration (for example, in lieu of cash payments to consultants, suppliers or vendors). While the Company has not formed an intention to offer any ordinary shares under Listing Rule 7.1A, some of the purposes for which the Company may issue ordinary shares under Listing Rule 7.1A include (but are not limited to):

- Raising funds to be applied to the Company's working capital requirements in particular in respect of the Company's Makabingui Gold Project or for any other project or asset that may be undertaken or acquired by the Company.
- Acquiring assets. In these circumstances the issue of the ordinary shares may be made in substitution for the Company making cash payment for the assets. If the Company elects to issue the ordinary shares for the purpose of acquiring assets then the Company will release to the market a valuation of the assets prior to issuing the shares.
- Paying suppliers or consultants of the Company.

Details regarding the purposes for which any particular issue under Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 and Listing Rule 3.10.5A at the time the issue is made. The identity of the allottees of ordinary shares under Listing Rule 7.1A will be determined at the time the Company decides to make an issue having regard to a number of factors including:

- the purpose of the issue;
- the capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company (including but not limited to a rights issue or other issue in which existing security holders can participate);
- the potential effect of the issue of securities under Listing Rule 7.1A on the control of the Company;

- the circumstances of the Company, including but limited to Company's financial situation and the likely future capital requirements; and
- advice from the Company's corporate or financial advisors (if applicable).

Offers made under Listing Rule 7.1A may be made to parties including professional and sophisticated investors, existing shareholders of the Company, clients of Australian Financial Service License holders and/or their nominees, or any other person to whom the Company is able to make an offer of ordinary shares.

The allottees under the 10% placement capacity have not been determined as at the date of finalisation of the Notice of Meeting and may include existing shareholders or substantial shareholders and/or new shareholders, but the allottees cannot include any directors, related parties or associates of a related party of the Company without further specific shareholder approval.

The Company has not previously obtained the approval of ordinary shareholders for the issue of ordinary shares under Listing Rule 7.1A.

This Resolution is a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that shareholders vote in favour of this Resolution.

A voting exclusion statement is set out in the Notice of Meeting.


 By mail:  
 Bassari Resources Limited  
 C/- Link Market Services Limited  
 Locked Bag A14  
 Sydney South NSW 1235 Australia


By fax: +61 2 9287 0309



All enquiries to: Telephone: +611300 554 474


**X99999999999**

## SHAREHOLDER PROXY FORM

I/We being a member(s) of Bassari Resources Limited and entitled to attend and vote hereby appoint:

**STEP 1**
**APPOINT A PROXY**

**the Chairman  
of the Meeting  
(mark box)**

 OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

 If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **10:30am on Friday, 30 May 2014, at Institute of Chartered Accountants in Australia, 600 Bourke Street, Melbourne** and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

**The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.**

 Proxies will only be valid and accepted by the Company if they are signed and received no later than **48 hours** before the meeting.

 Please read the voting instructions overleaf before marking any boxes with an 
**STEP 2**
**VOTING DIRECTIONS**
**Resolution 1**

Adoption of Remuneration Report

|                          |                          |                          |
|--------------------------|--------------------------|--------------------------|
| For                      | Against                  | Abstain*                 |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Resolution 2**

 Re-Election of Director -  
Mr Alex Mackenzie

|                          |                          |                          |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

**Resolution 3**

 Ratification of Prior Issue of Placement  
Shares

|                          |                          |                          |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

**Resolution 4**


 Ratification of Prior Issue of Placement  
Shares to HEGL Investments Pty Ltd

|                          |                          |                          |
|--------------------------|--------------------------|--------------------------|
| For                      | Against                  | Abstain*                 |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Resolution 5**

Approval of Placement Facility

|                          |                          |                          |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

 \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**STEP 3**
**SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

 This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).


## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

### Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry.

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Wednesday, 28 May 2014**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



**ONLINE**  [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



**by mail:**

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



**by fax:**

+61 2 9287 0309



**by hand:**

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.  
This will assist in registering your attendance.**