



## 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	1,758
Top 20	32%

### INVESTMENT HIGHLIGHTS

- Exploration permits cover approx. 850 km<sup>2</sup> over prospective Birimian Gold Belt, Senegal, West Africa.
- Senegal, stable democracy since 1960.
- Quality ground holding in a 50M ounce 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.
- 543,000 ounce Gold Resource at Makabingui Project with substantial resource growth potential.
- Gold intersected over a wide interval at Konkouto Prospect.

### BOARD AND MANAGEMENT

**Jozsef Patarica**

*Managing Director/CEO*

**John Ballard**

*Non Executive Director*

**Chris Young**

*Non Executive Director*

**Ian Riley**

*Company Secretary/Chief Financial Officer*

### CONTACT US

**Bassari Resources Limited** (ACN 123 939 042)

Level 17, 500 Collins Street,  
Melbourne, Victoria, 3000, Australia.

T: +61 3 9614 0600

F: +61 3 9614 0550

Email: [admin@bassari.com.au](mailto:admin@bassari.com.au)

[www.bassari.com.au](http://www.bassari.com.au)

## ASX Release

31 January 2012

### December 2011 Quarterly Activity Report

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

### Highlights

- **126% Increase to Makabingui Gold Resource**
  - 543,000 ounces at a 0.2 g/t gold cut-off for a combined Indicated and Inferred Global Mineral Resource in 10.8 million tonnes at 1.6 g/t gold
  - 503,000 ounces at a 0.5 g/t gold cut-off for a combined Indicated and Inferred Mineral Resource in 6.1 million tonnes at 2.6 g/t gold included in the Global Mineral Resource
  - Additional high grade intercepts from Zone 3:
    - 3m @ 36.6g/t gold (new result)
    - 7m @ 11.8g/t gold (new result)
- **Konkouto Gold Prospect – Stage 1 drilling program completed**
  - Results confirm the discovery of a new mineralised system
  - Mineralised zone over a strike length in excess of 600 metres, open in both directions and at depth
  - Significant intercepts:
    - 50m @ 2.5 g/t gold
    - 20m @ 3.0 g/t gold
    - 5m @ 4.7g/t gold (new result)
  - Follow up drilling program underway
- **Bennajiggi Gold Prospect – Stage 1 drilling program completed**
  - 12 Reverse Circulation (RC) holes for 1,000 metres
  - Targeting gold mineralisation in a sheared sedimentary package
  - Artisanal workings centred on an area of approximately 120 metres by 250 metres
- **Missira Gold Prospect – Geochemical Program underway**
- **Board Appointments - Building a strong team providing a mix of corporate, technical and operational skills to unlock the full potential of Bassari's exploration projects in Senegal, West Africa**
  - Chris Young appointed 25 November 2011
  - John Ballard appointed 7 December 2011

# Exploration Activities – Key Points

## December 2011 Quarter

During the December 2011 quarter the following activities were completed:

- Makabingui Gold Project – Resource drilling
  - Resource drilling continued during October & November 2011 with a combination of RC and diamond drilling (DD)
  - 126% increase to gold resource. **543,000 ounces** at a 0.2 g/t gold cut-off for a combined Indicated and Inferred Global Mineral Resource in **10.8 million tonnes at 1.6 g/t gold** (announced 19 December 2011)
  - Global Mineral Resource estimate defined to an average depth of 115 metres below surface
  - Resource is open across and along strike and at depth
- Konkouto Gold Prospect – Stage 1 drilling program completed
  - Results confirm the discovery of a new mineralised system
  - Mineralised zone over a strike length in excess of 600 metres, open both to the east and west along strike and at depth
- Bennajiggi Gold Prospect – RC drilling program completed early January
  - Targeting gold mineralisation in a sheared sedimentary package

## March 2012 Quarter - Planned

During the March 2012 quarter the following activities are planned:

- Makabingui Gold Project
  - Strategic review of options aimed at unlocking the larger resource potential
- Konkouto Gold Prospect
  - Combined RC and DD follow up drilling program of approximately 20 holes testing east and west extensions to the mineralisation along strike and to target deeper mineralisation
- Bennajiggi Gold Prospect – RC drilling program completed January, assays pending
- Kawsara Gold Prospect
  - Commence Stage 1 drilling program targeting gold mineralisation associated with a series of quartz lodes in a sheared metasedimentary package of greywacke, siltstone and shale
- Missira Gold Prospect – Continue termite mound geochemical program
- Airborne Geophysical Survey – high resolution aeromagnetism and radiometrics targeted to enhance Bassari's exploration data and to increase the understanding of the controls of gold mineralisation

# Exploration Activities & Results

## Sambarabougou Permit (Bassari 70%)

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

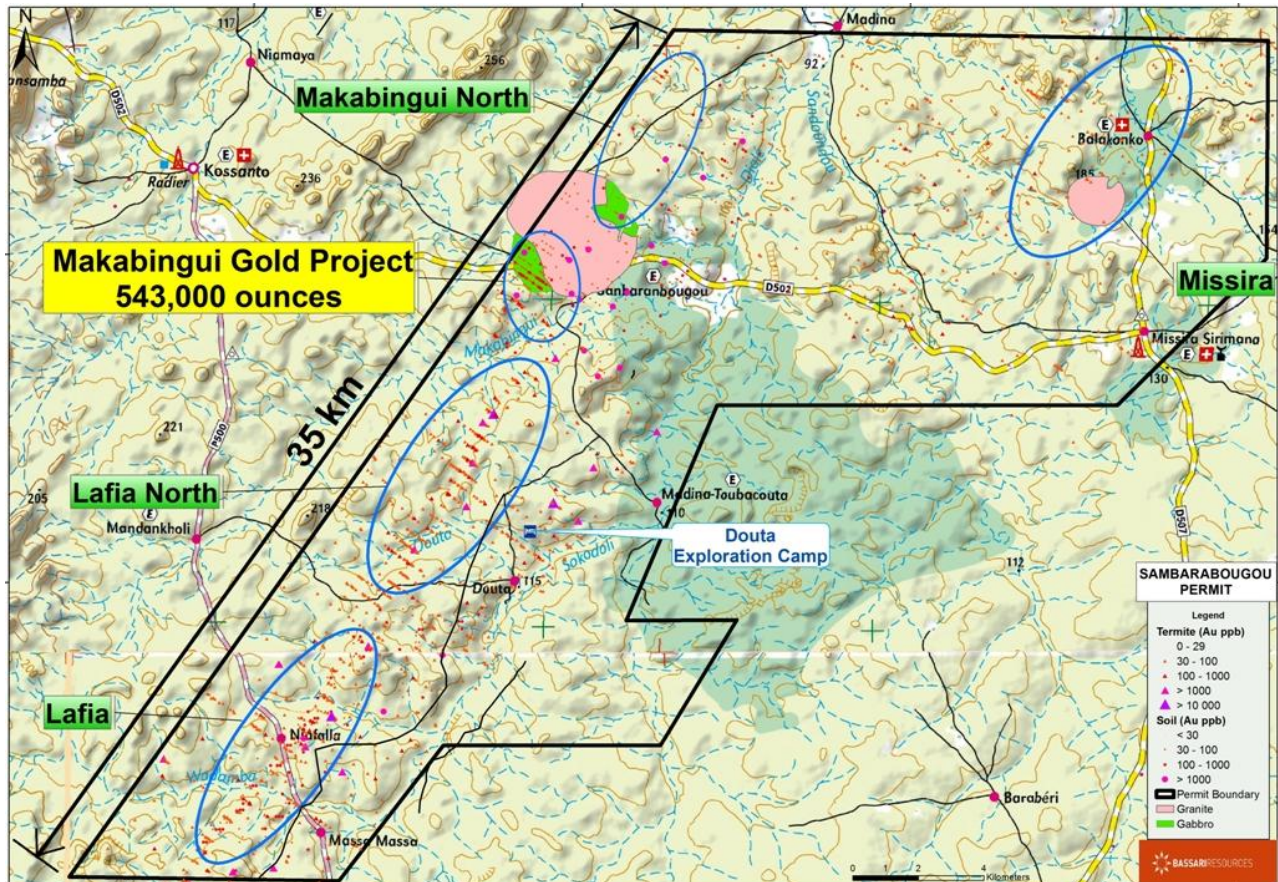


Figure 1 – Sambarabougou Permit – Project & Prospect Location Map

## Makabingui Gold Project

The Makabingui Gold Project is located on the 4 kilometre diameter Sambarabougou Granite. The gold resource is focused within a diorite-metagabbro intrusive located in the south west pressure shadow of the granite and surrounding metasediments (Figure 2).

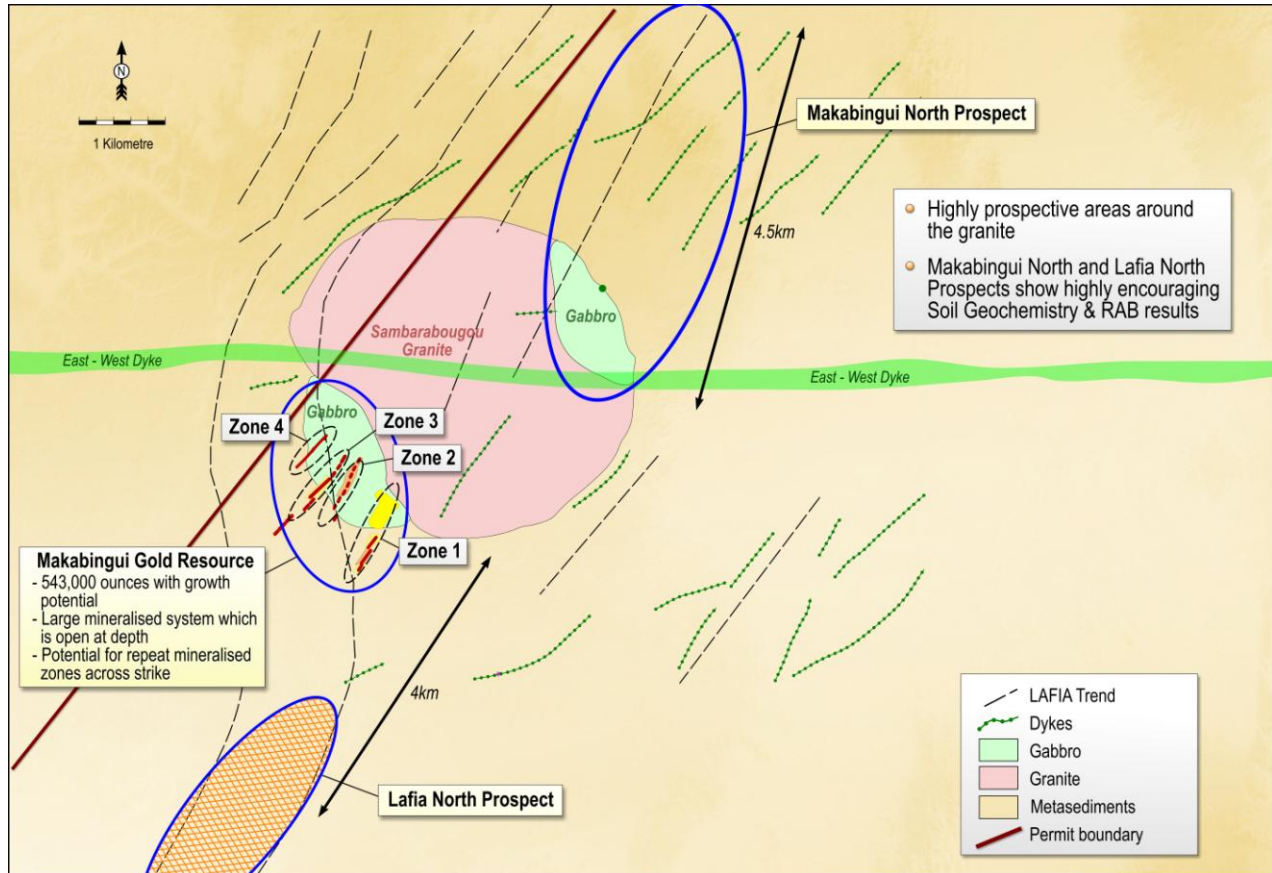
Drilling to date has identified four main easterly dipping zones of gold mineralisation associated with a large easterly dipping system of stacked lodes. On 11 October 2011, Bassari announced that diamond drilling had returned further high grade gold intercepts at Zone 3 including:

- 2m @ 37.3 g/t gold
- 3m @ 14 g/t gold
- 6m @ 4.4 g/t gold

Additional high grade gold intercepts at Zone 3 were subsequently returned including:

- **3m @ 36.6g/t gold** including 1m @ 109g/t gold
- **7m @ 11.8g/t gold** including 1m @ 79.4g/t gold

The results continue to show the growth potential at Makabingui and drilling continued to target new mineralised lodes beneath artisanal workings and high-grade areas about the main lode at Zone 3.



**Figure 2 – Makabingui Gold Project**

On 19 December 2011, Bassari announced a new Global Mineral Resource estimate of **10.8 Mt at 1.6 g/t gold for a total of 543,000 ounces** of gold at a 0.2 g/t gold cut-off grade (see Table 1) for the Makabingui Project. This has resulted in a 126% increase to the maiden resource announced in May 2011.

Contained within the Global Mineral Resource is **6.1 Mt at 2.6 g/t gold for a total of 503,000 ounces** of gold at a 0.5 g/t gold cut-off grade (see Table 2). This is an increase of 110% on the maiden resource.

The new Mineral Resource was independently estimated by AMC Consultants Pty Ltd (AMC). Refer to Appendix A – Resource Parameters.

There is excellent potential to substantially grow the Makabingui resource both across strike and at depth (Figure 3).

**Table 1 – Makabingui Project – Indicated and Inferred Mineral Resources (>0.2g/t Au<sup>(1)</sup>) as at 19 December 2011**

Classification	COG	Tonnage	Au	Au
	Au (g/t)	(Mt)	(g/t)	(oz)
Indicated Zone 1	0.2	2.2	2.1	146,000
Indicated Zone 3	0.2	1.3	4.5	189,000
<b>Total Indicated</b>	0.2	<b>3.5</b>	<b>3.0</b>	<b>335,000</b>
Inferred Zone 1	0.2	1.2	0.7	26,000
Inferred Zone 2	0.2	2.2	0.9	68,000
Inferred Zone 3	0.2	2.9	0.8	78,000
Inferred Zone 4	0.2	1.0	1.2	37,000
<b>Total Inferred</b>	0.2	<b>7.4</b>	<b>0.9</b>	<b>208,000</b>
<b>Total Indicated and Inferred</b>	0.2	<b>10.8</b>	<b>1.6</b>	<b>543,000</b>

Notes to accompany Table 1

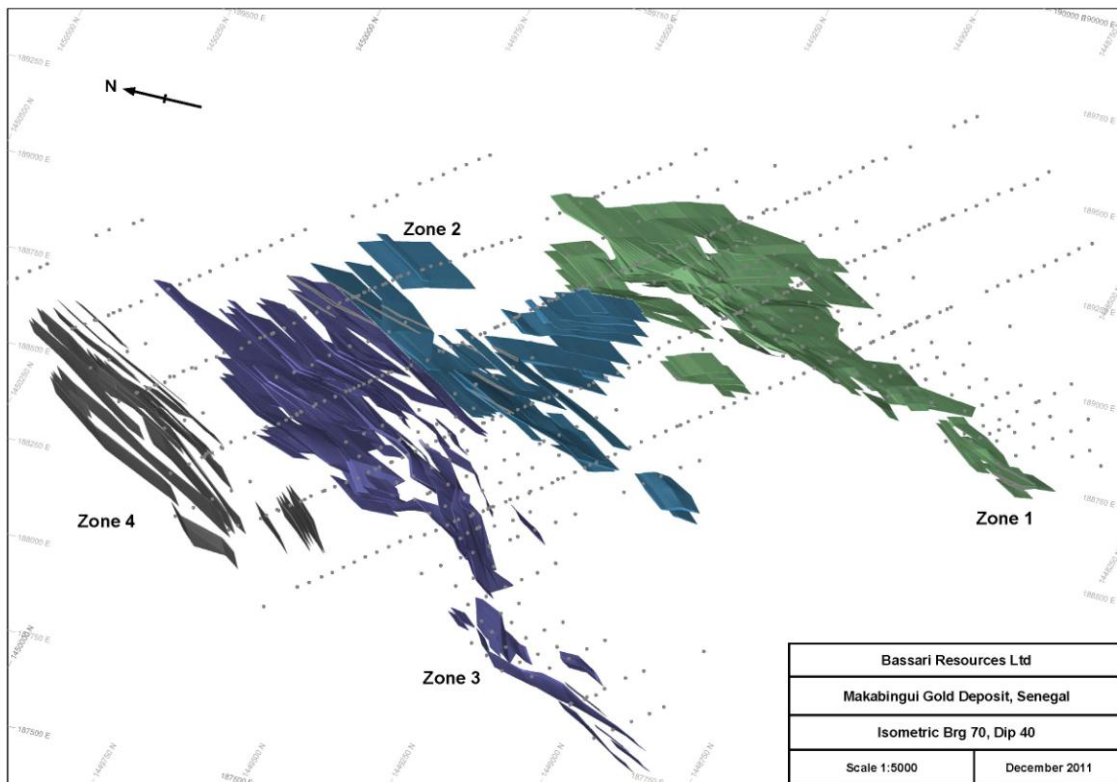
1. Reported at 0.2g/t gold cut-off
2. The Mineral Resource is reported in accordance with the JORC Code
3. All ounces are rounded to the nearest 1,000. Rounding may affect totals
4. COG is defined as cut-off grade
5. Top cut / top cap of 70g/t gold has been applied
6. The base of Indicated Mineral Resource at a COG of 0.2g/t gold is to a depth of no more than 80m below surface
7. Refer Appendix A for Resource Parameters

**Table 2 – Makabingui Project – Indicated and Inferred Mineral Resources (>0.5g/t Au<sup>(1)</sup>) as at 19 December 2011**

Classification	COG	Tonnage	Au	Au
	Au (g/t)	(Mt)	(g/t)	(oz)
Indicated Zone 1	0.5	1.7	2.6	142,000
Indicated Zone 3	0.5	1.0	5.9	186,000
<b>Total - Indicated</b>	0.5	<b>2.7</b>	<b>3.8</b>	<b>328,000</b>
Inferred Zone 1	0.5	0.4	1.4	18,000
Inferred Zone 2	0.5	1.2	1.5	60,000
Inferred Zone 3	0.5	1.2	1.6	63,000
Inferred Zone 4	0.5	0.6	1.8	34,000
<b>Total - Inferred</b>	0.5	<b>3.4</b>	<b>1.6</b>	<b>175,000</b>
<b>Total Indicated and Inferred</b>	0.5	<b>6.1</b>	<b>2.6</b>	<b>503,000</b>

Notes to accompany Table 2

1. Reported at 0.5g/t gold cut-off
2. The Mineral Resource is reported in accordance with the JORC Code
3. All ounces are rounded to the nearest 1,000. Rounding may affect totals
4. COG is defined as cut-off grade
5. Top cut / top cap of 70g/t gold has been applied
6. Refer Appendix A for Resource Parameters



**Figure 3 – Makabingui Gold Project – Isometric View**

### **Makabingui Project (Zone 3)**

During the quarter Bassari released further strong gold intercepts from the Makabingui Zone 3 lodes.

A total of 19 RC holes were drilled for 903 metres and 11 DD holes were drilled for 968.5 metres.

The significant intercepts are summarised in Table 3 below.

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

Hole Number	Zone	Easting	Northing	Section	Type	Interval (m)	Grade g/t Au	From (m)	Assay
RCS112D	3	187659	1448939	99350N	Diamond Core	13	0.9	99	Screen Fire
RCS114D	3	187729	1448896	99350N	Diamond Core	7	0.3	90	Screen Fire
RCS240D	3	188056	1449312	99900N	Diamond Core	2	3.8	96	Screen Fire
						incl. 1	7.2	96	
						1	3.4	196	AAS
						1	1.4	209	Screen Fire
RCS302D	3	187958	1449264	99800N	Diamond Core	2.6	0.4	197.4	Screen Fire
RCS409D	3	188229	1449268	99950N	Diamond Core	7	11.8	150	Screen Fire
						incl. 1	79.4	151.9	
RCS410D	3	188203	1449156	99850N	Diamond Core	1	2.4	169	AAS
						2	0.5	288	AAS
RCS411D	3	188241	1449314	100000N	Diamond Core	3	0.7	131	Screen Fire
RCS412	3	187994	1449353	99900N	Reverse circulation	3	36.6	45	Screen Fire
						incl. 1	109	46	
						5	0.6	56	Screen Fire
RCS413	3	188029	1449400	99950N	Reverse circulation	5	0.3	1	Screen Fire
RCS414	3	187965	1449314	99850N	Reverse circulation	2	0.4	5	AAS
						2	0.4	51	AAS
RCS415D	3	187719	1449007	99450N	Reverse circulation	7	0.5	26	AAS
						6	0.3	47	AAS
RCS416D	3	187751	1448984	99450N	Diamond Core	2	0.7	94.6	AAS
						1	1.7	107.9	AAS
RCS417D	3	187683	1448970	99400N	Diamond Core	12	0.4	121.8	Screen Fire
RCS418D	3	187610	1448847	99250N	Diamond Core	4	0.2	95	AAS
						2	0.5	132	AAS
RCS420D		187826	1449061	99550N	Diamond Core	3.6	0.4	147	Screen Fire
RCS421D	3	188064	1449102	99675N	Diamond Core	2	0.3	201	Screen Fire
						1	1.1	207	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. AAS – Aqua Regia Digest, 50 gram samples.**

## Key results for the Quarter:

- Higher-grade zones are associated with hydrothermal breccias located in dilational jogs at the contact between the gabbro and the metasediments.
- Zone 3 comprises multiple lodes defined as the main, hanging-wall and foot-wall lodes.
- Upgraded Zone 3 Indicated and Inferred Mineral Resource (>0.2g/t Au gold cut-off)
  - 189,000 ounces contained within 1.3 million tonnes at 4.5 g/t gold - Indicated
  - 78,000 ounces contained within 2.9 million tonnes at 0.8 g/t gold - Inferred

## Makabingui Project (Zone 1)

One DD hole was drilled for 122 metres during the quarter. See Table 4 below for the result.

**Table 4: Makabingui Zone 1 Drilling Intercept**

Hole Number	Zone	Easting	Northing	Section	Type	Interval (m)	Grade g/t Au	From (m)	Assay
DDS040	1 South	188536	1448459	99500N	Diamond Core	4	0.6	86	Screen Fire

All holes vertical. 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.

## Key result for the Quarter:

- Upgraded Zone 1 Indicated and Inferred Mineral Resource (>0.2g/t Au gold cut-off)
  - 146,000 ounces contained within 2.2 million tonnes at 2.1 g/t gold - Indicated
  - 26,000 ounces contained within 1.2 million tonnes at 0.7 g/t gold - Inferred

## Makabingui Project (Zone 4)

Zone 4 is located approximately 300 metres to the west of Zone 3. No further drilling took place at Zone 4 during the quarter.

Zone 4 was included in the upgraded resource estimation which resulted in an Inferred Mineral Resource (>0.2g/t Au gold cut-off) of 37,000 ounces contained within 1.0 million tonnes at 1.2 g/t gold.

Zone 4 remains open, mainly across strike to the North West, along strike and at depth.

## Makabingui Project (Zone 2)

Zone 2 is located approximately 100 metres to the east of Zone 3. No further drilling took place at Zone 2 during the quarter.

Zone 2 was included in the upgraded resource estimation which resulted in an Inferred Mineral Resource (>0.2g/t Au gold cut-off) of 68,000 ounces contained within 2.2 million tonnes at 0.9 g/t gold.

A total of 49 Rotary Air Blast (RAB) holes were completed totalling 1,331 metres.



The best intercepts are summarised in Table 5 below.

**Table 5: Makabingui Zone 2 - RAB Drilling Intercepts**

Hole Number	Prospect	Easting	Northing	Section	Type	Interval (m)	Grade g/t Au	From (m)	Assay
2600	Makabingui Zone 2	187972.33	1448771.72	99400N	Rotary air blast	5	2.2	20	AAS
2625		188110.13	1448916.83	99600N		3	0.3	12	
2626		188103.05	1448921.62	99600N		5	0.3	0	

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. AAS – Aqua Regia Digest, 50 gram samples.

Geochemical drilling confirmed extension of Zone 2 to the south.

### **Makabingui North Prospects – RAB Drilling**

RAB geochemical drilling continued during October 2011 and was then placed on hold pending a strategic review. The strategic review will be based on the airborne geophysical survey planned for the current quarter.

A total of 144 RAB holes were drilled for 3,237 metres during the quarter. There were no significant intercepts returned; however previous RAB results reported (refer September 2011 Quarterly Activity Report) determined the following key outcomes:

- 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.

### **Missira Prospect - Termite Mound Geochemical Program**

A termite mound sampling program on a grid of 200 metres by 50 metres commenced in December. The program is designed to assist drill target definition in the highly prospective area around the syntectonic Missira Granite.

A total of 1916 termite samples were collected over 11 lines (Figure 4).

Partial results have been returned with some high values including:

- 2046 ppb Au
- 1373 ppb Au
- 1086 ppb Au

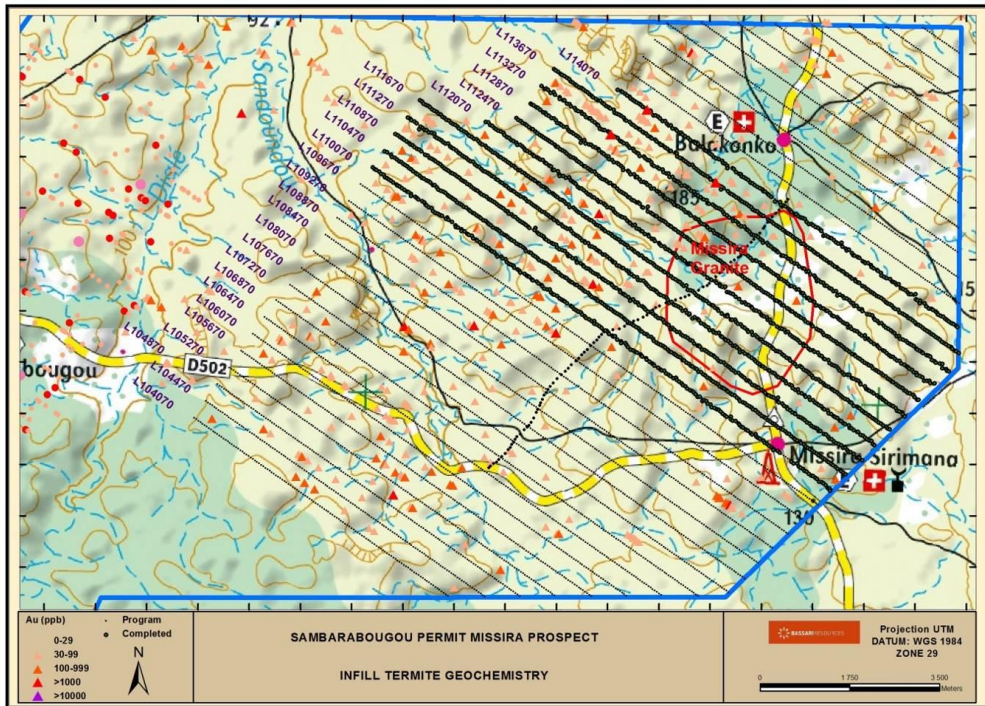


Figure 4: Missira Prospect Termitite Geochemistry

### Moura Permit (Bassari 70%)

The most northern of Bassari's three contiguous permits, Moura contains the Konkouto, Bennajjigi, Kawsara, Kawsara North, Bountou, Yoroya and Sambali Prospects (Figure 5). Three of these prospects, Konkouto, Bennajjigi and Kawsara, are RC drill ready.

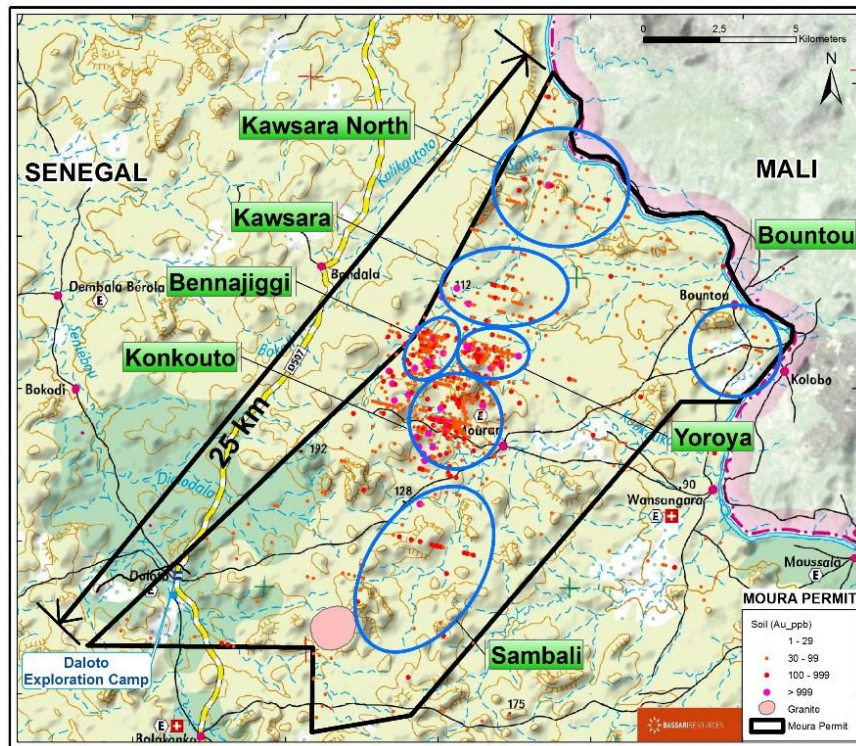


Figure 5 – Moura Permit – Prospect Location Map

## Konkouto Prospect

The Konkouto Prospect is located some 35 km north east of Bassari's most advanced gold discovery, the Makabingui Project. It is centred on a low 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.

Strong Rotary Air Blast (RAB) results from drilling undertaken in August 2011 demonstrated potential for a significant mineralised system. The initial assay results received from Bassari's follow up RC drilling program supports the interpretation from the earlier RAB program. The objective is to delineate a substantial gold resource.

The recent RC drilling program totalling 2025 metres in 25 holes (Table 6) has firmed up the geological model for Konkouto that shows a 40-60 metre wide and steeply dipping zone trending approximately east-west (Figure 6). The mineralisation is associated with quartz-carbonate veins and veinlets with pyrite in a sedimentary package characterised mainly by foliated and folded greywackes and shales.

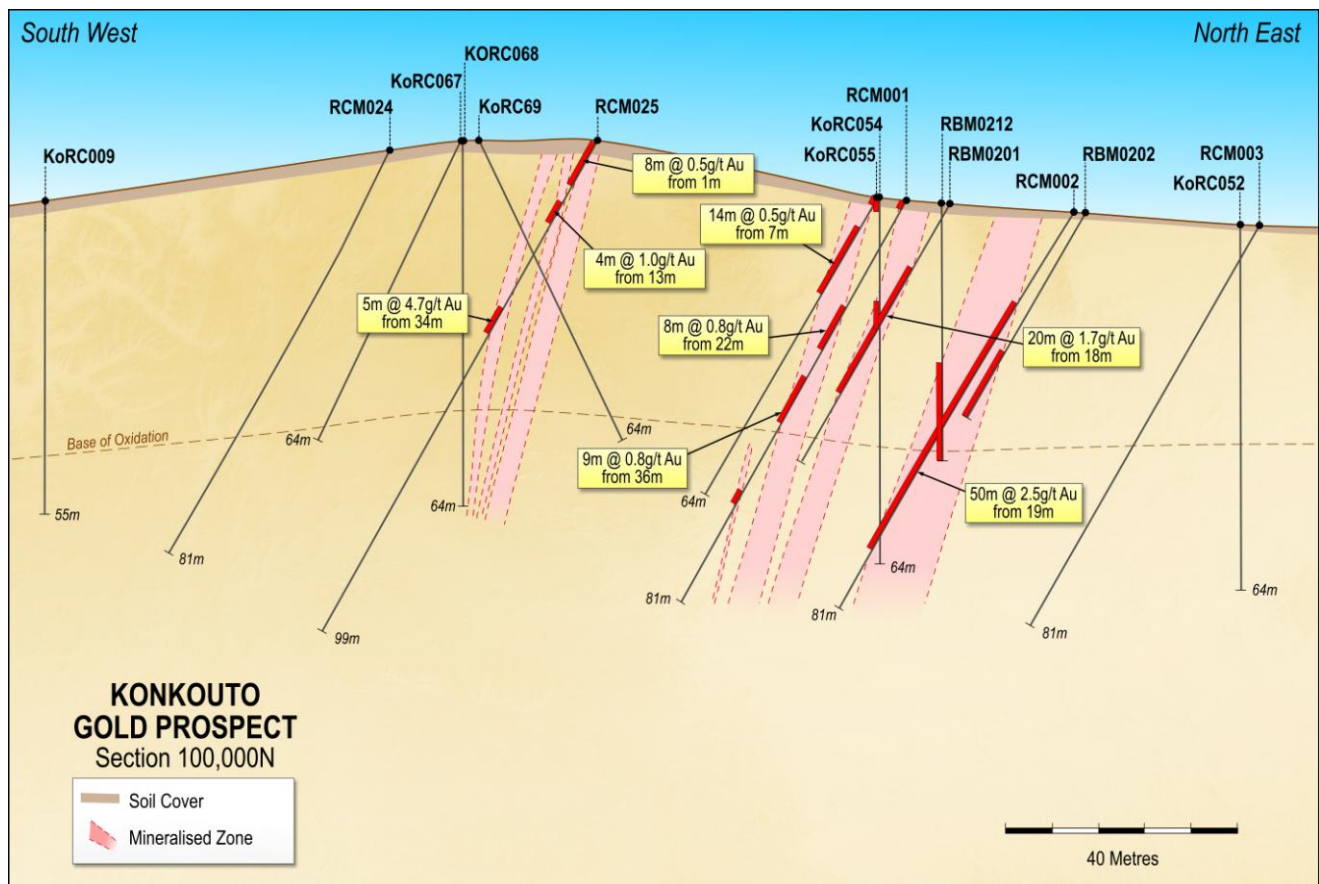


Figure 6 – Konkouto Prospect – Section L100,000

To date drilling has intersected gold mineralisation over a strike of some 600 metres (Figure 7). The zone remains open both to the east and west and at depth. Further RC/DD drilling to be undertaken this quarter will target extensions of the zone at depth and both to the east and west. The drilling will be undertaken on a revised grid at an azimuth of 010 degrees to better test the mineralised zone. Subsequent diamond coring will test the zone at depth.

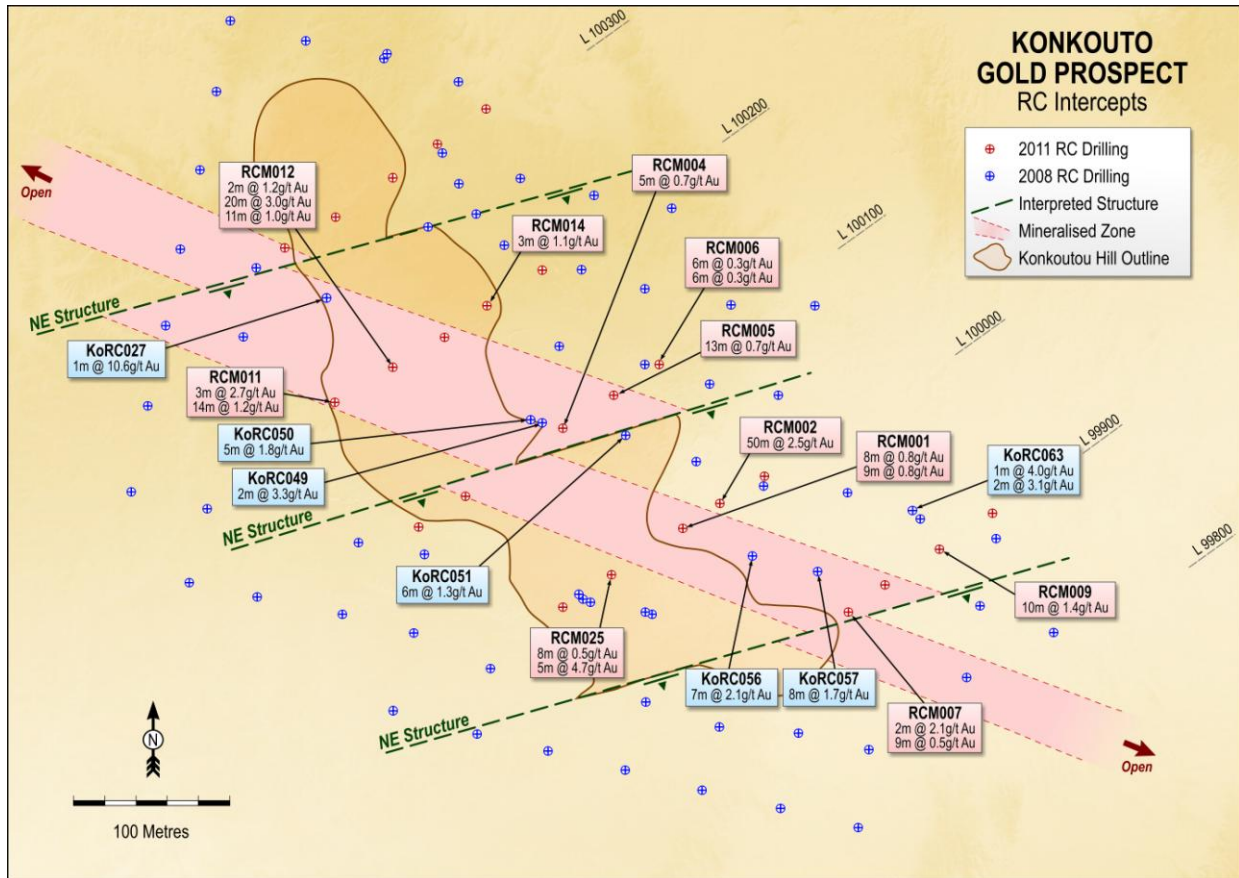


Figure 7 – Konkouto Prospect – Plan

**Table 6: Konkouto Prospect RC Assay results**

Hole Number	Easting	Northing	Section	Type	Interval (m)	Grade (g/t) Au	From (m)	Assay
RCM001	214970.57	1464125.76	100,000N	Reverse circulation	8	0.8	22	AAS
					9	0.8	36	AAS
					2	0.6	59	AAS
RCM002	214995.29	1464141.59	100,000N	Reverse circulation	50	2.5	19	AAS
RCM003	215022.74	1464158.77	100,000N	Reverse circulation	No Significant Result			AAS
RCM004	214895.02	1464189.19	100,100N	Reverse circulation	5	0.7	65	AAS
RCM005	214927.26	1464210.63	100,100N	Reverse circulation	13	0.7	53	AAS
RCM006	214956.3	1464230.38	100,100N	Reverse circulation	6	0.3	66	AAS
					6	0.3	75	AAS
RCM007	215076.45	1464072.5	99,900N	Reverse circulation	2	2.2	0	AAS
					9	0.5	5	AAS
RCM008	215100.43	1464089.61	99,900N	Reverse circulation	No Significant Result			AAS
RCM009	215134.35	1464112.6	99,900N	Reverse circulation	2	0.7	31	AAS
					3	0.3	42	AAS
					10	1.4	50	AAS
RCM010	215168.66	1464135.65	99,900N	Reverse circulation	No Significant Result			AAS
RCM011	214748.59	1464205.83	100,200N	Reverse circulation	3	2.7	2	AAS
					14	1.2	8	AAS
					4	0.8	77	AAS
RCM012	214786.66	1464228.31	100,200N	Reverse circulation	2	1.2	19	AAS
					20	3	32	AAS
					3	0.5	58	AAS
					11	1	73	AAS
RCM013	214818.22	1464248.13	100,200N	Reverse circulation	2	0.5	27	AAS
					2	0.6	63	AAS
RCM014	214846.17	1464267.01	100,200N	Reverse circulation	3	1.1	71	AAS
RCM015	214881.44	1464290.89	100,200N	Reverse circulation	No Significant Result			AAS
RCM016	214717.22	1464304.83	100,300N	Reverse circulation	No Significant Result			AAS
RCM017	214750.34	1464324.63	100,300N	Reverse circulation	No Significant Result			AAS
RCM018	214786.06	1464349.59	100,300N	Reverse circulation	No Significant Result			AAS
RCM019	214815.03	1464370.95	100,300N	Reverse circulation	No Significant Result			AAS
RCM020	214846.37	1464393.14	100,300N	Reverse circulation	No Significant Result			AAS
RCM021	214803.04	1464126.59	100,100N	Reverse circulation	No Significant Result			AAS
RCM022	214832.67	146146.22	100,100N	Reverse circulation	No Significant Result			AAS
RSM023	214861.35	1464169.19	100,100N	Reverse circulation	No Significant Result			AAS
RSM024	214895.1	1464075.53	100,000N	Reverse circulation	No Significant Result			AAS
RCM025	214925.31	1464096.23	100,000N	Reverse circulation	8	0.5	1	AAS
					4	1	13	AAS
					5	4.7	34	AAS
					inc. 1	22.1	35	AAS

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 2 metres of waste. Downhole length, true width not known. AAS – Aqua Regia Digest, 50 gram samples

The key outcomes of the drilling program are:

- New significant zone of gold mineralisation confirmed.
- East-west trending mineralised zone over a strike length in excess of 600 metres, open in both directions and at depth.
- Geological model firmed up showing a 40-60 metre wide and steeply dipping zone.
- Mineralisation is associated with quartz-carbonate veins and veinlets with pyrite in a sedimentary package characterised mainly by foliated and folded greywackes and shales.

## Bennajiggi Gold Prospect

The Bennajiggi Prospect is located 38km north east of Bassari's most advanced gold discovery, the Makabingui Project, and 3km north of the Konkouto Prospect. It is centred on a series of well exposed east west trending and steeply dipping quartz lodes within sheared and altered metasediments. The quartz veins appear to be tensional structures localised within a major northerly trending shear zone (Figure 8). There are 10 RC holes for 822 metres completed with assays pending. The holes were completed on a grid at an azimuth of 360 degrees and drilled at a dip of 60 degrees.

Previous exploration undertaken included trenching and pitting and an initial phase of shallow RC drilling. Intersections previously reported in 2008 include 1m @ 5.9g/t Au from 20 metres, 2m @ 1.8g/t Au from 46 metres and 3m @ 0.7g/t Au from 36 metres in separate drill holes.

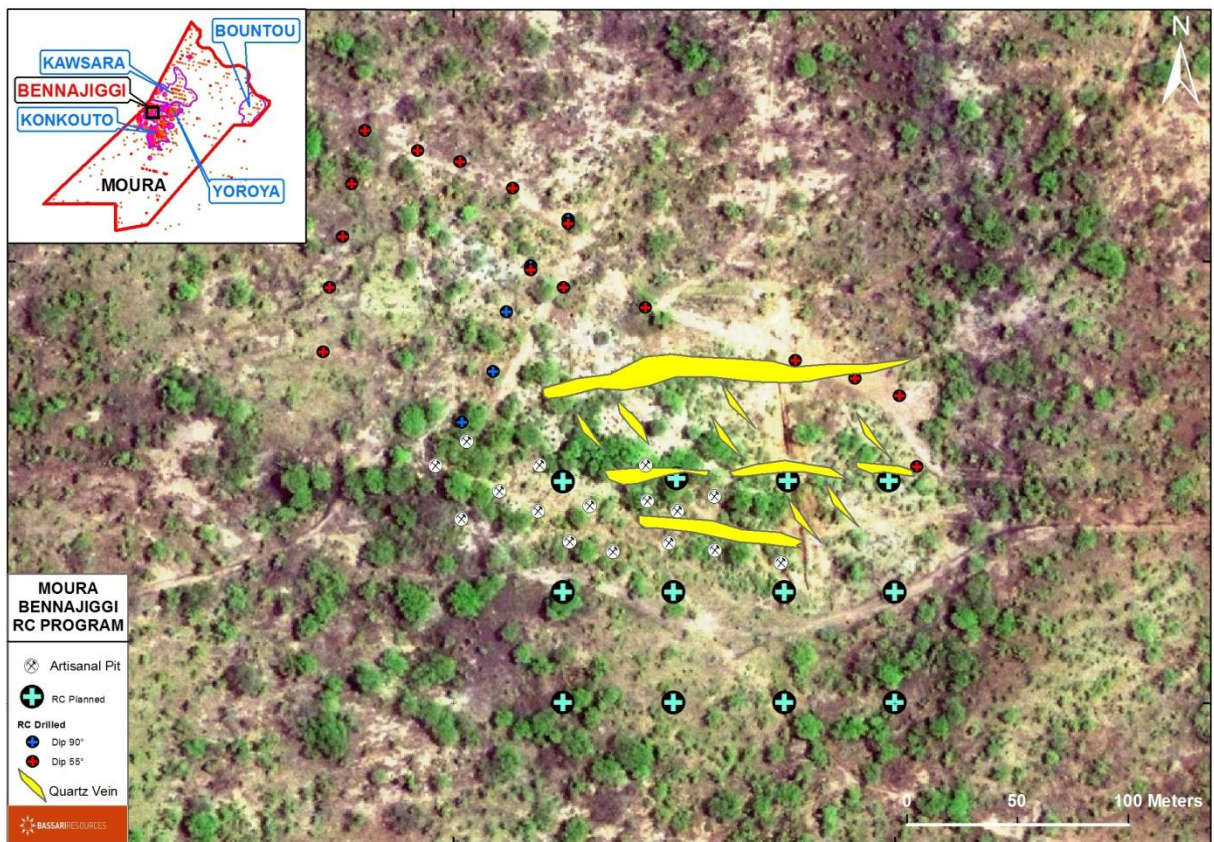


Figure 8 – Bennajiggi Prospect – Plan

## Bounsankoba Permit (Bassari 70%)

No exploration was undertaken during the December quarter. The Sekhoto Prospect is ready for RC drilling and scheduled for April 2012.

## **Corporate**

On 25 November 2011 the Company appointed Mr Chris Young as Non-Executive Director of Bassari.

### **Chris Young – BSc (Geology and Geophysics) MAusIMM MAIG**

Chris graduated from Sydney University in 1966 and has followed a career in Mineral Exploration, Exploration Management and Business Development for more than 40 years.

Chris was Chief Geologist for Mineral Deposits Limited, where he was responsible for the geological development of the successful Sabodala Gold Deposit situated in eastern Senegal and the Grande Cote Mineral Sands project located in the Atlantic Coast North East of Dakar in Senegal, West Africa.

On 7 December 2011 the Company appointed Mr John Ballard as Non-Executive Director of Bassari.

### **John Ballard – BSc(Maths), BSc(Eng) ARSM, FAusIMM, FIMMM, CEng**

John has more than 35 years experience within the resources sector in corporate and project development in both investment banking as a financial advisor and in general management of finance and commercial functions with mining companies. He has worked extensively on both international and domestic resource transactions.

Originally working as a mining engineer in Broken Hill, he has since held senior roles in business development and finance with Rio Tinto Group in Australia and UK, European Banking Company (UK), National Australia Bank Group, Savage Resources Limited, North Limited and Oxiana Limited.

He has established his own corporate advisory consultancy providing independent corporate advice in the resources industry relating to project and corporate finance, business and corporate development and project due diligence. His main focus has been on arranging finance for resource projects, acquisitions and divestments, commercial aspects of project development, corporate and project reviews and valuations, investment advice and due diligence.

At Bassari's AGM in November 2011, a motion to re-elect Mr Jonathan Warner as a Director was not carried as the result of a poll, and a motion to re-elect Dr David S Tyrwhitt was withdrawn.

**About Bassari**

Melbourne based West African gold explorer Bassari Resources Limited (ASX:BSR) has a strategic portfolio of exploration permits focused on the Birimian Gold Belt in Senegal. The permits cover an area of 850km<sup>2</sup> with 80km of strike along the combined three contiguous permits. The permits are located within the Kenieba Inlier which is a 50 M ounce gold region. Bassari's vision is to discover and delineate gold resources which can be developed into profitable operations.

**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 Douta 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 the 2004 Edition of the "Australasian Code for 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 in which it appears.

Information in this documentation that relates to Mineral Resources is based on information compiled by Miss T L Burrows, who is a Member of the Australian Institute of Geoscientists and is a full-time employee of AMC Consultants Pty Ltd. Miss Burrows has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity, which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Miss Burrows consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

**For further information please contact:**

**Jozsef Patarica**

**Bassari Resources Limited**

**Tel: +61 419 899 966**

**Email: [jozsef@bassari.com.au](mailto:jozsef@bassari.com.au)**



## Appendix A - Resource Parameters

A Mineral Resource estimate for the Makabingui deposit was completed during December 2011 utilising a digital three-dimensional block model estimation incorporating the assay results of 410 drill holes. The drill holes are a mixture of rotary air blast (RAB), reverse circulation (RC), RC with diamond drill core (DDH) tails and DDH. The RAB holes have been used in the geological interpretation but omitted from the block model estimation due to the possibility of sample contamination down hole.

The interpretation was completed using a sectional method and a cut-off grade 0.2 g/t gold. These sections were linked to form three dimensional shells which were then filled with parent block model cells of 5mE by 25mN by 5mRL in size. Grade domains representing either 0.2 g/t to 0.5 g/t gold, or >0.5 g/t gold were allocated to the block model. This was done by coding the length weighted average mineralised intervals down the hole by domain and then using the nearest neighbour estimation method to assign a domain code.

A statistical review of the drill hole data was completed. A top cut/top cap at 70g/t gold was used. The samples were composited to 1m within each grade domain. The drill data was transformed using a normal score transformation and semi-variograms generated. The block model was estimated using parent cell estimation and ordinary Kriging (OK). The length weighted density was calculated for the oxide material and for the fresh material from 10,320 samples which had been measured for density. A density of 1.7 g/m<sup>3</sup> was used for the oxide and 2.6g/m<sup>3</sup> was used for the fresh material.

The mineralisation exhibits geological and grade continuity at a 0.2 g/t gold cut-off grade and was classified according to the JORC Code on domain and drill spacing. A drill density of 25 m by 25 m for the >0.5 g/t domain was classified as Indicated. A drill density of 25 m by 25 m >0.2 g/t gold < 0.5 g/t gold above 80 m below surface was classified as Indicated. The 25 m by 25 m >0.2 g/t gold < 0.5 g/t gold below 80 m from surface was classified as Inferred due to the higher risk associated with such low grade material. All mineralisation which has been estimated on a larger than 25 m by 25 m drill spacing has been classified as an Inferred Mineral Resource.

# 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")

31 December 2011

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
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	(1,434) - (435)	(3,423) (315) (837)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	44	61
1.5 Interest and other costs of finance paid	-	(7)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(1,825)</b>	<b>(4,521)</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	51	101
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>51</b>	<b>101</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,774)</b>	<b>(4,420)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,774)	(4,420)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	6,329
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	100
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Costs of capital raising	(26)	(520)
	<b>Net financing cash flows</b>	<b>(26)</b>	<b>5,909</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,800)</b>	<b>1,489</b>
1.20	Cash at beginning of quarter/year to date	3,560	273
1.21	Exchange rate adjustments to item 1.20	6	4
1.22	<b>Cash at end of quarter</b>	<b>1,766</b>	<b>1,766</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	105
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.*

+ See chapter 19 for defined terms.

	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	1,200
4.2 Development	-
4.3 Production	-
4.4 Administration	400
<b>Total</b>	<b>1,600</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	566	560
5.2 Deposits at call	1,200	3,000
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,766</b>	<b>3,560</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		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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> <i>(description)</i>				
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				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	19,508,101 59,275,839 3,500,000 2,500,000	19,508,101 59,275,839 Nil Nil	<i>Exercise price</i> 20 cents 11 cents 45 cents 30 cents	<i>Expiry date</i> 30-06-2012 30-11-2012 31-01-2013 31-12-2013
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
------	-------------------------------	--	--

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company Secretary)

Date: 31 January 2012

Print name: Ian Riley

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

---

+ See chapter 19 for defined terms.