



## CORPORATE INFORMATION

Bassari Resources Limited is an Australian listed company focused on discovering multimillion ounce gold deposits in the Birimian Gold Belt, Senegal, West Africa.

### FAST FACTS

ASX Code	BSR
Issued capital	352,648,689
Listed options	78,783,940
Unlisted options	5,800,000
No of shareholders	1,808
Top 20	32%

### INVESTMENT HIGHLIGHTS

- Exploration permits covering 851 km<sup>2</sup> over prospective Birimian Gold Belt, Senegal, West Africa.
- Quality ground holding in a 50M oz gold region which hosts a number of world class deposits.
- Thirteen prospects identified along 80km strike length within Kenieba Inlier.
- Strategic and dominant exploration package.
- 240,000 ounce maiden Gold Resource at Makabingui Project with drilling continuing along strike and at depth.
- Senegal, stable democracy since 1960.
- Gold intersected over a wide interval at Konkouto Prospect.

### BOARD AND MANAGEMENT

**Jonathan Warner**

*Non Executive Chairman*

**Jozsef Patarica**

*Managing Director/CEO*

**Dr David S Tyrwhitt**

*Non Executive Director*

**Ian Riley**

*Company Secretary/Chief Financial Officer*

### CONTACT US

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## ASX Release

**31 October 2011**

### September 2011 Quarterly Activity Report

Bassari Resources Limited (ASX:BSR) is pleased to report its activities for the September 2011 quarter on the Company's gold projects in Senegal, West Africa.

- **Outstanding intercept returned from Makabingui Gold Project diamond drilling (DD) of 7m @ 54.3g/t gold – the highest intercept seen within Zone 3.**
- **Additional significant intercept from Makabingui Zone 3 lodes include:**
  - **3m @ 10.0g/t Au**
  - **2m @ 37.3 g/t Au**
  - **3m @ 14 g/t Au**
  - **6m @ 4.4 g/t Au**
- **Further drilling underway along strike at Makabingui focused on extending the gold resource and targeting new mineralised lodes identified through recent drilling.**
- **Broad zone of new gold mineralisation identified at the Konkouto Gold Prospect with strong RAB results demonstrating potential for a significant mineralised system; Reverse Circulation (RC) drilling planned in December quarter.**

## Exploration Activities – Key Points

### September Quarter

- Drilling focused at the Makabingui Gold Project to expand the maiden 240,000 ounce resource (Figure 1).
- RC/DD drilling was undertaken at Zone 3 down dip and along strike of the defined gold resource and at Zone 1 along strike.
- Zone 4 was tested by RC drilling.
- RC/DD drilling is underway targeting new mineralised lodes identified during the Zone 3 program.
- On the Moura Permit, at the Konkouto Gold Prospect some 35km north east of Makabingui, a new model of an east dipping and broad zone of gold mineralisation was identified. Strong RAB results demonstrate potential for a significant mineralised system.

### December Quarter

During the December quarter the following activities are planned:

- RC/DD drilling at Makabingui focused on resource growth from the following areas:
  - Zone 3 South along strike to the south.
  - Zone 3 targeting new mineralised lodes west and east of the main lode.
  - Drilling to follow up targets derived from the structural analysis by Dr M. Gueye (Structural Geologist)
- Konkouto Prospect – 2,000 metre RC drilling program following up the east dipping model of a new broad zone of mineralisation.
- Bennajiggi Prospect – 1,000 metre RC drilling program targeting mineralised structures dipping southwards.
- Makabingui RAB drilling – Approximately 4,000 metres focused at Makabingui North Prospects.

# Exploration Activities & Results

## Sambarabougou Permit (Bassari 70%)

Centrally located of the Company's three contiguous exploration permits, Sambarabougou contains the Makabingui Project and the Lafia, Lafia North, Makabingui North and Missira Prospects (Figure 1).

Makabingui is one of 13 prospects identified along 80km strike within the Birimian Gold Belt in Senegal, West Africa. The Company's exploration permits are surrounded by multi-million ounce gold deposits in the Kenieba Inlier 50M oz region.

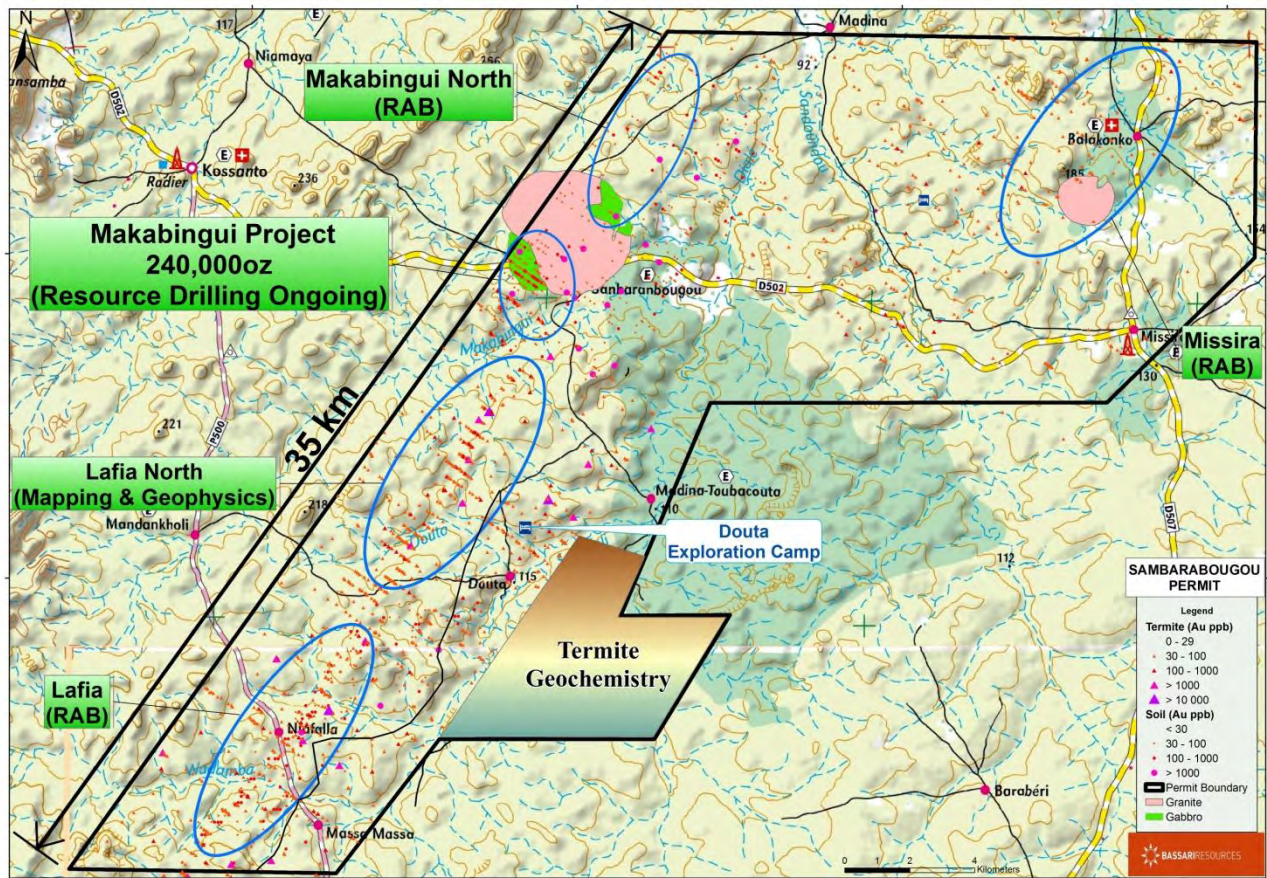
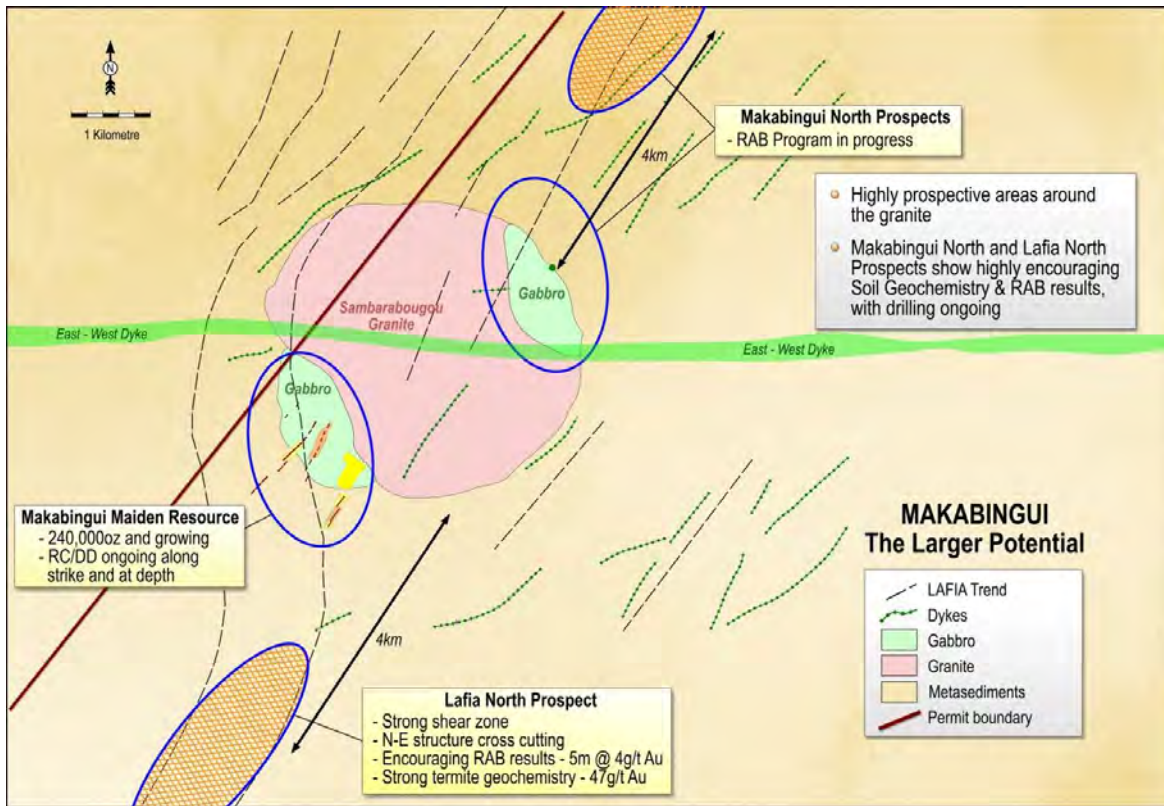


Figure 1 – Sambarabougou Permit – Project & Prospect Location Map

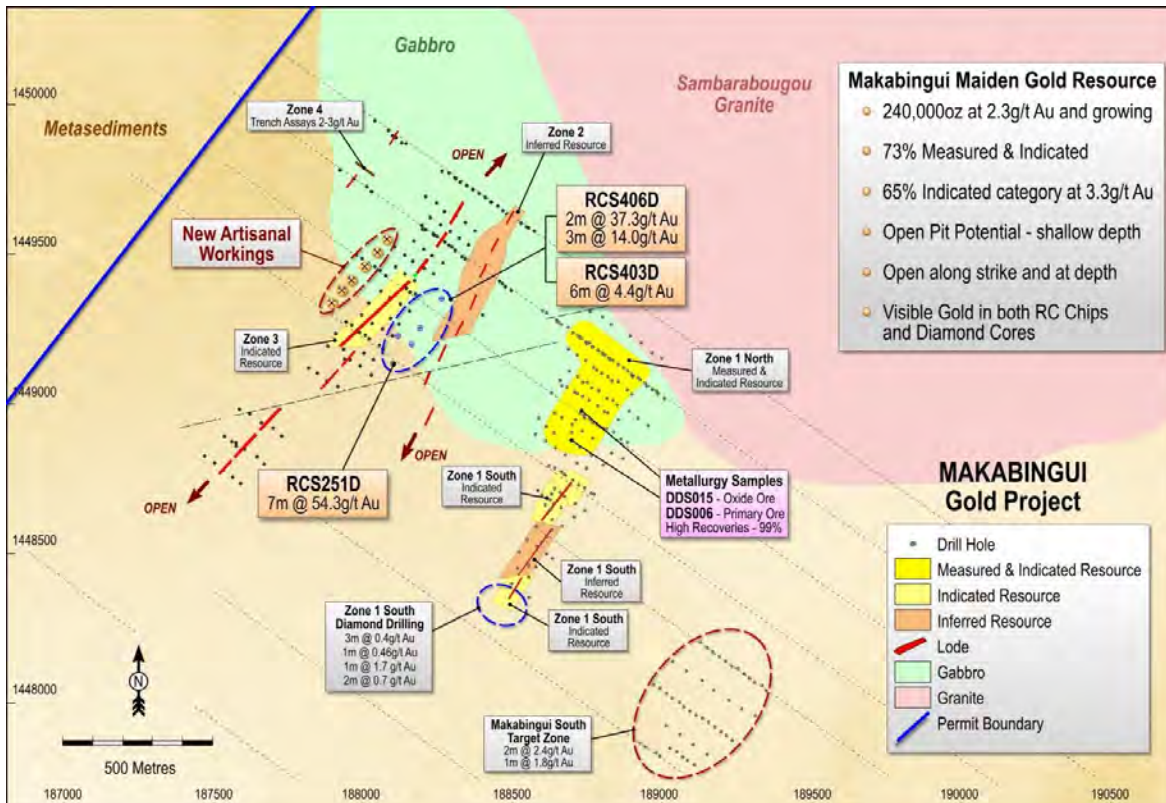
The Makabingui Gold Project is sited on the 4 kilometre diameter Sambarabougou Granite. The Company's maiden gold resource is situated between a 2 kilometre by 1 kilometre diorite-metagabbro intrusive located in the south west pressure shadow of the granite and surrounding metasediments (Figure 2). Drilling to date has identified an extensive series of east dipping zones of gold mineralisation.





**Figure 2 – Makabingui Gold Project**

Drilling during the quarter was focused primarily on high grade mineralised lodges at Zone 3 where there is good potential to expand the existing resource (Figure 3).



**Figure 3 – Makabingui Gold Project – Resource plan & recent significant intercepts**

### Makabingui Project (Zone 3)

During the quarter the Company released further strong gold intercepts from the Makabingui Zone 3 lodes. Assays are currently pending for holes RCS408D through to RCS411D.

A total of 10 RC holes were drilled for 873 metres and 13 DD holes were drilled for 1,711 metres.

The significant intercepts are summarised in Table 1 below.

**Table 1: Makabingui Zone 3 Drilling Intercepts**

Hole Number	Zone	Easting	Northing	Section	Type	Interval (m)	Grade g/t Au	From (m)	Assay
RCS402D	3	188148	1449187	99850N	Reverse Circulation	1	9.1	67	AAS
					Diamond Core	1	6.4	199	Screen Fire
RCS251	3	188805	1448673	99800N	Diamond Core	7	54.3	165.3	Screen Fire
RCS403D	3	188179	1449224	99900N	Diamond Core	6	4.4	175	Screen Fire
						inc. 1	15	176	
						1	1.5	201	AAS
RCS404D	3	188228	1449193	99900N	Diamond Core	3	2.4	239	Screen Fire
RCS405D	3	188241	1449362	100050N	Diamond Core	10	0.7	103	Screen Fire
RCS406D	3	188140	1449135	99800N	Diamond Core	2	37.3	102	Screen Fire
						inc. 1	74.4	102	
						3	1.2	210	AAS
						3	14	307	Screen Fire
						inc. 1	41.4	308	
						1	3.7	316	Screen Fire
RCS407D	3	188270	1449348	100050N	Diamond Core	7	0.5	137	Screen Fire

**All holes azimuth grid west at a declination of 60 degrees. All assays to a 0.2 g/t Au cut off. Intervals may include up to 2m of waste. Down hole length, true width not known.**

The key outcomes of the drilling program are:

- High-grade zones are associated with hydrothermal breccias located in dilational jogs within the contact zone between the gabbro and the metasediments.
- Zone 3 comprises multiple lodes defined as the main, hanging-wall and foot-wall lodes.

A structural analysis of the Makabingui gold lodes focused on Zone 3 has commenced to update the model previously generated with the most recent information from drill core. The study is aimed at improving the understanding of the structures controlling the gold mineralisation and to define the relationship between existing identified structures.

The analysis will provide:

- An updated map of the structures identified.
- A model outlining the relationship between the already identified zones of mineralisation.
- Recommendations for the forward drilling program aimed at adding additional resources.

The final report with recommendations is due to be received by the Company in the December quarter.

### **Makabingui Project (Zone 1)**

A total of 5 DD holes were drilled for 455 metres during the quarter.

The intercepts are summarised in Table 2 below.

**Table 2: Makabingui Zone 1 Drilling Intercepts**

Hole Number	Zone	Easting	Northing	Section	Type	Interval (m)	Grade g/t Au	From (m)	Assay
DDS035	1 South	188536	1448459	99475N	Diamond Core	3	0.4	55	Screen Fire
DDS036	1 South	188551	1448451	99475N	Diamond Core	1	0.46	65	AAS
DDS039	1 South	188564	1448438	99475N	Diamond Core	1	1.7	30	AAS
						2	0.7	80	Screen Fire

**All holes vertical. All assays to a 0.2 g/t Au cut off. Down hole length, true width not known.**

Further drilling will be deferred pending the results of proposed drilling around DDS014 (9m @ 9.7g/t Au) to better understand the structural controls of this high-grade shoot.

### **Makabingui Project (Zone 4)**

Zone 4 is located approximately 300 metres to the west of Zone 3.

The first phase 2,181 metre drill program comprising 27 RC holes was completed during the quarter and covers an area of 600 metres by 200 meters on a drilling grid of 100 metre by 40 metre.

Several higher-grade intersections have been reported which to date have not been tracked up-dip, down-dip or along strike. Further drilling is warranted and will be prioritised based on the current structural analysis and review against other targets.

**Table 3: Makabingui Zone 4 Drilling Intercepts**

Hole Number	Zone	Easting	Northing	Section	Type	Interval (m)	Grade g/t Au	From (m)	Assay
RCS334	4	188007.64	1449722.158	100200N	Reverse Circulation	7	0.5	61	AAS
RCS335		187944.226	1449762.518			3	0.4	31	
RCS336		187909.907	1449785.069			7	0.3	0	
RCS338		187869.002	1449691.081	100100N		7	0.2	68	
RCS340		187904.37	1449667.465			11	0.3	0	
RCS341		187938.94	1449644.776			2	0.5	87	
RCS342		187778.459	1449626.917	100000N		3	0.5	41	
RCS346		188016.32	1449835.257	100300N		1	1.2	73	
RCS347		188050.399	1449809.49			6	0.3	26	
RCS348		188082.086	1449785.956			6	1.6	35	
RCS349		188048.374	1449933.569	100400N		5	0.3	66	
RCS350		188083.046	1449911.148			2	10.4	0	
RCS351		188148.516	1449865.393			6	0.3	46	
RCS352		188182.933	1449844.278	100500N		2	0.6	57	
RCS353		188102.603	1449894.231			4	3	76	
RCS354		188119.751	1450013.032			3	0.3	23	
RCS355		188152.827	1449990.298	100600N		4	0.8	47	
RCS356		188185.481	1449967.584			5	0.5	67	
RCS357		188218.546	1449944.822			3	1	13	
RCS358		188217.803	1450077.607	100500N		5	0.3	50	
RCS359	188248.935	1450052.452	2		2.8	70			
RCS360	188279.983	1450027.763	4		0.4	80			
						11	1.7	22	
						2	1.6	36	
						2	0.6	44	
						7	0.3	25	
						3	0.3	53	
						2	1	47	
						3	0.4	79	
						1	1.9	27	
						3	0.2	17	
						2	0.5	71	
						2	0.6	32	
						2	0.5	55	

**All holes azimuth grid west at a declination of 60 degrees. All assays to a 0.2 g/t Au cut off. Intervals may include up to 2m of waste. Down hole length, true width not known.**

## Makabingui South

A total of 11 RC holes were drilled for 918 metres during the quarter.

The significant intercepts are summarised in Table 4 below.

**Table 4: Makabingui South Drilling Intercepts**

Hole Number	Prospect	Easting	Northing	Section	Type	Interval (m)	Grade g/t Au	From (m)	Assay
RSC0395	Makabingui South	188806	1447946	99200N	Reverse Circulation	2	2.4	64	AAS
RSC0396		188843	1447918	99200N		1	1.8	34	
RSC0398		188911	1447873	99200N		1	1	18	

**All holes azimuth grid west at a declination of 60 degrees. All assays to a 0.2 g/t Au cut off. Intervals may include up to 2m of waste. Down hole length, true width not known.**

These early stage encouraging results from the first line of drilling warrant further testing of this potentially large target zone and will be prioritised against other targets.

## Makabingui North Prospects - RAB Drilling

RAB geochemical drilling continued during the quarter.

A total of **269** RAB holes were completed totalling **10,728** metres.

Better grade intercepts are summarised in Table 5 below.

**Table 5: Makabingui North RAB Geochemical Drilling Intercepts**

Hole Number	Prospect	Easting	Northing	Section	Type	Interval (m)	Grade g/t Au	From (m)	Assay
RBS 2192	Makabingui North	192424	1455399	107200N	Rotary air blast	16	0.3	2	AAS
						12	0.8	38	
RBS 2195		192403	1455422	107200N		3	0.5	21	
						5	0.2	35	
RBS 2214		192821	1455128	107000N		3	0.4	37	
						5	0.2	8	
RBS 2218		191565	1451386	103000N		5	0.2	20	
RBS 2231		191444	1451467	103000N		5	0.2	2	
RBS 2264		191155	1451672	102800N		4	0.3	2	
RBS 2275		191587	1451370	103000N		4	0.2	20	
RBS 2309		192305	1455261	107000N		10	0.4	26	
RBS 2310		192283	1455278	107000N		5	0.2	9	
						5	0.2	19	
RBS 2391		192690	1455968	107800N		14	0.2	21	
RBS 2416		192812	1456109	108000N		8	0.2	4	
RBS 2431		193699	1455495	107200N		4	0.4	9	



The key outcomes of the drilling program are:-

- The RAB geochemical drilling confirmed that the sub-outcrop of oxidised quartz lodes trending NNE within a package of metasediments correlate well with the previously defined soil geochemistry and lie within the Lafia – Makabingui shear zone.
- RC drilling is warranted subject to further geological assessment and will be prioritised against other targets.

### Moura Permit (Bassari 70%)

The most northern of the Company's three contiguous permits, Moura contains the Konkouto, Bennajiggi, Kawsara, Kawsara North, Bountou, Yoroya and Sambali Prospects (Figure 4).

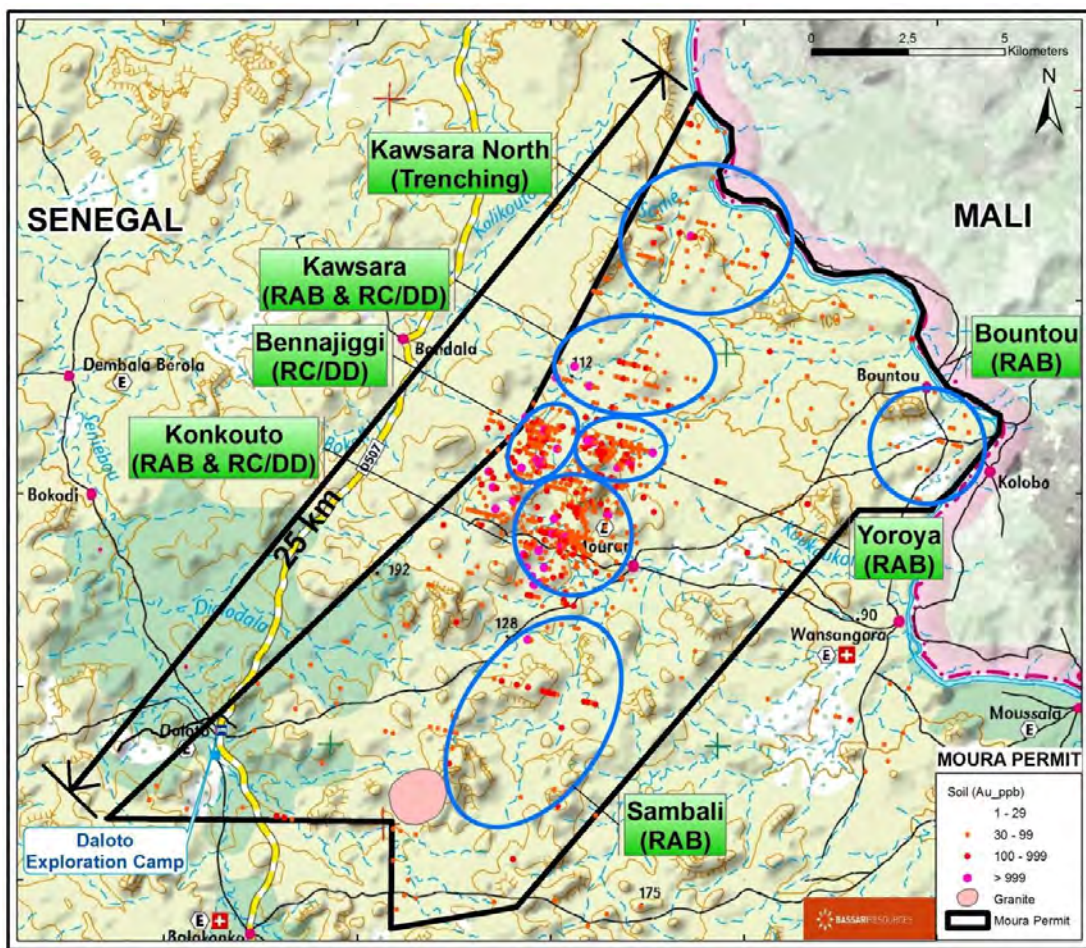
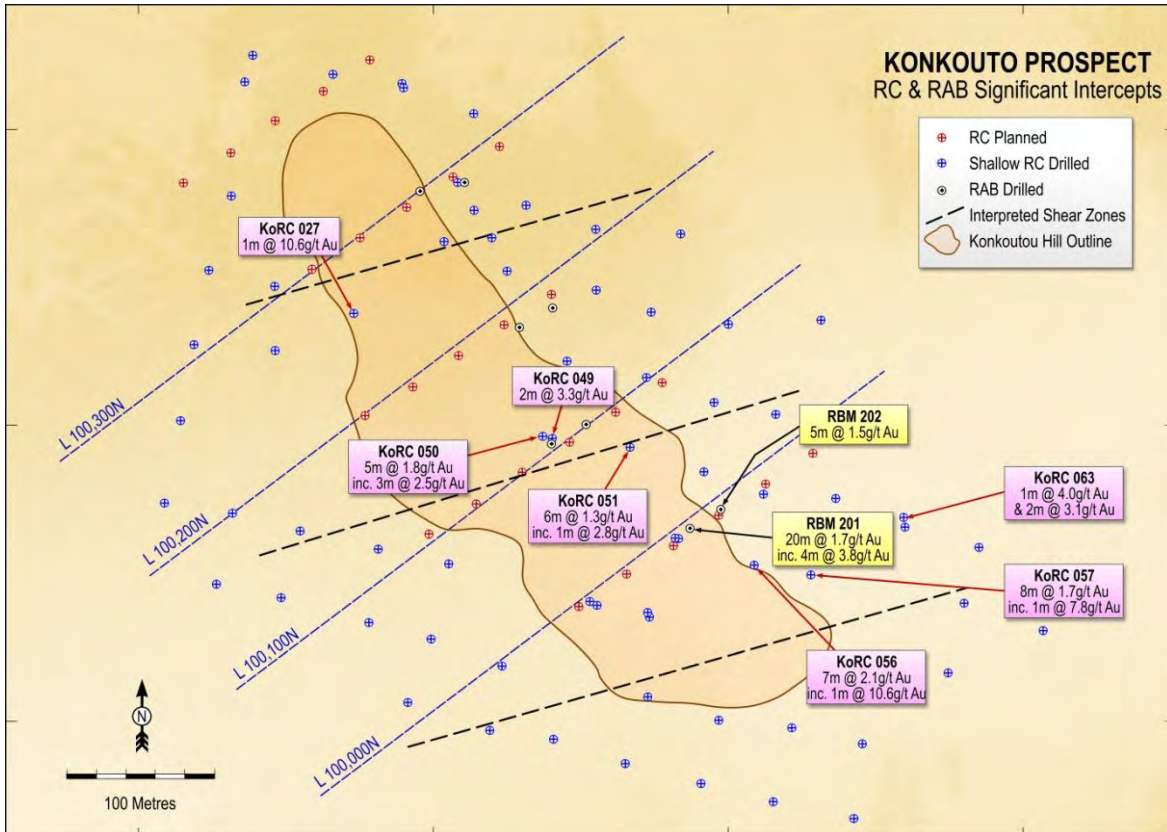


Figure 4 – Moura Permit – Prospect Location Map

## Konkouto Prospect

The Konkouto Prospect located some 35 km north east of Makabingui is centred on a hill with numerous artisanal pits showing mineralised quartz veins and stockwork quartz–carbonate veins and veinlets. The hill is approximately 700 metres long and 100 metres wide (Figure 5).



**Figure 5 – Konkouto Prospect – Significant RC & RAB drilling results**

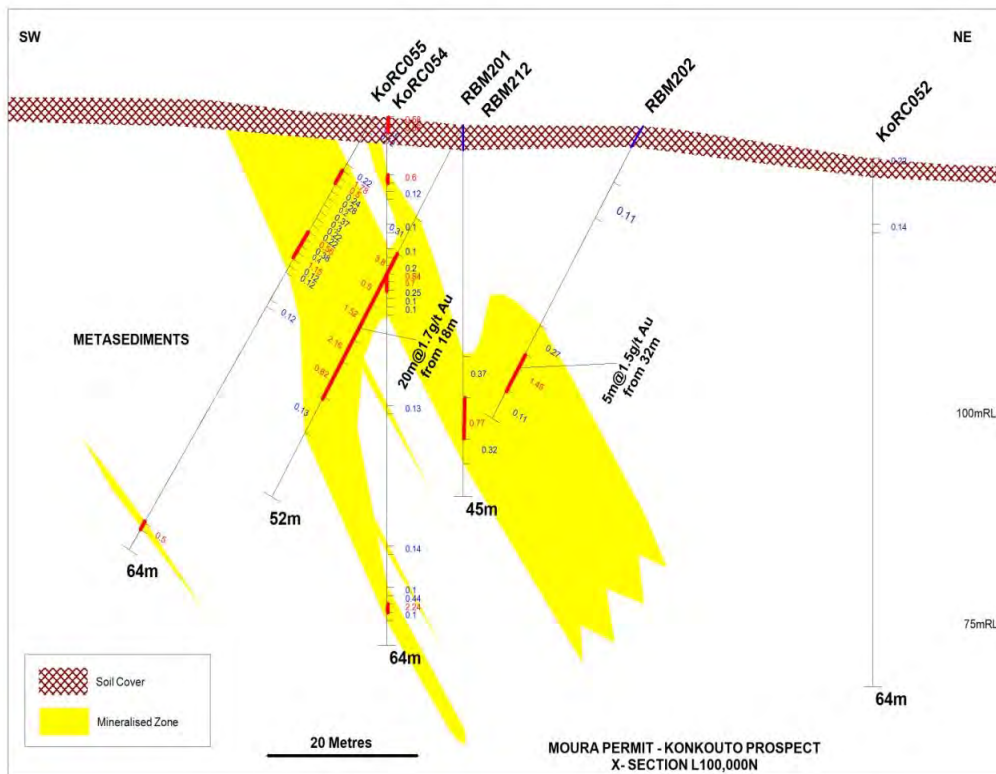
Previous shallow RC drilling down to approximately 60 metres returned encouraging intercepts and identified a mineralised structure which is controlled by a north north-west trending thrust fault, dipping to the east. Recent RAB drilling totalled 575 metres in 12 holes supports this model. (Figure 6).

**Table 6: Konkouto Prospect RAB Geochemical Drilling Intercepts**

Hole Number	Prospect	Easting	Northing	Section	Type	Interval (m)	Grade g/t Au	From (m)	Assay
RBM201	Konkouto	214974	1464131	100000N	Rotary air blast	20	1.7	18	AAS
RBM202		214995	1464143	100000N		5	1.5	32	
RBM203		214881	1464188	100100N		22	0.5	28	
RBM204		214904	1464201	100100N		8	0.3	23	
RBM208		214792	1464359	100300N		3	0.6	47	
RBM211		214881	1464188	100100N		10	0.2	24	
RBM212		214974	1464131	100000N		13	0.5	28	

A 2,000 metre RC/DD drilling program to follow up the wide east dipping mineralised zone defined by recent RAB drilling along strike and also at depth is planned for the December quarter.

The opportunity is to develop potential for a significant resource.



**Figure 6 - Konkouto Prospect – Section 100,000N**

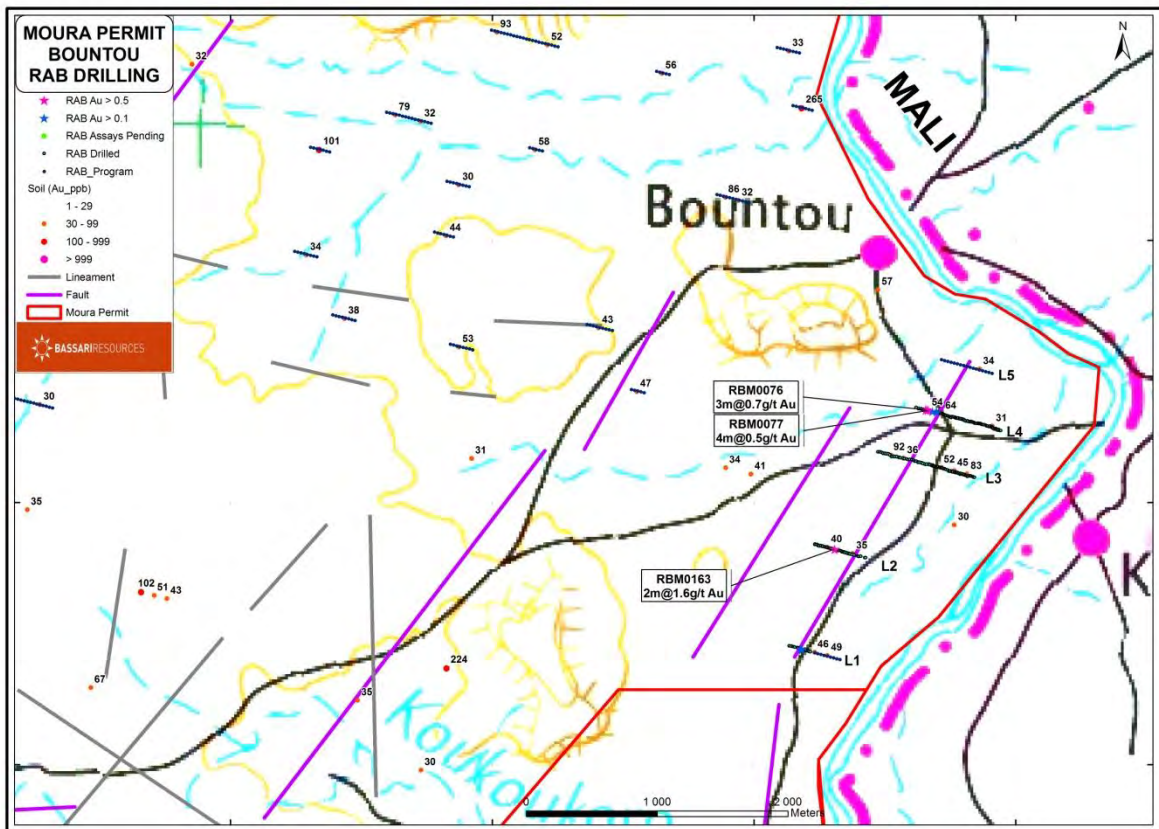


## Bountou Prospect

An initial RAB drilling program of 4,099 metres was undertaken at the Bountou Prospect (Figure 7) in July 2011. The program was targeting strong geochemical values and structures. The significant intercepts are summarised in Table 7 below. A NNE trending mineralised structure was identified. Review of this prospect will be undertaken during the December quarter.

**Table 7: Bountou Prospect RAB Geochemical Drilling Intercepts**

Hole Number	Prospect	Easting	Northing	Section	Type	Interval (m)	Grade g/t Au	From (m)	Assay
RBM0076	Bountou	225312	1466706	4	Rotary air blast	3	0.7	6	AAS
RBM0077		225327	1466704	4		4	0.5	6	
RBM0080		225363	1466696	4		3	0.2	3	
RBM0084		225396	1466692	4		5	0.2	2	
RBM0163		224616	1465644	2		2	1.6	8	
RBM0194		224366	1464880	1		3	0.2	9	



**Figure 7 - Moura Permit - Bountou Prospect RAB drill program**

## Bounsankoba Permit (Bassari 70%)

No exploration was undertaken during the September quarter due to the influence of the wet season.



## **Corporate**

On 20 July 2011 the Company appointed Mr Jonathan Warner as Non-Executive Director and on 22 August 2011 he was appointed Chairman.

On 11 July the Company successfully completed a share placement raising \$2.1 million (before costs) to institutional and sophisticated investors. On the 15 August the company successfully completed an underwritten Rights Issue raising \$4.2 million (before costs).

In addition to the capital raising, the Company issued 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 S.A.R.L.

Cash at the end of the September quarter was \$3.56M. The Company has no debt.

Cash costs of \$315,000 were incurred in the quarter, attaching to the alluvial project, placed on care and maintenance, announced in the June quarter activity report. There will be no ongoing costs associated with the alluvial project whilst on care and maintenance. Options are now being explored to maximise the benefit to the Company of the project assets.

Further cost reductions have been identified in other areas which are factored into our cash flow forecasts.

The Company is reviewing options to undertake a detailed aeromagnetic survey of the three contiguous permits to expand existing prospectivity and create new targets. The geochemical RAB drilling will be placed on hold at the end of October 2011 while the Company undertakes this review.

The Company held a General Meeting of Shareholders on the 23 August 2011 to consider resolutions related to ratification of placement, issue of options and issue of shares and options to Senegal Nominees S.A.R.L. All resolutions were approved by shareholders.

### **Forward Looking Statement**

This release may include forward-looking statements which are based on assumptions and judgements of management regarding future events and results. Statements regarding Bassari Resources Limited plans with respect to the Doua Alluvial Project and information with respect to future exploration and drilling are forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Bassari Resources Limited that could cause actual results to differ materially from such statements. Bassari Resources Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

**Competent Persons Statement**

The technical information in this report has been reviewed and approved by Mr Chris Young who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Young has over 40 years experience in the industry and has more than 5 years experience which is relevant to the style of mineralisation being reported upon to qualify as a Competent Person as defined in 2004 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Young consents to the inclusion in the report of the matters based on the information in the form and context to which it appears.

**For further information please contact**

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

**BASSARI RESOURCES LIMITED**

ABN

84 123 939 042

Quarter ended ("current quarter")

30 September 2011

### Consolidated statement of cash flows

	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors – Gold sale proceeds	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(1,989) (315) (402)	(1,989) (315) (402)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	17	17
1.5 Interest and other costs of finance paid	(7)	(7)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(2,696)</b>	<b>(2,696)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	50	50
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>50</b>	<b>50</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,646)</b>	<b>(2,646)</b>

1.13	Total operating and investing cash flows (brought forward)	(2,646)	(2,646)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	6,329	6,329
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	100	100
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material) Costs of capital raising	(494)	(494)
	<b>Net financing cash flows</b>	<b>5,935</b>	<b>5,935</b>
	<b>Net increase (decrease) in cash held</b>	<b>3,289</b>	<b>3,289</b>
1.20	Cash at beginning of quarter/year to date	273	273
1.21	Exchange rate adjustments to item 1.20	(2)	(2)
1.22	<b>Cash at end of quarter</b>	<b>3,560</b>	<b>3,560</b>

### Payments to directors of the entity and associates of the directors

### Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	154
1.24	Aggregate amount of loans to the parties included in item 1.10	N/A

1.25 Explanation necessary for an understanding of the transactions

Salaries and payments made for consulting services to directors and director related companies.

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A



## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,250
4.2 Development	-
4.3 Production	-
4.4 Administration	400
<b>Total</b>	<b>1,650</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	560	273
5.2 Deposits at call	3,000	-
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>3,560</b>	<b>273</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	352,648,689	352,648,689		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	41,666,667 76,884,894	41,666,667 76,884,894	6 cents 5.5 cents	6 cents 5.5 cents
7.5	<b>+Convertible debt securities</b> (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	19,508,101 59,275,839 3,500,000 2,500,000	19,508,101 59,275,839 Nil Nil	Exercise price 20 cents 11 cents 45 cents 30 cents	Expiry date 30-06-2012 30-11-2012 31-01-2013 31-12-2013
7.8	Issued during quarter	59,275,839	59,275,839	11 cents	30-11-2012
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)				

