



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	572,648,689
Listed options	59,275,839
Unlisted options	5,800,000
No of shareholders	1,814
Top 20	38%

INVESTMENT HIGHLIGHTS

Exploration permits cover approx. 850 km² 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.
- Makabingui Gold Project, Mineral Resource (February 2012) 503,000 ounces in 6.1 Mt at 2.6 g/t gold at a 0.5 g/t cut-off, comprising:
 - Indicated, 328,000 ozs in 2.7Mt at 3.8g/t gold
 - Inferred, 175,000 ozs in 3.4Mt at 1.6g/t gold
- Gold intersected over a wide interval at Konkouto Prospect.

BOARD AND MANAGEMENT

John Ballard

Chairman

Jozsef Patarica

Managing Director/CEO

Chris Young

Non Executive Director

Ian Riley

Company Secretary/Chief Financial Officer

CONTACT US

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ASX Release

22 October 2012

September 2012 Quarterly Activity Report

Bassari Resources Limited (ASX:BSR) is pleased to report its activities for the September 2012 quarter on the Company's gold projects and prospects in Senegal, West Africa.

Highlights

Makabingui Gold Project

- **Progressive results from the current drilling program continue to support the Company's objective of growing the gold resource to +1 million ounces**
- **High-grade gold results include the following intercepts:**
 - **6m @ 22.8 g/t gold**
 - **3m @ 36.6 g/t gold**
 - **8m @ 4.5 g/t gold**
 - **4m @ 4.5 g/t gold**
 - **4m @ 8.6 g/t gold**
 - **6m @ 6.7 g/t gold**
 - **2m @ 8.4 g/t gold**
 - **2m @ 7.6 g/t gold**
- **More recent significant near surface gold intercepts include:**
 - **2m @ 2.8 g/t gold**
 - **3m @ 2.8 g/t gold**
 - **8m @ 2.2 g/t gold**
- **Mineralised system remains open at depth, across and along strike**
- **Resource drilling program to be completed in December quarter**

Aeromagnetic/radiometric survey

- **Geophysical interpretation on regional scale completed**
- **Numerous (+32) targets identified**
- **Internal review of all targets in progress**

Exploration Activities – Key Achievements

September 2012 Quarter

- **Makabingui Gold Project**
 - Progressive results from the ongoing drilling program continue to support the objective of growing the gold resource to +1 million ounces
 - 27,500 (as at 22 October) metres drilled this year to date, split approximately 17,500 metres of diamond drilling (DD) and 10,000 metres of reverse circulation (RC) drilling
 - Resource drilling has intersected predicted extensions of known lode positions at depth as well as additional lodges along and across strike
 - Assay results from the combined RC and DD program, representing approximately 70% of the program to date, confirm resource growth potential. Significant assay results include the following new intercepts:
 - **2m @ 4.8 g/t gold from 117 metres, 6m @ 22.8 g/t gold from 192.3 metres and 6.2m @ 2.2 g/t gold from 302.4 metres (RCS166D)**
 - **3m @ 36.6 g/t gold from 45 metres (RCS412D)**
 - **2m @ 7.6 g/t gold from 13 metres (RCS445)**
 - **4m @ 2.2 g/t gold from 88 metres (RCS448D)**
 - **8m @ 4.5 g/t gold from 99 metres (RCS029D)**
 - **4m @ 8.6 g/t gold from 95 metres (RCS433D)**
 - **6m @ 6.7 g/t gold from 46 metres (RCS460D)**
 - **4.2m @ 4.5 g/t gold from 66.3 metres (DDS041)**
 - **2m @ 8.4 g/t gold from 93.5 metres (RCS249D)**
 - **4m @ 3.7 g/t gold from 419 metres (RCS403D)**
- **Konkouto Gold Prospect**
 - Trenching program completed
 - Structural study completed
 - Independent review in progress to assess resource potential
- **Airborne Geophysical Survey**
 - Geophysical interpretation on regional scale complete
 - Numerous (+32) targets identified
 - Internal review of all targets underway

December 2012 Quarter – Planned Activities

- Makabingui Gold Project – Complete resource drilling program and undertake independent estimation of resource
- Konkouto Gold Prospect – Complete independent geological review to assess resource potential and design a follow up drilling program
- Airborne Geophysical Survey – Complete internal review of geophysical interpretation, prioritise prospects and develop exploration program to advance selected prospects

Exploration Activities & Results

The Company's exploration permits cover an area of 850km² over prospective Birimian Gold Belt within the Kenieba Inlier (Figure 1).

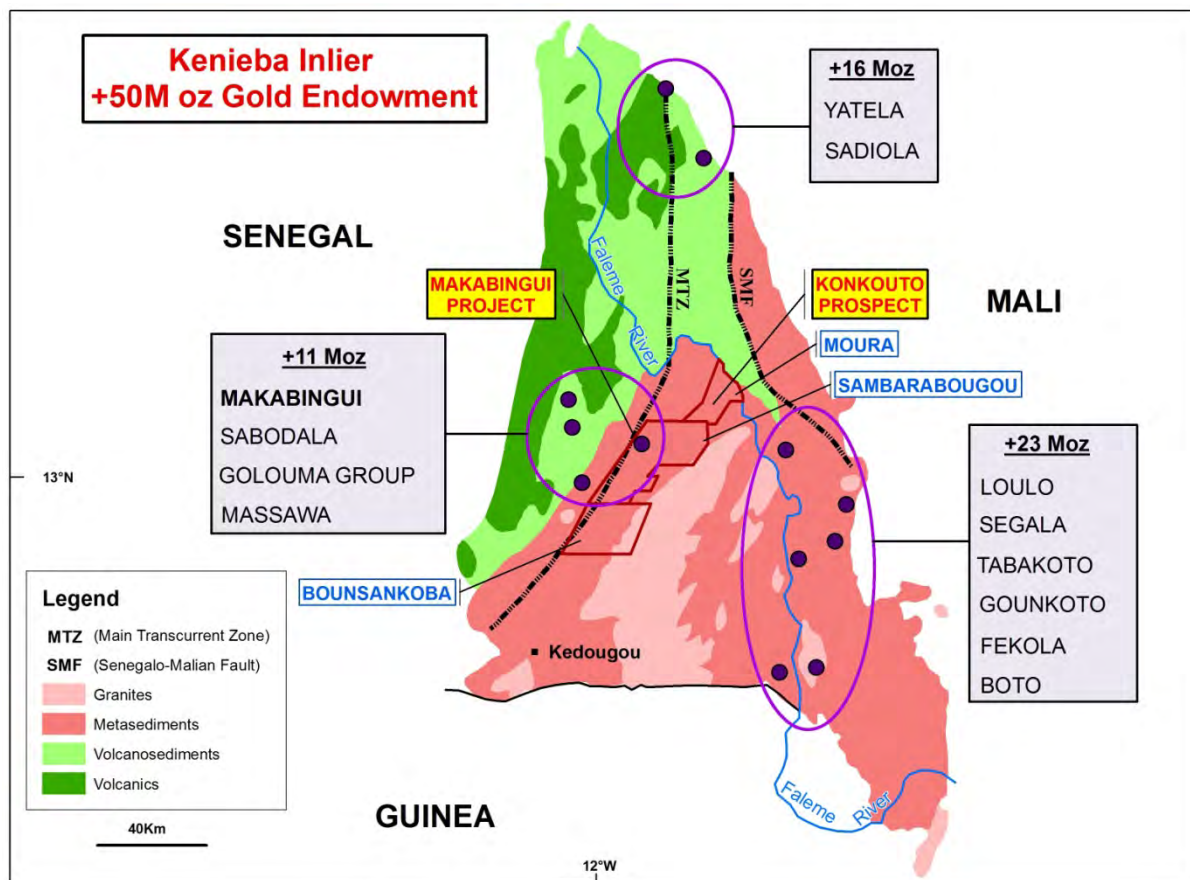


Figure 1 – Sambarabougou Permit – Project & Prospect Location Map

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 2).

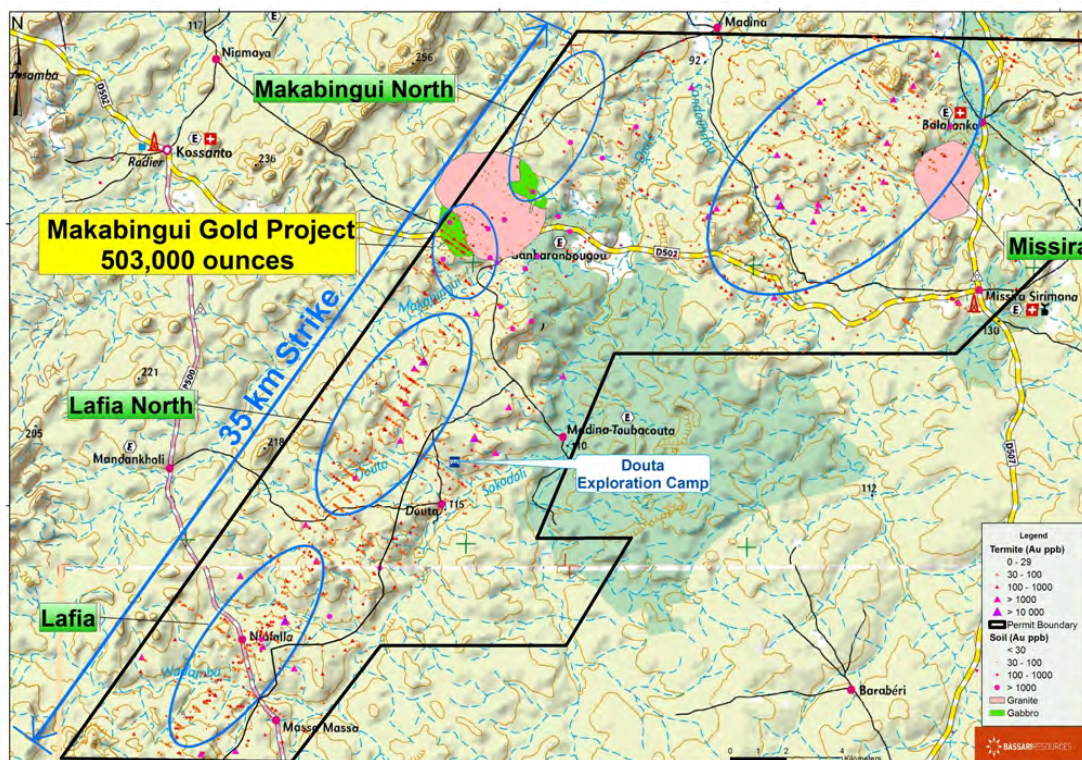


Figure 2 – Sambarabougou Permit – Project & Prospect Location Map

Makabingui Gold Project Update

Gold inventory at Makabingui (February 2012) is 503,000 ounces in 6.1Mt at 2.6 g/t gold at a 0.5 g/t cut-off. The resource was defined to an average depth of 115 metres and preliminary metallurgy points to high recoveries and a simple processing path. The majority of the resource (~65%) is classified in the Indicated category.

27,500 metres have been drilled (as at 22 October 2012), split approximately 17,500 metres of DD and 10,000 metres of RC drilling. Drilling progress during late September and early October was slowed by heavy rains which limited access at creek crossings. The Company's well established road infrastructure minimised the impact of the rains during the wet season.

Drilling focused on the host metagabbro between lines 99,600N and 100,800N on 100 metre spaced lines with 100 metre spaced drill holes along the lines (Figure 3). The drilling program includes the extension of a considerable number of holes completed as part of the previous resource expansion program in 2011. Drilling continues to intersect predicted extensions of known lode positions at depth, as well as additional lodes along and across strike.

Assay results to date demonstrate depth extent and grade continuity for several distinct lodes within a larger mineralised system.

Assays returned represent ~70% of the program drilled to date.

As a result of the slow sample turnaround times throughout West Africa, the Company is evaluating the feasibility for onsite sample preparation activities that would provide flexibility to airfreight samples to any commercial laboratory in the world. We are working closely with local laboratories to return assays as quickly as possible for the remainder of the current drill program.

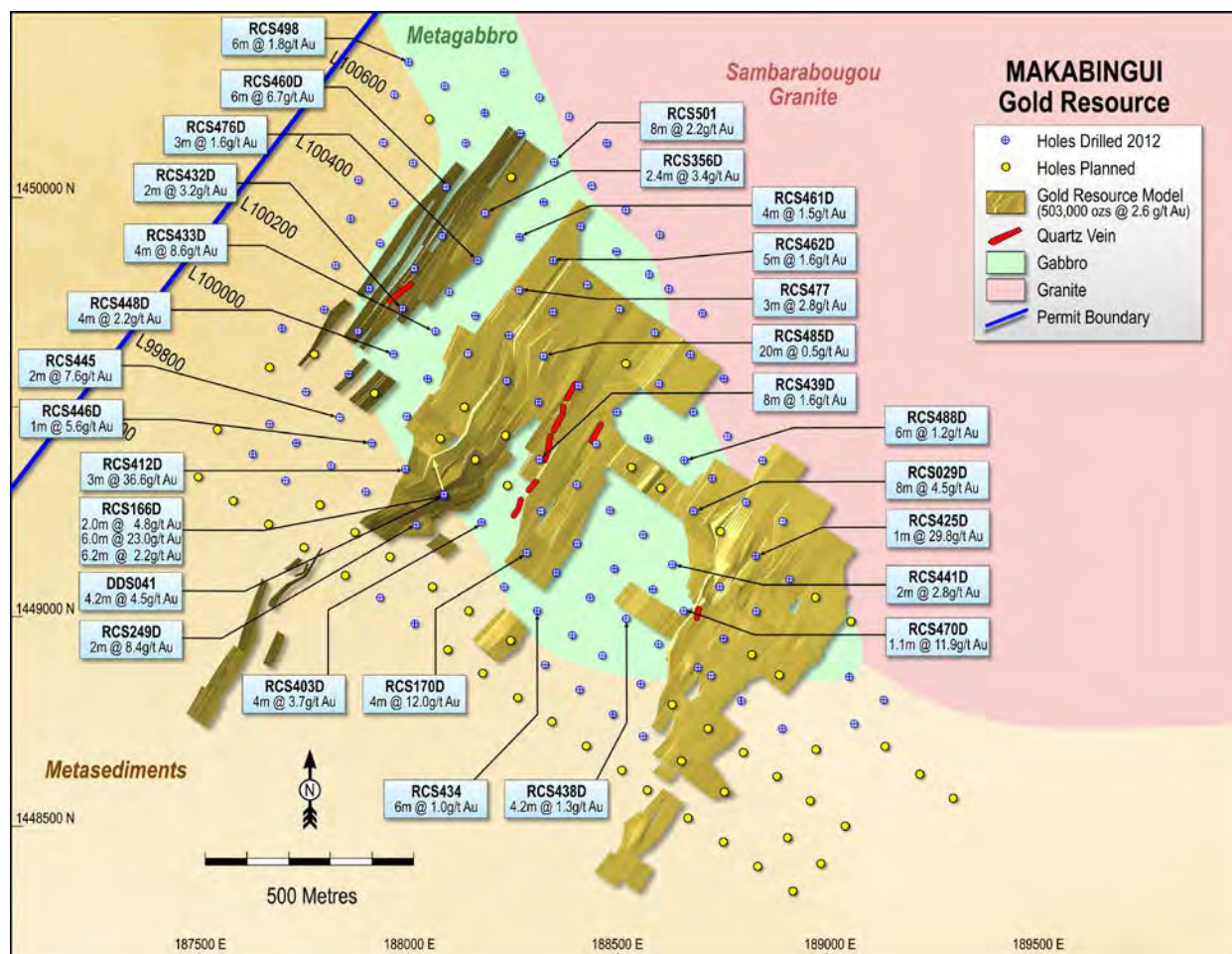


Figure 3 – Makabingui Gold Project Plan

Enhanced Geological Model

Zones of higher grade mineralisation are recognised throughout the Makabingui deposit. Drill hole DDS041 located on line 99,900N was oriented at 350° azimuth and inclined at 60° to intersect the lode formed by the intersection of NE and ENE trending structures (steeply dipping to the south-east) originally identified in hole RCS166D in the current drill program.

DDS041 returned **4.2m @ 4.5 g/t gold from 66.3 metres** from a locally brecciated and altered (silica and carbonate) lode confirming the geological model (Figure 4).

The same NE trending mineralised lode was also intersected by drill hole RCS249D located on line 99,800N which returned **2m @ 8.4 g/t gold from 93.5 metres** (Figure 5).

RCS166D also located on line 99,900N intersected **2m @ 4.8 g/t gold from 117 metres, 6m @ 22.8 g/t gold from 192.3 metres and 6.2m @ 2.2 g/t gold from 302.4 metres** illustrating the large stacked shallow easterly dipping mineralised system. Drill core shows strong alteration associated with silica, pyrite, arsenopyrite and visible gold (Figure 6). The alteration zones are related to a strong brittle deformation characterised by a tectonic and hydrothermal breccia.

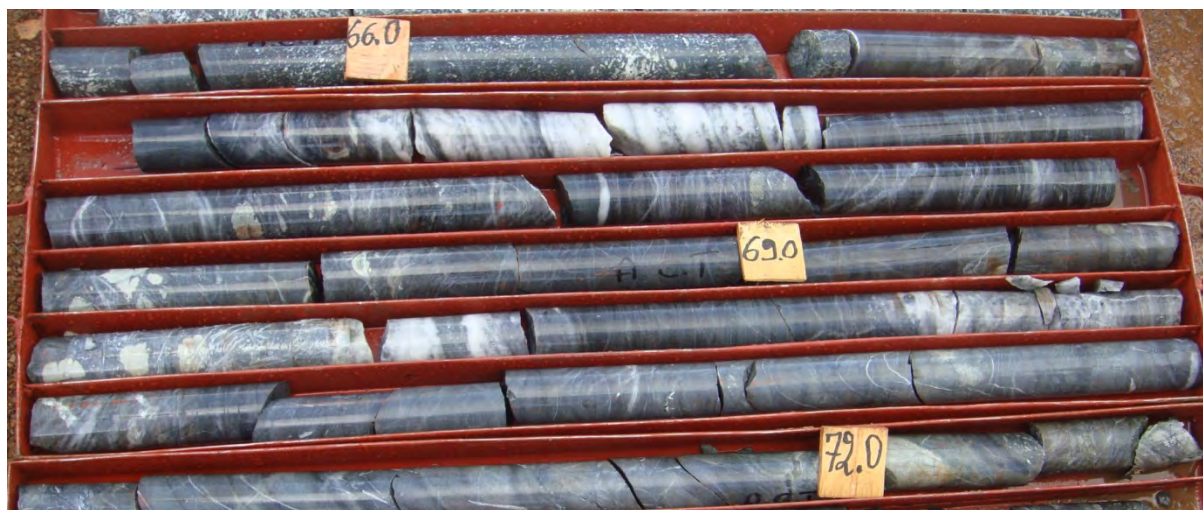


Figure 4 – Drill hole DDS041 – 4.2m @ 4.5 g/t gold from 66.3 metre intercept

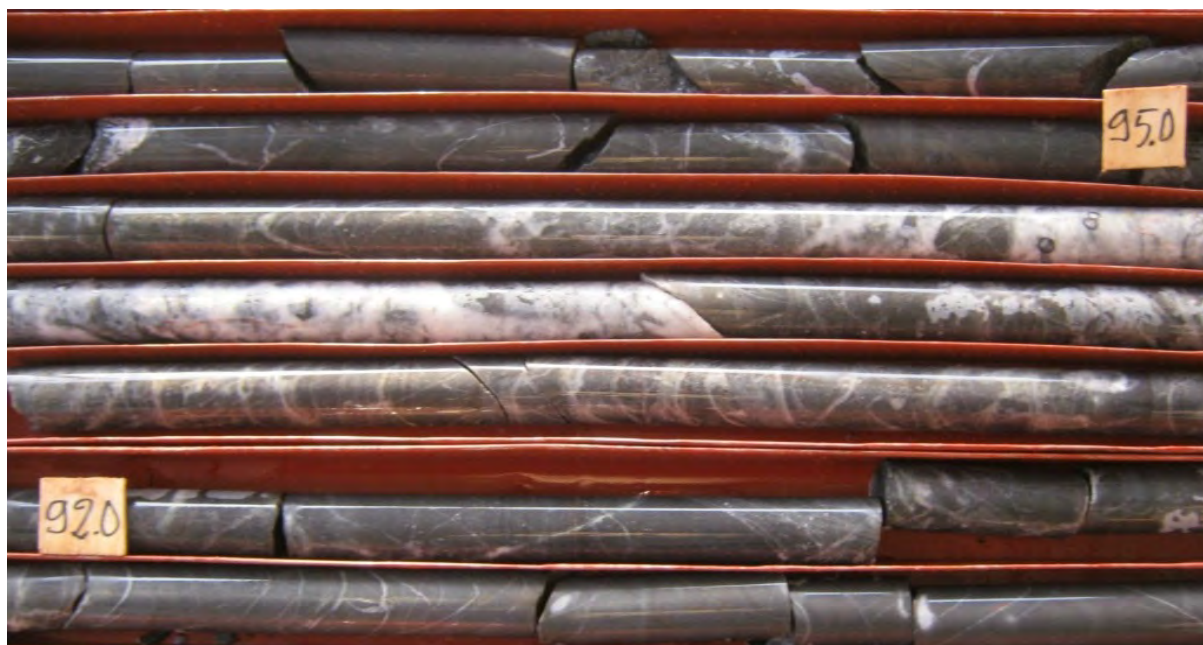


Figure 5 – Drill hole RCS249D – 2m @ 8.4 g/t gold from 93.5 metre intercept

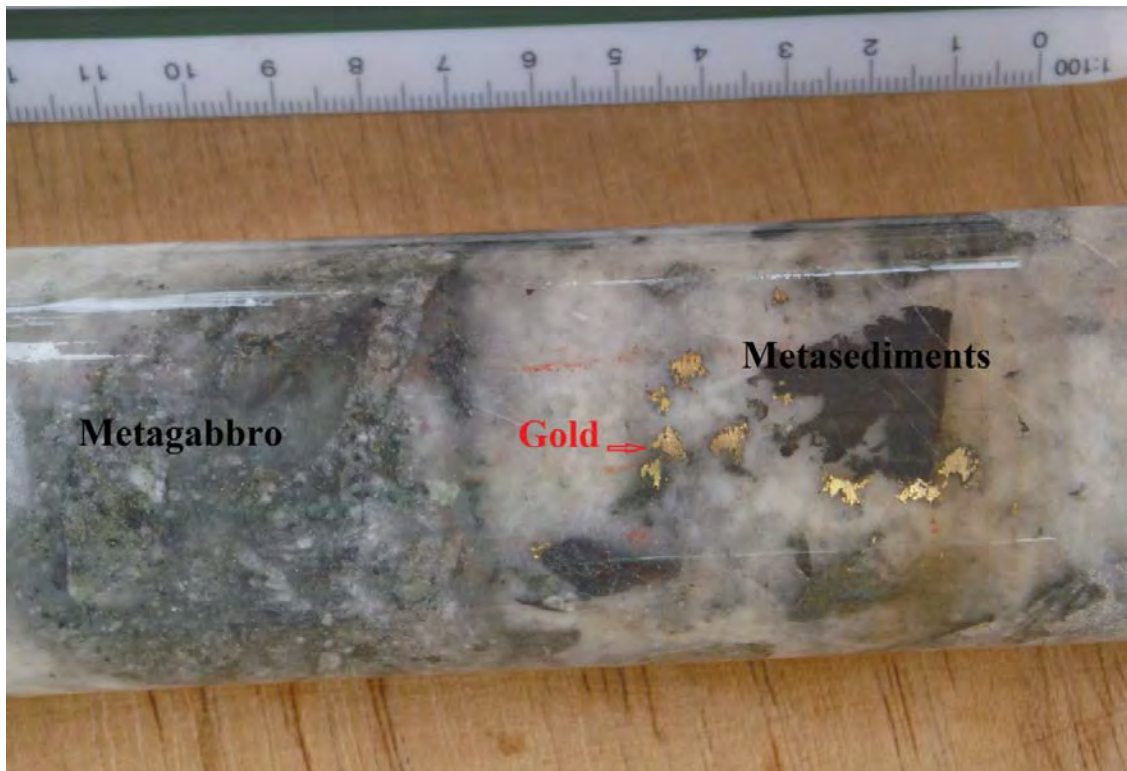


Figure 6 – Drill core RCS166D, Line 99,900N at 195 metres

Extensions of the shallow easterly dipping mineralisation at depth have been confirmed with drill hole RCS403D located on line 99,900N. Drill core showed strong alteration zones associated with silica, pyrite, arsenopyrite and visible gold, and returned **4m @ 3.7g/t gold from 419 metres** down hole depth.

Additional near surface gold mineralisation has been identified with drilling across the expanded area defined by the step out drilling program. Results include:

- **2m @ 2.8 g/t gold from 39 metres** on line 100,100N – Hole RCS411D
- **10m @ 0.5 g/t gold from 20 metres** on line 100,200N – Hole RCS431D
- **3m @ 2.8 g/t gold from 28 metres** on line 100,400N – Hole RCS477D
- **8m @ 2.2 g/t gold from 14 metres** on line 100,700N – Hole RCS501

Significant assay results returned during the quarter are:

- **6m @ 22.8 g/t gold from 192.3 metres & 2m @ 4.8 g/t Au from 117 metres** on line 99,900N – Hole RCS166D
- **3m @ 36.6 g/t gold from 45 metres** on line 99,900N – Hole RCS412D
- **2m @ 7.6 g/t gold from 13 metres** on line 99,900N – Hole RCS445
- **1.1m @ 11.9 g/t gold from 106.2 metres** on line 100,000N – Hole RCS470D
- **4m @ 2.2 g/t gold from 88 metres** on line 100,100N – Hole RCS448
- **8m @ 4.5 g/t gold from 99 metres** on line 100,200N – Hole RCS029D
- **4m @ 8.6 g/t gold from 95 metres** on line 100,200N – Hole RCS433D
- **6m @ 6.7 g/t gold from 46 metres** on line 100,500N – Hole RCS460
- **2.4m @ 3.4 g/t gold from 178.6 metres** on line 100,500N – Hole RCS356D

Recent artisanal activity established along the Lafia gold trend south of the Makabingui Gold Project, has identified potential for new lodges in two locations within the significant NE trending shear zone (Figure 7), and further highlights the prospectivity of the Company's permits.

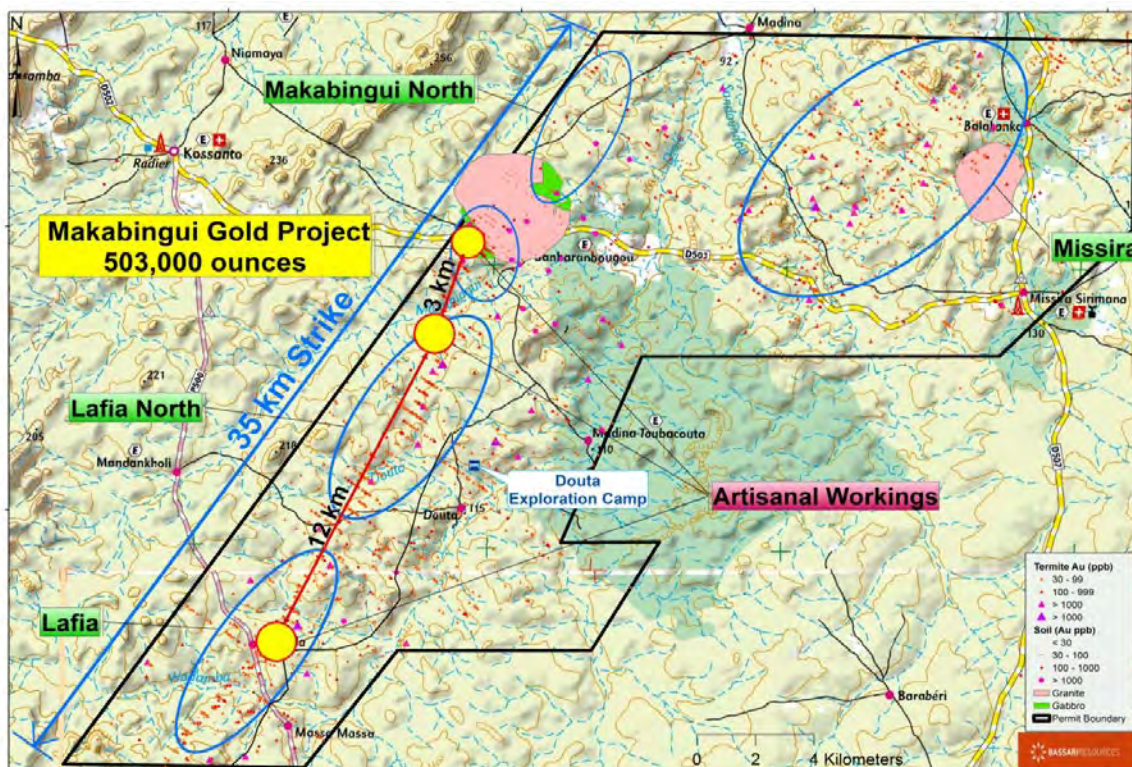


Figure 7 – Artisanal workings location plan – Sambarabougou Permit

Termite Mound Geochemical Program

The regional termite mound sampling program on a 400 metre by 50 metre grid was conducted on the eastern corridor of the permit with all assays now returned. The results of the program indicate widespread anomalism within the permit area (Figure 8). At the Missira Prospect infill sampling at 200 metres by 50 metres was undertaken and the results are currently being interpreted utilising the recently completed aeromagnetic survey.

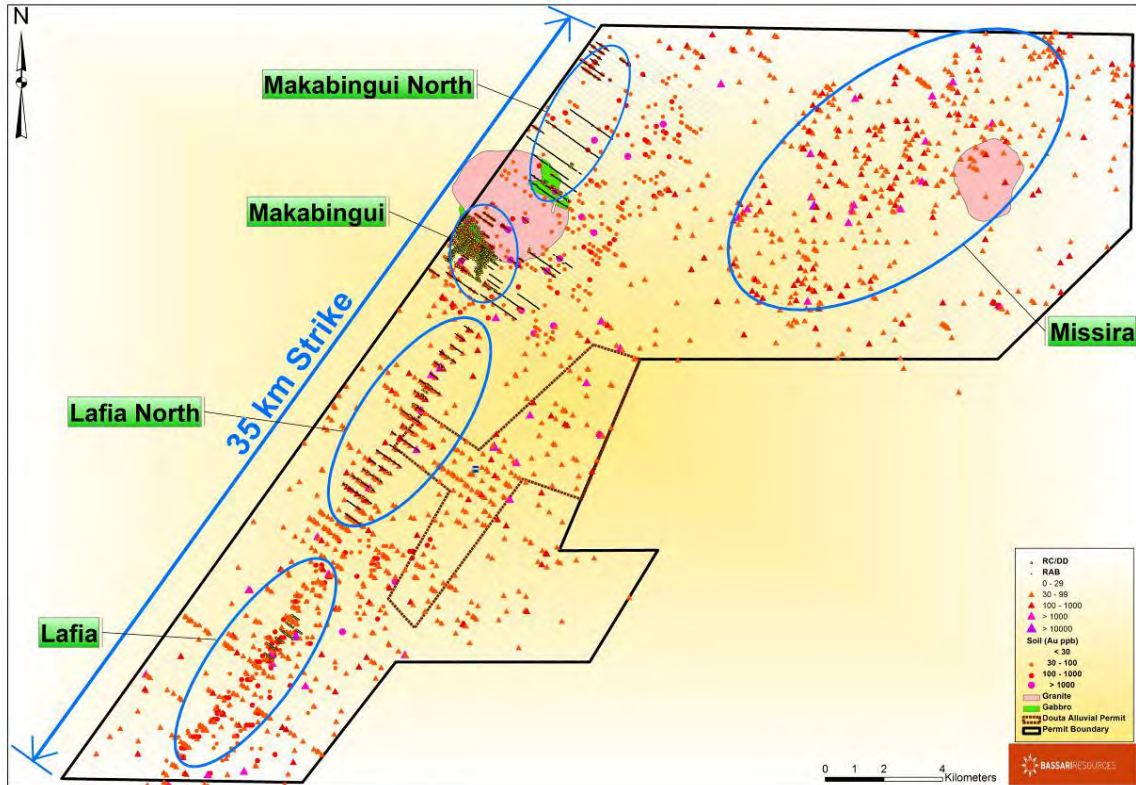


Figure 8 – Sambarabougou Permit - Termite Mound Geochemistry

Moura Permit (Bassari 70%)

The most northern of Bassari's three contiguous permits, Moura contains the Konkouto, Bennajiggi, Kawsara, Kawsara North, Bountou, Yoroya and Sambali Prospects (Figure 9).

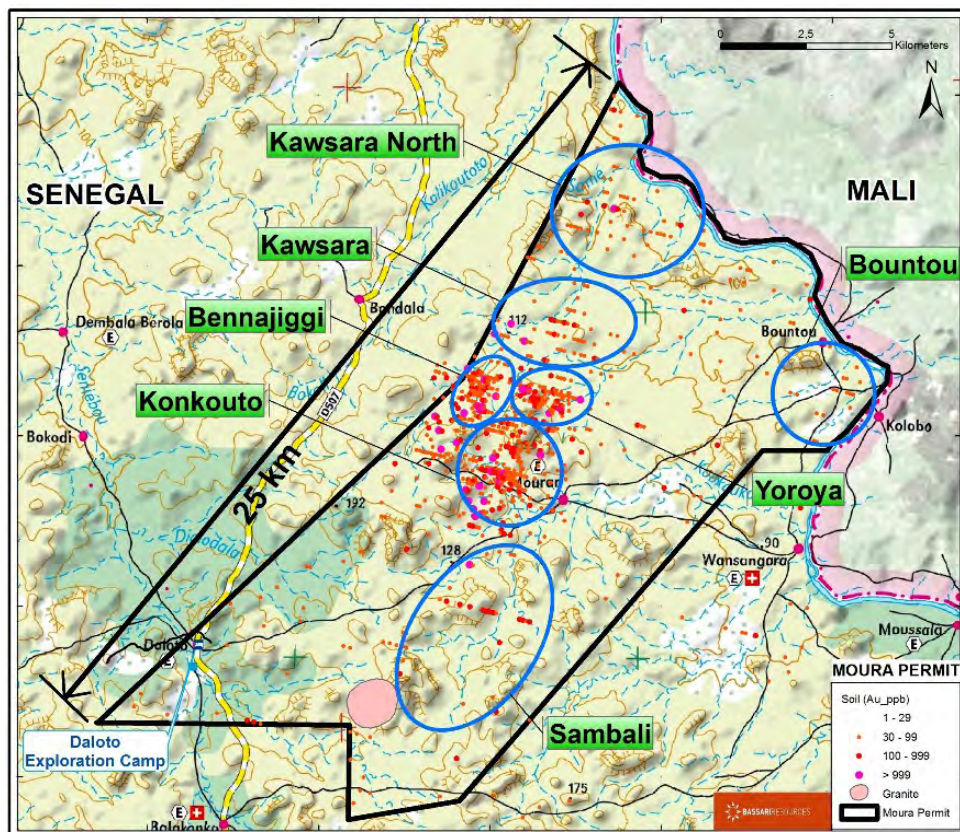


Figure 9 – Moura Permit – Prospect Location Map

Konkouto Gold Prospect

The Konkouto gold discovery is located some 35 kilometres north east of the Makabingui Gold Project. Konkouto is centred on a low hill approximately 700 metres long and 100 metres wide. There are numerous artisanal pits showing mineralised quartz veins and stockwork quartz-carbonate veins and veinlets hosted by a metasedimentary greywacke unit (Figure 10). These are characterised by different textures from fine to coarse grain associated with muscovite, biotite and carbonate. This facies appears to be the main host of the gold mineralisation.

An internal structural review was undertaken utilising diamond drilling and trench data which will be used to design the follow-up drilling program.

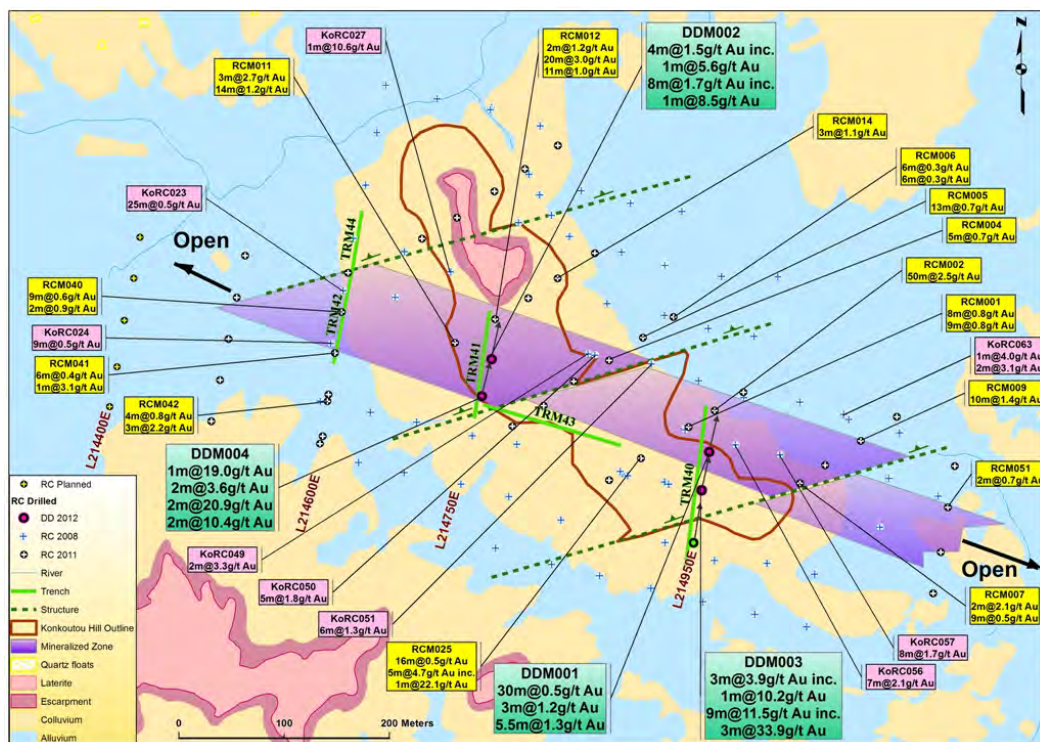


Figure 10 – Konkouto Prospect - Plan

Bounsankoba Permit (Bassari 70%)

Bounsankoba the most southern of Bassari's three contiguous permits contains the Massa Massa and Sekhoto Prospects (Figure 11).

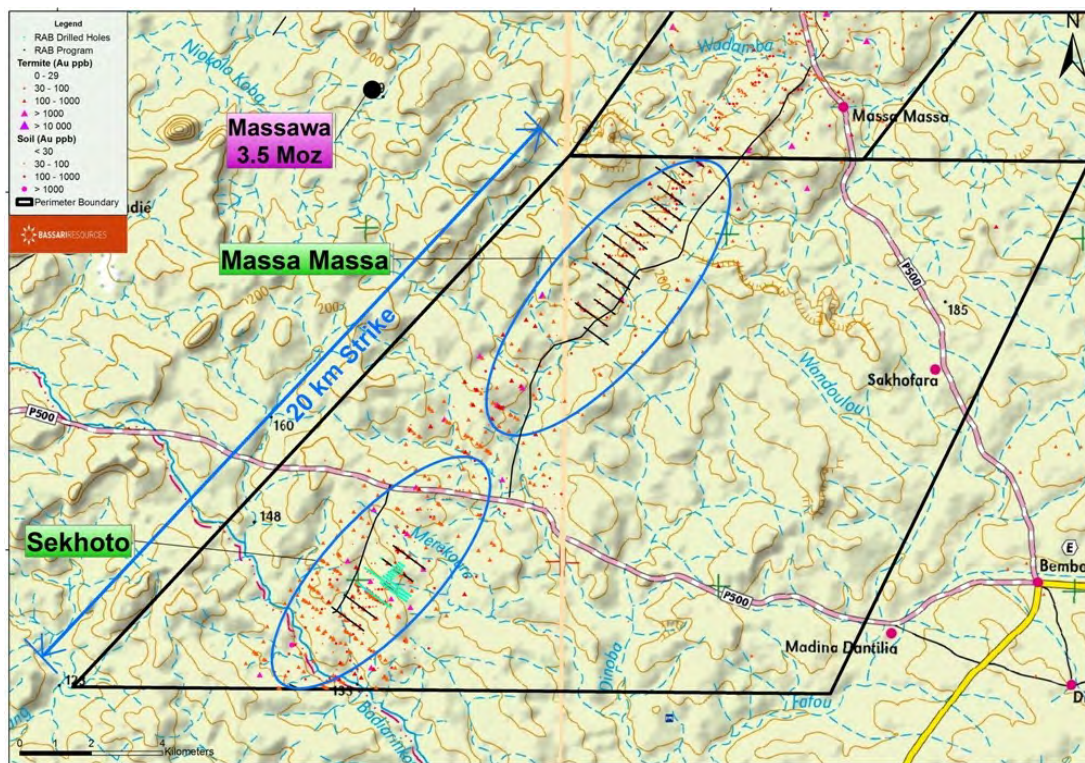


Figure 11 – Bounsankoba Permit, Prospect Plan

The regional termite sampling program on a 400 metre by 50 metre grid through the eastern corridor of the permit was completed and all assays returned. The results of the program are summarised in Figure 12. The geochemical information and detailed aeromagnetic survey are being used in an internal assessment of targets and prospects.

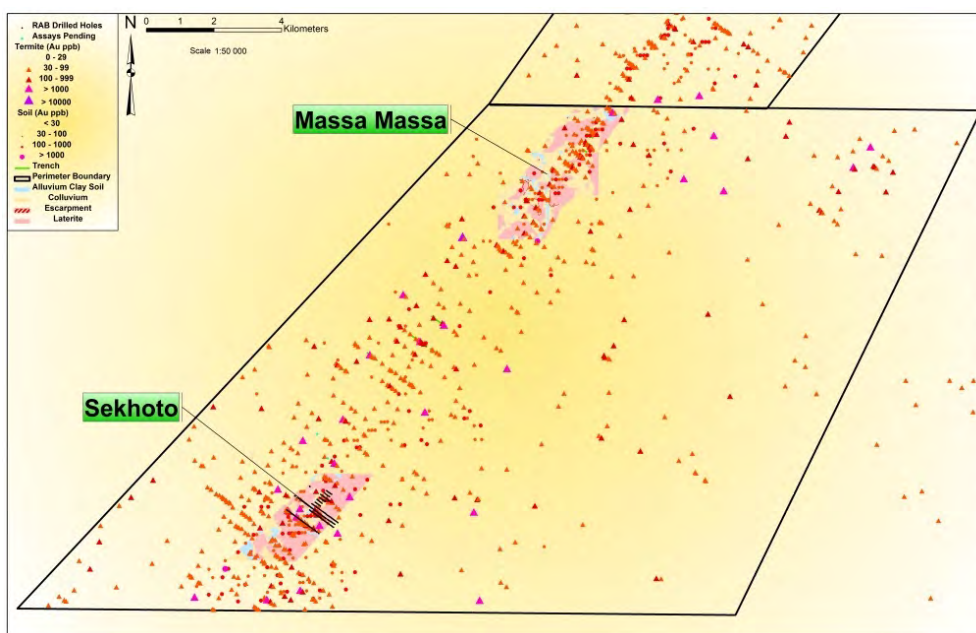


Figure 12 – Bounsankoba Permit, Termite Mound Geochemistry Plan

Aeromagnetic/radiometric Survey – All Permits

An interpretation of the high resolution airborne magnetic and radiometric survey on a regional scale was prepared by Xcalibur Airborne Geophysics. The interpretation provides a litho-structural map to better understand the relationship between different structures and lithologies. Target areas have been generated where conditions were most favourable for enhanced fluidisation, trapping of fluids, and precipitation of gold (Figure 13).

The targets are selected based on assumptions regarding mineralisation control including observations of principal fluid pathways, secondary structures, identified demagnetised zones and potassium anomalies.

An internal review is underway utilising existing geological and geochemical data to prioritise the targets and develop exploration programs for the 2013 field season.

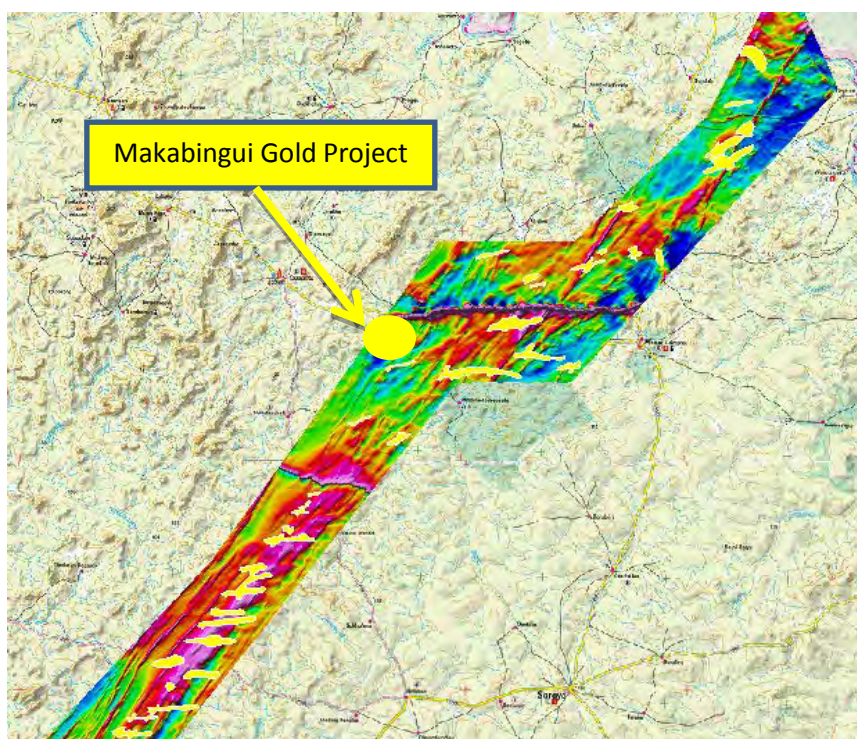


Figure 13 – High Resolution Airborne Geophysical Data (+32 gold targets)

Corporate

Half Year Accounts

The financial report of the Company, for the half year ended 30 June 2012, disclosed a loss after income tax of \$864,000, working capital of \$6.63 million and net assets of \$36.06 million. Exploration expenditure for the half year exceeded \$4.1 million.

Conferences

Bassari Resources Limited presented at the Africa Downunder Conference in Perth 29-31 August 2012. The Company is pleased to invite shareholders and investors to visit its booth at the upcoming conferences:

- 2nd International Mining Conference & Exhibition, SIM Senegal 2012 in Dakar 6-8 November 2012; and
- Mines & Money London 2012, 4-5 December 2012.

Managing Director Mr Jozsef Patarica will be presenting at the conferences. The presentations will be available on www.bassari.com.au

Expiry of Options - BSRO

The Company's 19,508,101 listed "BSRO" 20 cent options expired on 30 June 2012.

Cash

The Company's cash balance as at 30 September 2012 was \$4.2 million. Exploration expenditure will reduce in the December quarter with the completion of the resource drilling program at the Makabingui Gold Project.

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 850 km² with 80 km of strike along the combined three contiguous permits. The permits are located within the Kenieba Inlier which is a 50M 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 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.

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 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 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	(2,875)	(6,246)
1.3 Dividends received	(490)	(1,401)
1.4 Interest and other items of a similar nature received	28	93
1.5 Interest and other costs of finance paid		(7)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(3,337)	(7,554)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(5)	(81)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(5)	(81)
1.13 Total operating and investing cash flows (carried forward)	(3,342)	(7,635)
1.13 Total operating and investing cash flows (brought forward)	(3,342)	(7,635)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		11,000
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Costs of capital raising	(22)	(727)
	Net financing cash flows	(22)	10,273
Net increase (decrease) in cash held		(3,364)	2,638
1.20	Cash at beginning of quarter/year to date	7,761	1,766
1.21	Exchange rate adjustments to item 1.20	(183)	(190)
1.22	Cash at end of quarter	4,214	4,214

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	167
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

+ See chapter 19 for defined terms.

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	2,350
4.2 Development	-
4.3 Production	-
4.4 Administration	450
Total	2,800

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	4,214	7,761
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,214	7,761

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				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased

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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 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	572,648,689	572,648,689		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	59,275,839 3,300,000 2,500,000	59,275,839 Nil Nil	<i>Exercise price</i> 11 cents 45 cents 30 cents	<i>Expiry date</i> 30-11-2012 31-01-2013 31-12-2013
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-

+ See chapter 19 for defined terms.

7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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: 22 October 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.==
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+ See chapter 19 for defined terms.