



CORPORATE INFORMATION

Bassari Resources Limited is an Australian listed company focused on discovering and delineating gold resources which can be developed into profitable operations in the Birimian Gold Belt, Senegal, West Africa.

FAST FACTS

ASX Code	BSR
Issued Capital	855,767,274
No of shareholders	1,654
Top 20	50%

INVESTMENT HIGHLIGHTS

Exploration permits cover approx. 850 km² over prospective Birimian Gold Belt, Senegal, West Africa.

- Makabingui Gold Project, Mineral Resource (Prepared and disclosed under the JORC Code 2004 and remains unchanged) **1.0 million ounces in 11.9 Mt at 2.6 g/t gold at a 0.5 g/t cut-off**, comprising:
 - Indicated: **336,000 ozs in 2.6Mt at 4.0g/t**
 - Inferred: **669,000 ozs in 9.3Mt at 2.2g/t**
- Senegal, stable democracy since 1960.
- Quality ground holding in a +55M ounce gold region which hosts a number of world class deposits.
- 13 prospects identified along 80km strike length within Kedougou-Kenieba Inlier.
- Strategic and dominant exploration package.
- Gold intersected over a wide interval at Konkouto Prospect.

BOARD AND MANAGEMENT

Alex Mackenzie

Executive Chairman

Jozsef Patarica

Managing Director/CEO

Chris Young

Non-Executive Director

Philip Bruce

Non-Executive Director

Ian Riley

Company Secretary/Chief Financial Officer

CONTACT US

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31 January 2014

December 2013 Quarterly Activity Report

Bassari Resources Limited (ASX:BSR) is pleased to report on its activities at the Company's gold projects in Senegal, West Africa for the December 2013 quarter.

Highlights

Makabingui Gold Project

- Positive pre-development results from Whittle pit optimisations testing open-cut mining scenarios (ASX Announcement 31 October 2013). Summary of results:
 - Focus on high grade - average ore grade to mill > **5.5g/t gold**
 - **~50,000 ounces** per annum production
 - Indicative average operating cost of **US\$700/oz**
 - Throughput rate of **300ktpa** – existing gravity plant capacity
 - High metallurgical recoveries **>95%** with **~80%** by gravity – simple processing path
- Highly experienced Study Team appointed (ASX Announcement 5 & 11 December 2013)
- The study is well advanced and on track to be completed **Q1, 2014**
- Existing infrastructure including gravity plant, established roads, water dam, and camp will be utilised significantly reducing capital required

Corporate

- \$250,000 funding received from Hill End Gold (ASX:HEG) through loan facility
- \$500,000 additional funding received through private placement

Makabingui Gold Project

The Makabingui Gold Project is located within the Kedougou-Kenieba Inlier, Eastern Senegal, where multi-million ounce gold deposits are being mined and developed (Figure 1).

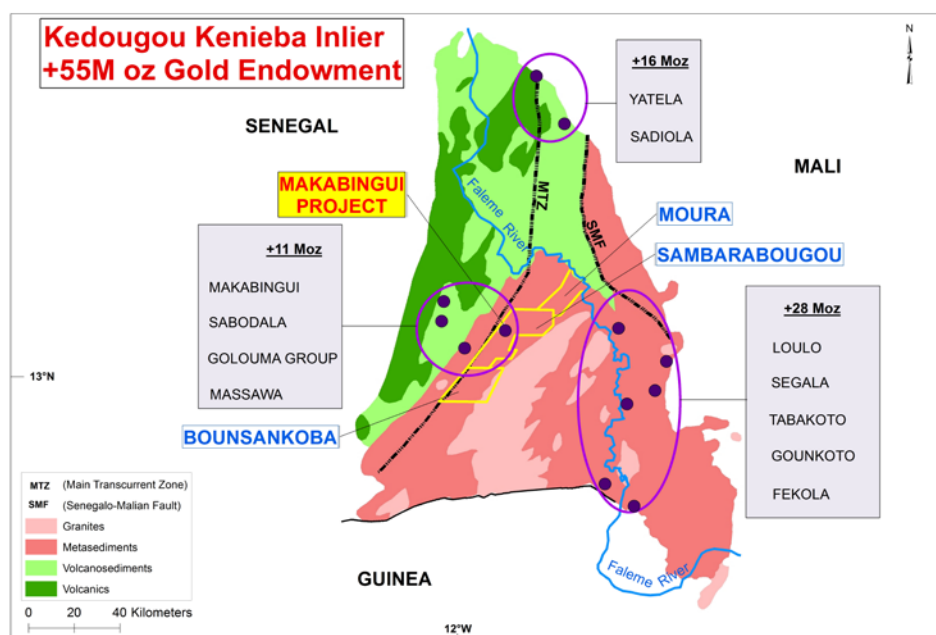


Figure 1 – Kedougou-Kenieba Inlier

Pit Optimisation

The positive development results, ASX announcement 31 October 2013, were based on open pit optimisation studies and metallurgical test work for the development of the Makabingui Deposit. The deposit has a Mineral Resource ⁽¹⁾ of **1 million ounces of gold including a high grade Indicated Resource of 336,000 ounces of gold in 2.6 Mt at 4.0 g/t gold** which together with Makabingui South has strong growth potential. The positive results are key milestones to unlocking value for shareholders.

Sydney based Australian Mine Design & Development Pty Ltd (AMDAD) was commissioned to undertake Whittle pit optimisations to test open-cut mining scenarios on the combined Resource block model ⁽²⁾.

A case with 300 ktpa throughput delivers ~1.0mt of mill feed at over 5.5 g/t Gold for a mine life of ~3.5 years. Staged mining was assumed with a starter pit on Shell 9 delivering the first year of production at over 7 g/t Gold followed by a push back to the final wall at Shell 30 (Figures 2 & 3). The 300 ktpa mining rate is considered the base case to advance further feasibility work.

1. The Mineral Resource information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not changed since it was last reported.
2. The pit optimisation study used a Mineral Resource made up of a combination of indicated and inferred resource blocks. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

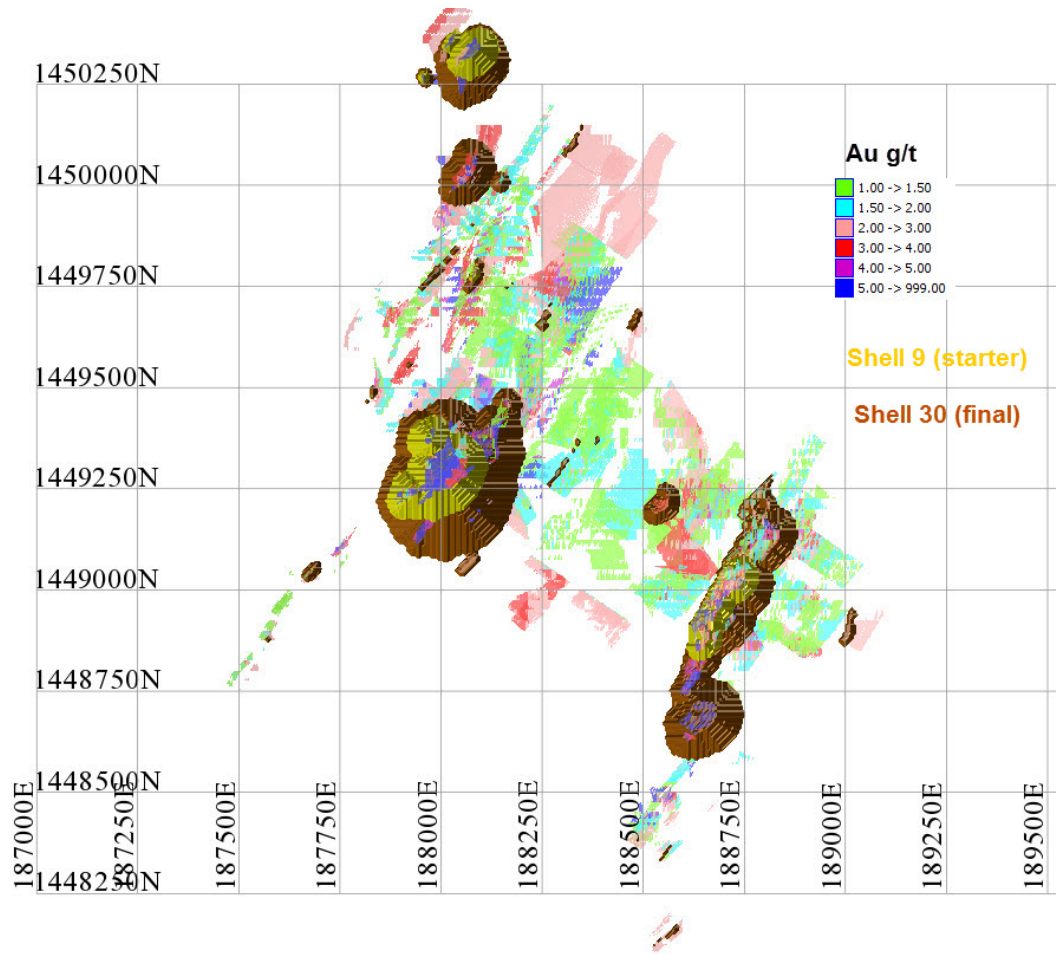


Figure 2 - 300 ktpa Specified Schedule Shells Plan

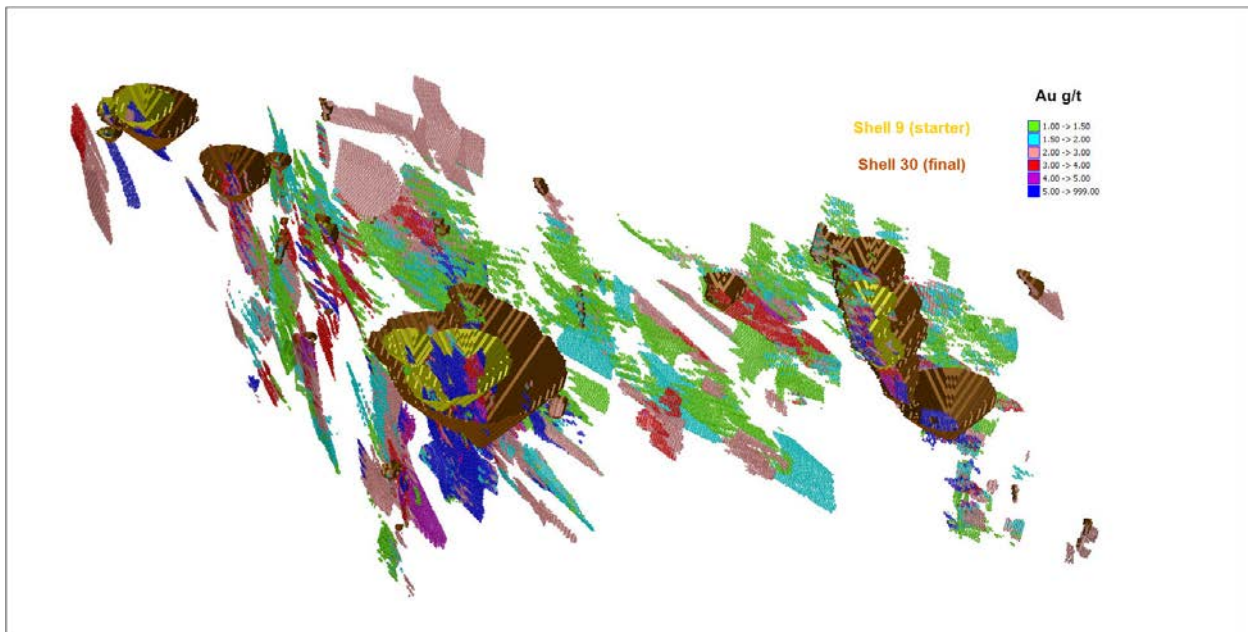


Figure 3 - 300 ktpa Specified Schedule Shells 3D View

Note:

- The preliminary study to assess project potential has most of the key inputs assumed rather than based on real data
- The pit optimisation uses Indicated and Inferred Resource blocks estimated by AMC
- Whittle shells have been used rather than practical pit designs based on these shells
- The reliability of the results is commensurate with the preliminary nature of the input assumptions
- Tonnes, grade and values reported do not represent an ore reserve

Pit Optimisation Inputs

Makabingui is at an early stage of economic evaluation. There is only limited information to guide some of the inputs for the Whittle pit optimisation conducted for this study. Where analyses have been conducted, such as metallurgical test work, the most representative values for the project as a whole were used. In other areas where little or no work has been done, such as pit slope and mining and processing costs, AMDAD discussed options with Bassari to select values. The main inputs selected were:

- **Loss / Dilution.** The mining scenario applied fixed dilution of 10% and fixed loss of 5% to the partial block grades and tonnes.
- **Pit Wall Overall Slopes.** An average slope of 45° was used in all directions at all depths.
- **Process Recoveries.** Based on metallurgical test work on a combination of gravity and sulphide flotation which indicates gold recovery of 95% for both oxide and sulphide mineralisation.
- **Mining Costs.** Bassari assumption of a fixed cost of \$US3.50 per tonne for ore and waste.
- **Process Costs.** The 300 ktpa case was run at \$US30.00/t.
- **Site Fixed Costs.** US\$10.00/t (US\$3.0M per year) for the 300 ktpa Case was selected.
- **Gold Price.** US\$1,300/oz.
- **Discount Rate.** Part of the Whittle analysis considers the net present value (NPV) of 8% for the 300 ktpa Case.

Applying these inputs gives an undiluted resource COG of 1.15 g/t Au for the 300 ktpa Case.

Metallurgical Test Work Results

Sydney based ALS Metallurgy was commissioned to conduct a series of metallurgical tests to determine the gravity recoverable gold over a range of grind sizes. The test work amalgamated a gravity concentrate at primary grind sizes of 425, 300, 212, 150 and 106 microns to determine the amount of free gold recoverable. Cyanide leaching and flotation were also carried out on the gravity tails for the 150 and 106 microns grind sizes. Previous metallurgical test work (See ASX release dated 30 January 2012) carried out at a primary grind of 75 microns produced very high leaching recoveries >96%.

Composite samples were made up from material used as part of the January 2013 metallurgical test work program. The samples are a composite of the Metagabbro (primary focus for 2012 resource drilling program) and Metasediments. The samples were taken from multiple sections and varying depths focused on primary (unoxidised) ore. Tables 1, 2 and 3 summarise the results for the various stages of the test work program.

Table 1 – Summary of Gold Recovery by Gravity Separation

Primary grind p80 micron	106	150	212	300	425
Calculated Head g/t Au	7.38	6.14	8.08	5.37	6.91
% free gold recovered	77.8	80	82.3	82.9	78.6

Table 2 – Summary of Gold Recovery by Leaching and Flotation on the Gravity Tails

Process	Flotation	Leaching	Flotation	Leaching
Primary grind p80 micron	106	106	150	150
Calculated Head g/t Au	1.61	1.66	1.27	1.19
% gold recovered	93.7	89.1	89.8	83.2

Table 3 – Summary of Total Gold Recovery

Process	% Gold Recovery	
	106 micron	150 micron
Gravity	77.8	80
Gravity + Leaching	97.6	96.6
Gravity + Flotation	98.6	98

Gravity Gold

The initial stage of the program focused on the quantity of free gold able to be recovered by gravity methods at various primary grind sizes of 425, 300, 212, 150 and 106 microns. This was determined by grinding 2 kg samples to the required size and passing them through a 75 mm Knelson concentrator, taking one bed volume of concentrate. This concentrate was examined by panning dish for the occurrence of gold flakes and then amalgamated with mercury to remove the free gold.

Figure 4 shows the free gold seen from panning the Knelson concentrate for the 106 micron primary grind test. Flakes of gold similar to those seen in this photo were seen at all the grind sizes tested with some flakes over 1 mm in size.

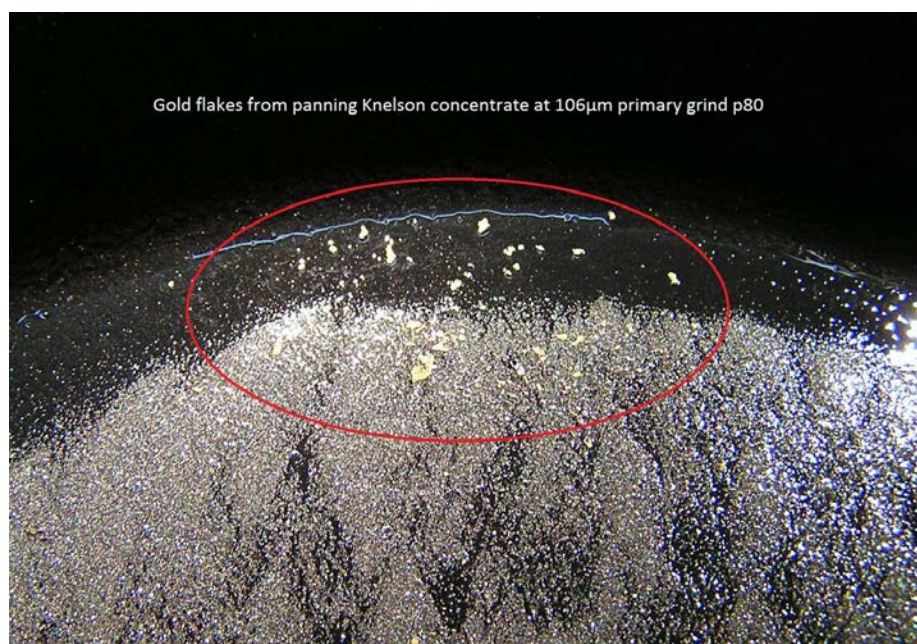


Figure 4 - Gold Flakes in Pan Concentrate for 106 micron Primary Grind

The gold recoveries at each grind size resulted in around 80% of the gold being liberated and amenable to gravity recovery.

Cyanide Leach on Gravity Tails

The Knelson tailings and the Knelson concentrate minus the removed free gold for the 150 and 106 micron tests were recombined and each was divided into two portions, one for cyanide leaching of gold and the other for a flotation test.

The cyanide leach test work indicated that there is a drop in leach efficiency at the 150 micron grind size compared to the 106 micron test but the results were still reasonably good at both grind sizes. Figure 5 shows the rate of gold dissolution at each grind size which is rapid and almost complete within the first 10 hours.

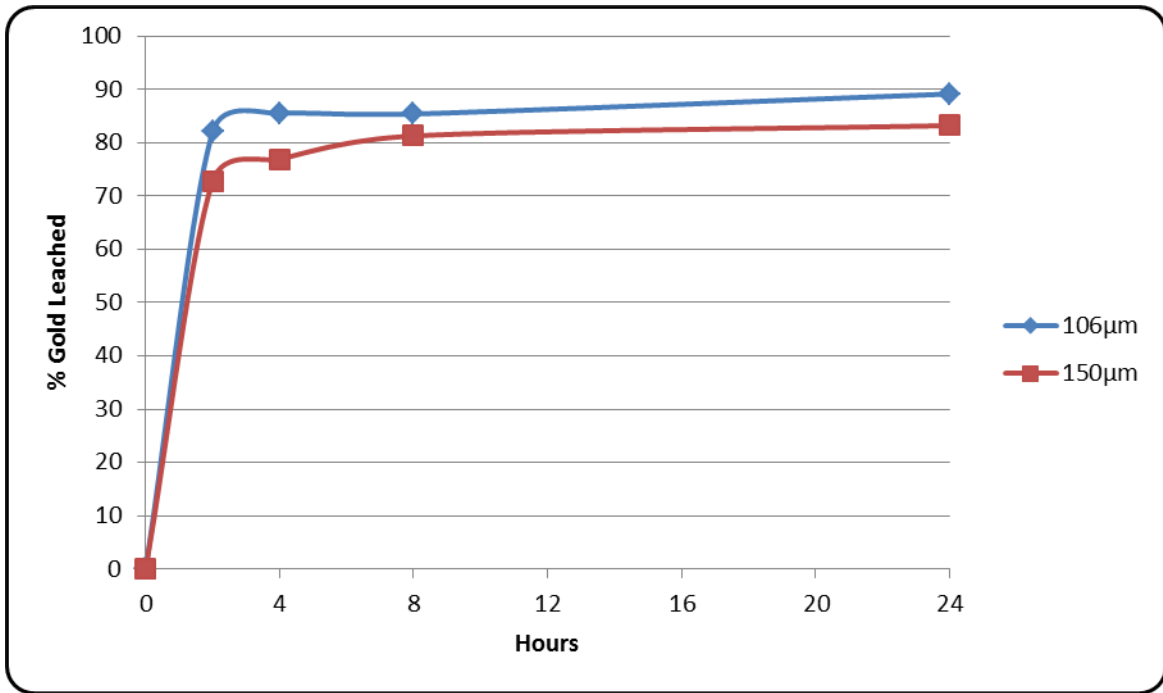


Figure 5 - Rate of Gold Dissolution

The total gold recovery by gravity concentration, amalgamation and then cyanide leaching of the gravity tailings was calculated to be 98% at 106 microns and 97% at 150 microns.

Flotation on Gravity Tails

The other half of the 106 and 150 micron gravity tails that was not used in the leach tests was subjected to a flotation test to see if the remaining gold could be recovered by flotation.

As with the leach results there was a slight decrease in gold recovery at the 150 microns grind size compared to the 106 micron grind size.

With recoveries at 94% and 90% for the 106 and 150 micron tests respectively flotation could be used as a possible upgrading step prior to leaching. Further flotation test work could be considered to see if the concentrate could be cleaned sufficiently to produce a saleable grade.

Existing Gravity Plant & Associated Infrastructure

The initial development phase of the Makabingui Gold Project will incorporate the Company's existing gravity plant and associated infrastructure already established in country.

The gravity plant will form the gravity circuit of the hard rock processing facility which incorporates jig modules, 30 inch Knelson concentrator, process water tanks, thickener, gold room and genset.

Figure 6 - View of the plant from the 26 inch cyclone tower where the thickener, processing water tanks, genset, and gold room can be seen.

Figure 7 shows the four jig units in operation with the gold room in the background.

Figure 8 shows part of the 120 person camp which includes offices, kitchen/dining hall, laundry and ablution/shower block.

Figure 9 shows the water storage dam used for water supply to the processing plant. The dam is full after the wet season.

Figure 10 shows the medical centre located within the camp compound.

Figure 11 shows the heavy vehicle maintenance workshop used to service the heavy equipment mobile fleet.



Figure 6 - View of gravity plant from 26 inch cyclone tower



Figure 7 – Four gravity jigs in operation



Figure 8 – Douta 120 person camp



Figure 9 – Water dam



Figure 10 – Douta Medical Centre



Figure 11 – Mobile maintenance workshop

Commitment to the Community

Bassari has undertaken considerable community development initiatives in recognition and respect of the country's culture, values and traditions. Initiatives include constructing a school and medical clinic, providing fresh water pumps and a grain mill to the community. Other completed infrastructure projects include building of roads and bridges, provision of power and establishing water dams. People from the local region are employed with a strong focus on skills development and transfer of knowledge.



Water



School



Agriculture

Study Team Members

Study Manager – Mr Jozsef Patarica

Mr Patarica, Managing Director/CEO of the Company is leading the Study Team and has over 20 years' experience in the mining industry in Australia and Senegal. His extensive business experience in the mining industry has included senior operational and project development roles including general management, project feasibility, construction and development in a range of projects.

Senegal Studies & Approvals – Mr Alex Mackenzie

Mr Mackenzie, Executive Chairman of the Company has extensive experience in Senegal with extensive high level in-country relationships. He has been instrumental in developing the mining industry in Senegal, identifying and driving the potential of the ~\$400M Sabodala Gold and the ~\$600M Grand Cote Mineral Sands Projects. He has also successfully applied for exploitation permits and mining concessions in Senegal.

Geology – Mr Moussa Diba

Mr Diba, Exploration Manager of the Company has more than 20 years' experience in the industry. He has extensive experience working in the Birimian gold fields of Senegal and has worked for major mining groups such as Ashanti Goldfields, IAMGOLD/AGEM JV, Randgold Resources and Mineral Deposits Ltd at the Sabodala Gold Mine. Moussa has been instrumental in growing the Makabingui Gold resource from its initial discovery by the Company.

Geotechnical Study – AMC Consultants Pty Ltd (Mr Anthony de Veth)

Mr de Veth has extensive experience in open cut and underground mines throughout Australia and Internationally. He has gained exposure to a wide variety of mining methods in a range of challenging environments. His expertise lie in stability assessments of open pit and underground mines, design of ground support, mine design, data collection methods, and site based training of technical teams. Anthony is a Chartered Professional (Geotechnical) with the AusIMM.

Mine Design & Planning – Australian Mine Design and Development Pty Ltd (AMDAD) – Mr John Wyche

Mr Wyche is a mining engineer with over 30 years' experience in the mining industry. He has extensive experience in open cut and underground metals, coal and industrial mineral projects throughout Australia, the South Pacific, South East Asia, China, Mongolia, North & South America, Mongolia and Africa. He has been involved in the Makabingui Gold Project pit optimisation study.

Metallurgy – Australian Minmet Metallurgical Laboratories Pty Ltd (AMML) – Mr Graeme Sheldon

Mr Sheldon has had over 35 years' experience in mineral processing and is a co-founder of Metcon Laboratories in Sydney. He has extensive experience in gold projects and consulted to several companies on metallurgical projects.

Process Design – Timora Pty Ltd (Mr Bill Flannery) & Devlure Pty Ltd (Mr Ron Goodman)

Mr Flannery has extensive experience in design and construction of processing plants and was involved in the design and construction of the existing gold gravity plant which will be used as the gravity circuit. He has broad experience in Australia and internationally including Senegal.

Mr Goodman has over 35 years of worldwide experience as a Metallurgist in all aspects of mineral processing, including flow sheet design and feasibility studies. His experience includes wet and dry processing technologies for recovery of gold, silver, tin, copper, molybdenum, lead, zinc, antimony, fine coal, graphite, heavy mineral alluvial, mineral sands and glass sands. His experience encompasses the unit processes of crushing, grinding, heavy media separation, sulphide flotation, oxide flotation, acid leaching and tailings disposal.

Tailings Storage Studies – Trevor Clark & Associates (Mr Trevor Clark)

Mr Clark is a qualified civil engineer with more than 20 years' experience within the mining industry related to mining approvals, civil design of tailings storage facilities, water storage dams, roads and drainage design and project management.

Financial Modelling – Mr Ian Riley

Mr Riley, Chief Financial Officer of the Company, has extensive financial experience in Australia, China and Senegal. He has brought his commercial understanding to a diverse range of start-up and development projects modelled.

Regional Geology

The resource is located in the Palaeoproterozoic Birimian volcano-sedimentary sequence and the intrusives of the Diale Formation. The Diale Formation lithologies commonly comprise chlorite-sericite schists and phyllites derived from the metamorphism of greywackes and argillaceous sediments.

Local Geology

The Makabingui deposit is located near the southern margin of asyntectonic granite (Sambarabougou Granite). Gold mineralisation, commonly as free gold, is associated with quartz veins and stockworks with silica, sericite, biotite and carbonate alteration together with variable amounts of pyrite, arsenopyrite and pyrrhotite.

The deposit comprises a large number of generally shallow east dipping lodes and quartz veins ranging in thickness from 8 metres down to less than 1 metre width and hosted by a gabbroic intrusive and contact metasediments. Mineralised structures have been identified over an area of some 1.7 kilometres by 1.2 kilometres to date. The Sambarabougou Granite and host gabbro lie within the east-west trending crustal fracture zone identified by the presence of a major diorite dyke which extends from the Makana area to the west through to the Loulo-Goukoto project area in nearby Mali, eastwards to Sitakil; a newly discovered "porphyry" gold deposit.

Makabingui South (Figure 12) is a mineralised zone 6-8 kilometres long which has been interpreted from RAB and RC drilling. Within metasediments, it is characterised by layer parallel faults and tight isoclinal folds that have been refolded to more open folds. Weathering within the sediments is relatively deep in the order of 60-80 metres.

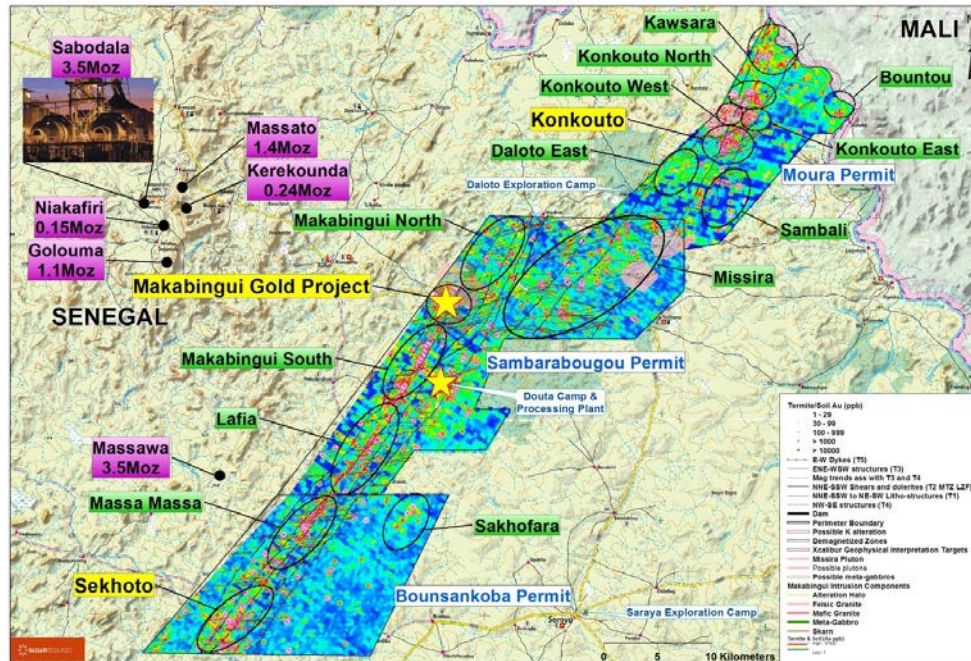


Figure 12 – Location of Bassari’s Permits

Sambarabougou Permit (Bassari 70%)

Centrally located of Bassari’s three contiguous exploration permits, Sambarabougou contains the Makabingui Gold Project along with the priority Makabingui South, Missira and Lafia Gold Prospects (Figure 13).

The permit covers parts of the NE trending Main Transcurrent Zone (MTZ) and an NE trending gold mineralised structural corridor. A major EW trending diorite dyke runs across the Sambarabougou permit cutting both the Sambarabougou and Missira granites. This dyke extends into Mali passing through the major gold project of Loulo-Goukoto (combined 16.8 million ounces) onto Sitakili (a newly discovered porphyry gold deposit to the east). Bassari geologists regard proximity to this structure as highly prospective.

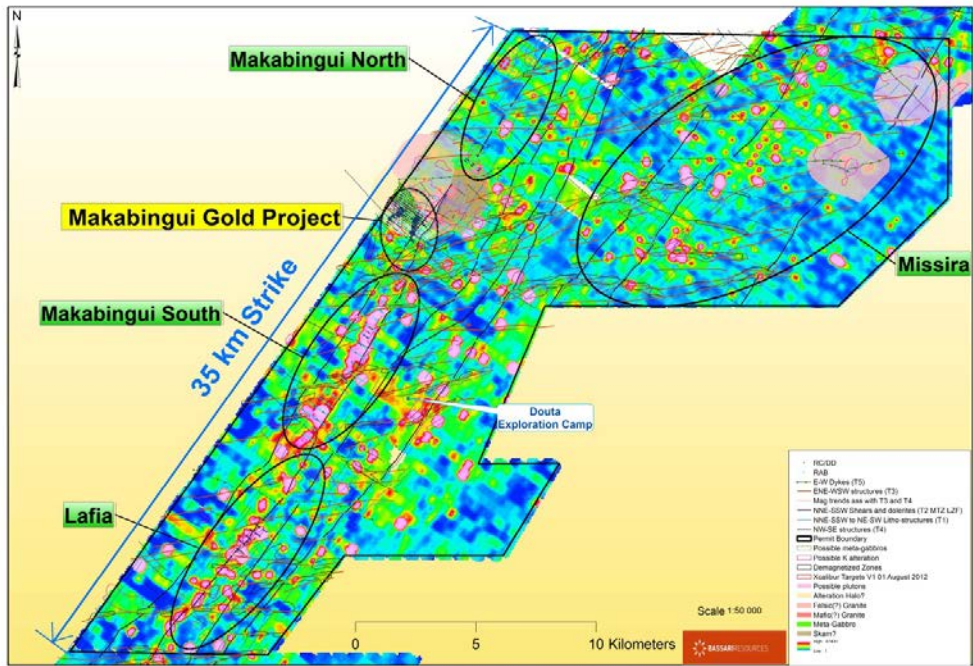


Figure 13 – Sambarabougou Permit – Project & Prospect Location Map

Moura Permit (Bassari 70%)

The most northern of Bassari's three contiguous permits, Moura contains the Konkouto Prospect, Kawsara, Bountou, and Sambali Prospects (Figure 14).

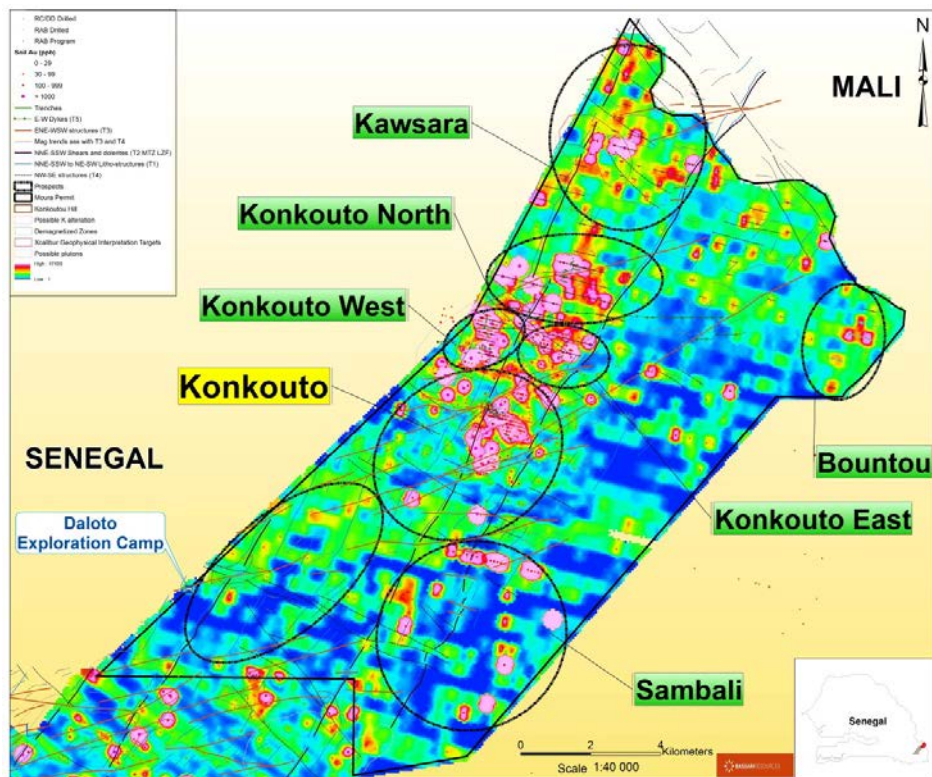


Figure 14 – Moura Permit – Prospect Location Map

The prospects defined in the Moura Permit are supported by interpreted prospective structural zones highlighted by the high resolution aeromagnetic data.

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.

Detailed observation of trench exposures and oriented drill core support interpretation of aeromagnetic data that show the Konkouto prospect to be a part of a set of NE dipping transfer structures developed between a pair of ENE trending and NW dipping thrusts. The ENE structures themselves are transfers between two NNE-SSW regional shear zones. This is referred to as the Moura Shear Corridor and is considered highly prospective for significant gold mineralisation.

Bounsankoba Permit (Bassari 70%)

Bounsankoba the most southern of Bassari's three contiguous permits contains the Sekhoto, Massa Massa and Sakhofara Prospects (Figure 15).

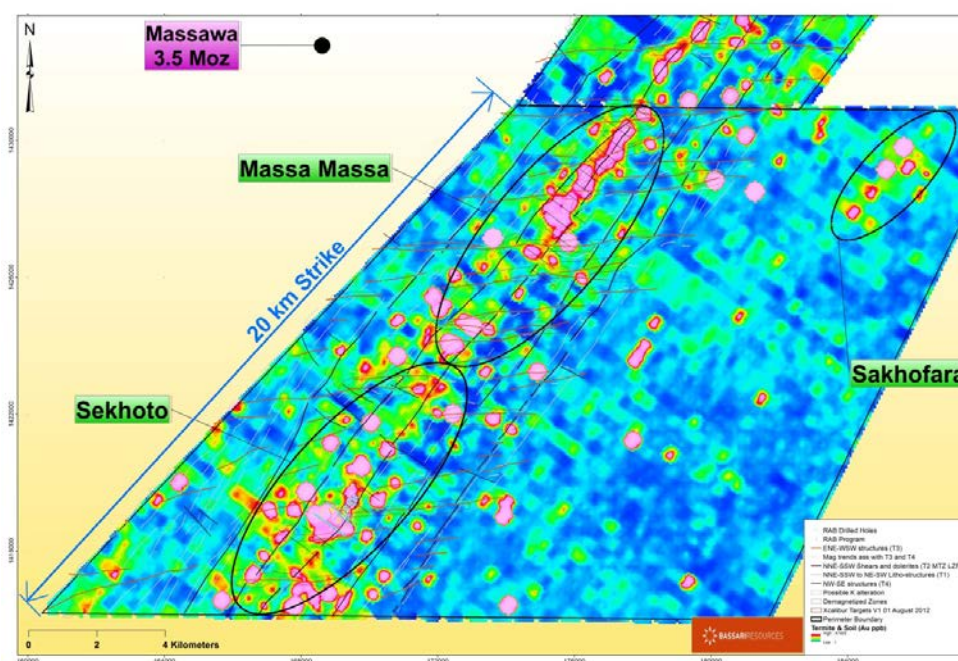


Figure 15 – Bounsankoba Permit, Prospect Plan

The Sekhoto Prospect is considered drill ready following previous work including termite gold geochemistry, RAB gold geochemistry, trenching, geological mapping and rock chip sampling. The regolith mapping in progress shows lateritic, colluvial and alluvial terrain. The geology is mainly metasediments (greywacke and shale) intruded by granite and gabbro. The termite gold anomalism trends NE and appears to be controlled by sheared sediments associated with quartz veining.

Corporate

Capital Raising

Bassari announced on the 22 November that short term funding of \$250,000 had been secured with HEGL Investments Pty Ltd to be used for working capital. The funding is provided for a four (4) month term at a market interest rate, secured by a charge over BSR's wholly owned subsidiary, Bassari Equipment Pty Ltd. The loan may be converted at HEG's election at 0.8 cents per BSR share.

A further \$500,000 has been raised by a private placement of shares to a combination of institutions and sophisticated investors. The funding will be used for working capital.

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 related to preliminary pit optimisation has been sourced from Australian Mine Design and Development Pty Ltd (AMDAD) Report REP1723_131025 and reviewed by Mr John Wyche (author of the report).

The technical information in this report related to metallurgical test work and comminution test work has been sourced from ALS Metallurgy (New South Wales – Sydney) Report M2867 and reviewed by Mr T Baily (author of the report).

The information in this announcement that relates to the Mineral Resources and Exploration Results 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 is a non-executive director and consultant to Bassari Resources Limited and has over 40 years' experience in the industry and has more than five years' experience which is relevant to the style of mineralisation being reported upon and the activity being undertaken to qualify as a Competent Person as defined in the 2012 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.

The Mineral Resource information referred to in the announcement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not changed since it was last reported.

The pit optimisation study used a Mineral Resource made up of a combination of indicated and inferred resource blocks. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

For further information contact:

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Managing Director/CEO

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Technical Terms

g/t	<i>grams per tonne</i>
Mt	<i>Million tonnes</i>
Mtpa	<i>Million tonnes per annum</i>
ktpa	<i>Thousand tonnes per annum</i>
RAB Drilling	<i>Rotary Air Blast drilling.</i>
RC Drilling	<i>Reverse Circulation drilling</i>
DD Drilling	<i>Diamond drilling</i>
ppb	<i>parts per billion, e.g. 1000 ppb gold is 1 g/t gold</i>
ppm	<i>parts per million</i>
km²	<i>square kilometres</i>
km	<i>kilometres</i>
mm	<i>millimetres</i>
Au	<i>Chemical symbol for gold</i>
3D	<i>Three dimensional</i>
COG	<i>Cut-off grade</i>
kg	<i>kilogram</i>
NE	<i>North East</i>
ENE	<i>East North East</i>
NW	<i>North West</i>
NNE	<i>North North East</i>
SSW	<i>South South West</i>
ASX	<i>Australian Securities Exchange</i>

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

BASSARI RESOURCES LIMITED

ABN

84 123 939 042

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(397)	(2,900)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	0	12
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
	(603)	(4,514)
Net Operating Cash Flows		
Cash flows related to investing activities		
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		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(603)	(4,514)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(603)	(4,514)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	132	2,942
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	250	250
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Costs of capital raising	(5)	(162)
	Net financing cash flows	377	3,030
	Net increase (decrease) in cash held	(226)	(1,484)
1.20	Cash at beginning of quarter/year to date	228	1,486
1.21	Exchange rate adjustments to item 1.20	(2)	(2)
1.22	Cash at end of quarter	0	0

Payments to directors of the entity, associates of the directors, 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	54
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Salaries and payments made for consulting services to directors and director related entities

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	250	250
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	
4.3 Production	
4.4 Administration	200
Total	600

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	68 (Australia)	228
5.2 Deposits at call		
5.3 Bank overdraft	(68) (Senegal)	0
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	0 (See note below)	228

NOTE:

The company has raised \$507,000, \$375,000 subsequent to the end of the December quarter, and is progressing discussions with parties to secure additional near term and longer term funding, in addition to the \$375,000 received in January 2014.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum 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	Preference securities (description)			
7.2				
7.3	+Ordinary securities	771,319,369	771,319,369	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities (description)			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	Nil	Nil	<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	2,500,000	Nil	30 cents	31-12-2013
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 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

(Company Secretary)

Date: 31 January 2014

Print name: Ian Riley

+ See chapter 19 for defined terms.

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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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