

1 February 2013

Dear Shareholder

2013 promises to be a very important year for Bassari when we expect to make significant progress in adding value to our asset base and in particular, unlocking the much larger potential at our Makabingui Gold Project.

The year has commenced well for the company with recent test work showing very high metallurgical recoveries from the Makabingui Gold Project, confirming the work previously carried out in 2011. These results in addition to the ore hardness test work are important at this early stage to understand some of the key project parameters at Makabingui.

As 2012 drew to a close, your Chairman, John Ballard, outlined in a letter to shareholders the major activities and achievements for the year. Our objective of reaching the milestone of one million ounces in gold resource at Makabingui is a significant step forward for Bassari and highlights the much larger potential of our assets. A copy of that letter is enclosed.

Also enclosed is our December 2012 Quarterly Activity Report which describes the achievements in the quarter and outlines our planned activities for the current quarter.

Bassari announcements are available on our website at www.bassari.com.au or we can include your details on our email distribution list to receive announcements following their release on ASX. Should you wish to be included on our distribution list, please send us your email contact details via admin@bassari.com.au.

Yours sincerely



Jozsef Patarica
Managing Director/CEO

Dear Shareholder

As the year end approaches, it is an appropriate time to review the activities undertaken by Bassari this year and to outline the program we are planning for 2013.

We are very pleased to have met our key 2012 objective of reaching the milestone of one million ounces in resource at our Makabingui Gold Project. This was achieved at a very healthy gold grade but in a climate of slow sample turnaround times which hampered the flow of assay results. The drilling program at Makabingui was terminated a little earlier than planned to ensure a new resource estimate could be released to the market prior to year end.

Our other main objectives were also completed during the year. These included assessing the Konkouto gold prospect and completing a detailed aeromagnetic survey over our permits and follow up prioritisation of our best prospects.

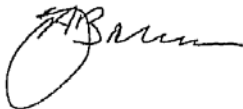
Our current gold resource at Makabingui is a stepping stone along the way to delineating more resources. The work program for 2013, now in the planning stage, will focus on delivering significant resource growth. Our aim will be to establish sufficient resources at Makabingui on which a viable operating mine may be based and we expect to start scoping study work during 2013.

The aeromagnetic survey and follow up work by the Bassari team have led to the identification of several very promising prospects, the best of which will be assessed in 2013 with a view to establishing more exploration projects. It is our plan to develop a pipeline of projects in Senegal, targeting near surface, high grade resources.

2012 has seen very difficult market conditions, particularly for junior exploration companies, as regards investor appetite and consequently available capital. Companies with a growth profile or a developing project appear to be faring better than pure exploration plays. At the recent Mines & Money conference and company road show in London, Bassari received very strong interest from financial institutions, many of which highlighted our strong asset fundamentals and potential. We are therefore concentrating our efforts to strengthen our position as a company with a robust project pipeline and growth profile. 2013 will be a very important year in our efforts to achieve this goal.

We are confident that Bassari is in a strong position in view of the quality of our assets, the current status and growth potential of the Makabingui Gold Project, the work being planned for 2013 to advance Makabingui, and our other prospects. We are however in a relatively long lead time business and it is important that we continue our work to establish a sound platform to progress our projects and prospects. I therefore ask shareholders to be patient in their expectations for the company, and to be assured that we are doing and shall continue to do all we can to deliver value for Bassari shareholders.

On behalf of all the staff of Bassari in both Senegal and Australia and its Board of Directors, I would like to wish you all a very Happy Christmas. We shall look forward to seeing you in 2013 for what we believe will be a very exciting year ahead.



John Ballard
Chairman



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	572,654,403
Unlisted options	5,800,000
No of shareholders	1,785
Top 20	38%

INVESTMENT HIGHLIGHTS

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

- Makabingui Gold Project, Mineral Resource (December 2012) **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.
- Multiple 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

John Ballard

Chairman

Jozsef Patarica

Managing Director/CEO

Chris Young

Non-Executive Director

Ian Riley

Company Secretary/Chief Financial Officer

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ASX Release

31 January 2013

December 2012 Quarterly Activity Report

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

Highlights

Makabingui Gold Project

- **Mineral Resource estimate increased 100% to 1 million ounces of gold in 11.9 million tonnes at 2.6 g/t gold, at a cut-off of 0.5 g/t gold**
 - Indicated: 336,000 oz in 2.6Mt at 4.0 g/t gold
 - Inferred: 669,000 oz in 9.3Mt at 2.2 g/t gold
- **Resource increase based on 28,700 metres drilled, 34% reverse circulation and 66% diamond drilling**
- **80% of the Mineral Resource is above 200 metres depth**
- **Makabingui Project continues to show strong growth potential as part of a larger mineralised system**
- **Assays reported during the quarter included the following intercepts:**
 - 4.2m @ 4.5 g/t gold
 - 4m @ 3.7 g/t gold
 - 2m @ 8.4 g/t gold
 - 8m @ 2.2 g/t gold
 - 3m @ 2.8 g/t gold
 - 2m @ 2.8 g/t gold
- **2013 work programs will focus on growing the gold inventory by targeting extensions of mineralisation within the Makabingui Project area**
- **Very high metallurgical recoveries – overall gold recovery from samples >96%**

Konkouto Prospect

- **Geological assessment completed**
- **Structural review planned for 1st Quarter 2013**

Exploration Activities

December 2012 Quarter

- **Makabingui Gold Project – 1 million ounces of gold**
 - On 4 December 2012, the company released an updated mineral resource estimate of 1.0 million ounces of gold in 11.9 million tonnes at 2.6 g/t gold at a cut-off of 0.5 g/t gold. This is a 100% increase in contained ounces and achieved the Company's principal objective for 2012
 - The drilling program was completed on 4 November 2012 and comprised 28,660 metres, including 18,883 metres of diamond drilling (DD) and 9,777 metres of reverse circulation (RC) drilling
 - Significant assay results reported included the following intercepts:
 - **4.2m @ 4.5 g/t gold** from 66.3 metres on line 99,900N, hole DDS041
 - **4m @ 3.7 g/t gold** from 419 metres on line 99,900N, hole RCS403D
 - **2m @ 8.4 g/t gold** from 93.5 metres on line 99,800N, hole RCS249D
 - **8m @ 2.2 g/t gold** from 14 metres on line 100,700N, hole RCS501D
 - **3m @ 2.8 g/t gold** from 28 metres on line 100,400N, hole RCS477D
 - **2m @ 2.8 g/t gold** from 39 metres on line 100,100N, hole RCS411D
 - There is strong potential for new areas of mineralisation south of the existing resource, including an area along strike where recent artisanal activity has been established. The areas are located within the significant NNE trending Lafia Shear Zone
- **Konkouto Gold Prospect**
 - Independent geological assessment was completed, and modelling undertaken of the mineralised veins as part of a ladder vein array typically developed under the control of a major thrust fault
- **Airborne Geophysical Survey**
 - Internal review of all targets has been completed, targets have been prioritised and work programs developed

March 2013 Quarter – Planned Activities

- **Makabingui Gold Project**
 - A detailed structural review and tectonic interpretation of Makabingui incorporating the structural information from the recently completed resource drilling program. Dr L. Wright (New Resource Management Services Ltd – UK) has been commissioned to undertake this work.
 - Test work to establish the Ball Mill Work Index in addition to further metallurgical characterisation test work were completed in January (refer ASX Announcement 30 January 2013).
 - Trenching of new areas along strike in the lead up to the 2013 drilling program. Trenching will focus on growing the existing gold resource.
- **Konkouto Gold Prospect – Trenching along strike of the currently defined mineralised zone and a detailed structural review by Dr L Wright**

Exploration Activities & Results

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

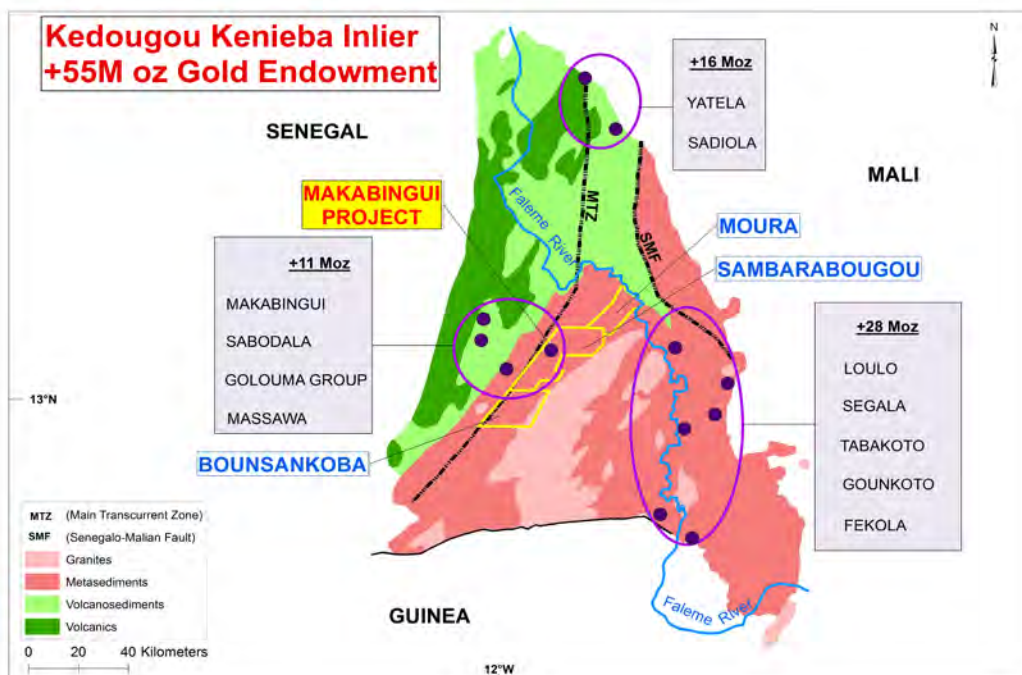


Figure 1 – Kedougou Kenieba Inlier

Sambarabougou Permit (Bassari 70%)

Centrally located of Bassari's three contiguous exploration permits, Sambarabougou contains the Makabingui Gold Project and the Lafia and Missira Gold Prospects (Figure 2).

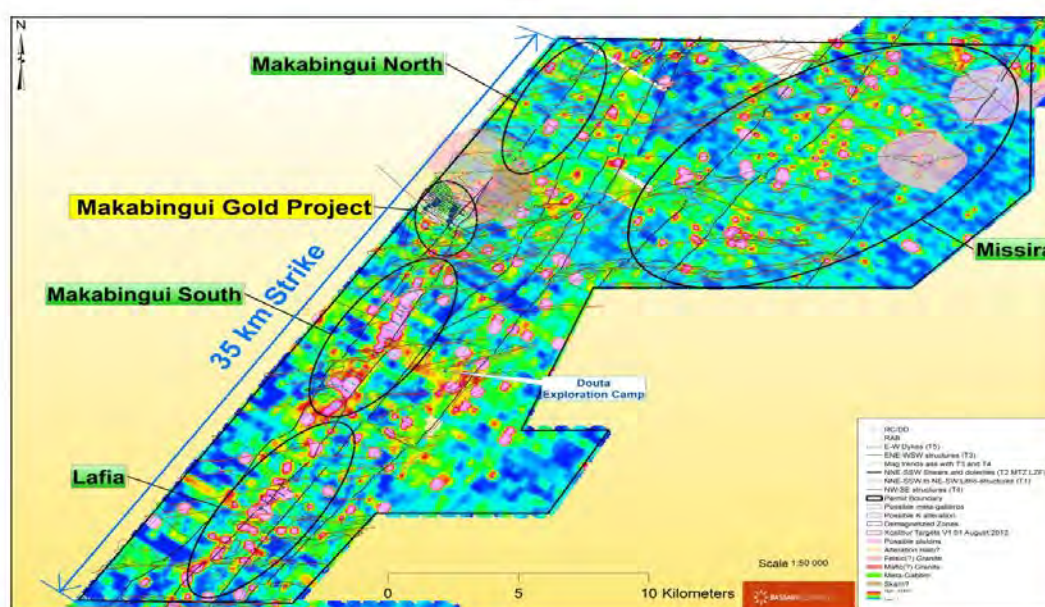


Figure 2 – Sambarabougou Permit – Project & Prospect Location Map

Makabingui Gold Project Update

The upgraded Mineral Resource has been independently estimated by AMC Consultants Pty Ltd at 1.0 million ounces of gold at a 0.5 g/t gold cut-off in 11.9 million tonnes at 2.6 g/t gold. This has resulted in a 100% increase in contained ounces.

The Mineral Resource is reported in accordance with the JORC Code¹ and is presented in Table 1.

Table 1 – Makabingui Project – Indicated and Inferred Mineral Resources as at 4 December 2012

Resource Classification	Cut off Au (g/t)	Tonnage (Mt)	Au (g/t)	Au (oz)
Indicated	0.5	2.6	4.0	336,000
Inferred	0.5	9.3	2.2	669,000
Total	0.5	11.9	2.6	1,005,000

Notes to accompany Table 1

1. The Mineral Resource is reported in accordance with the JORC Code.
2. All tonnages are rounded to the nearest 100,000t. Rounding may affect totals.
3. All ounces are rounded to the nearest 1,000. Rounding may affect totals.

The interpretation is on cross-sections perpendicular to strike, at approximately 125 degrees east of north. The cross sections are located on each drill section line. The section spacing varies from 25 metres to 200 metres. A gold mineralisation shell at a minimum cut-off of 0.2 g/t gold has been generated for each drill section. The surface projection of the Makabingui deposit interpretation is show in Figure 3.

¹ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

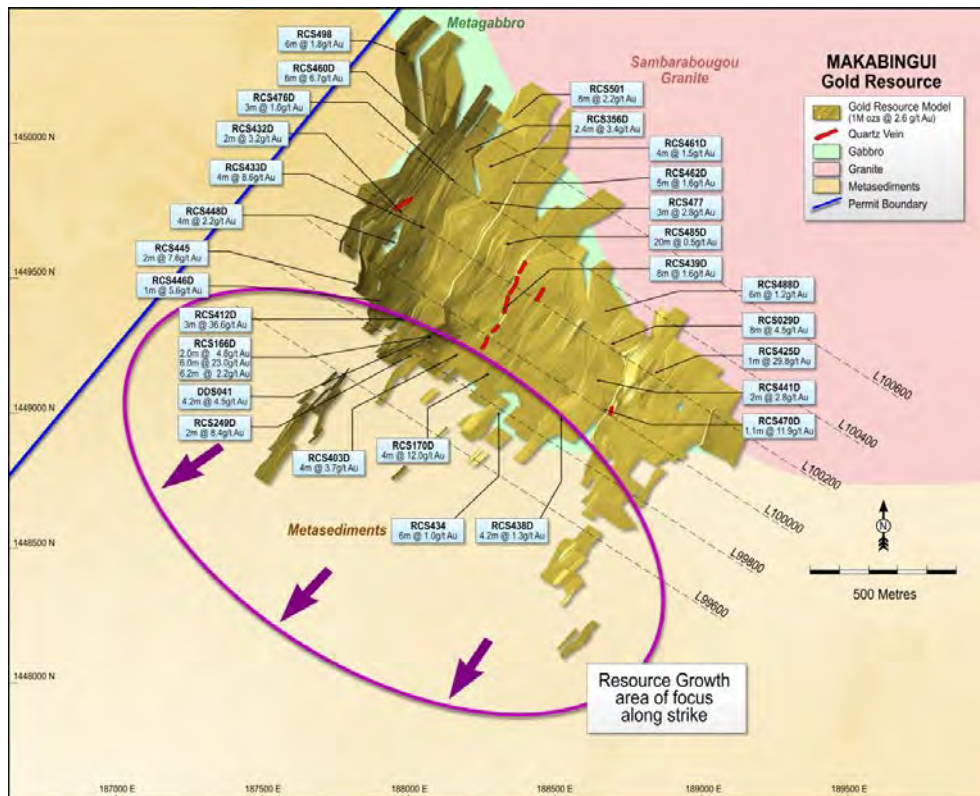


Figure 3 – Makabingui Gold Project Plan

Digital strings representing the interpretation for each section were constructed. The strings defining the mineralised shell have been snapped to the drill holes and were then linked along strike to form three dimensional solids defining the zones of mineralisation.

A total of 1074 drill holes were used in the interpretation and 384 drill holes were used to estimate the updated mineral resource at a cut-off grade of >0.5 g/t gold. Both reverse circulation (RC) and diamond drill holes (DD) were used with a high proportion of sampling from RC holes (56%). The 2012 drilling program incorporated more DD than RC and focused on the host metagabbro between lines 99,800N and 100,800N on 100 metre spaced lines with 100 metre spaced drill holes along the lines. A considerable number of holes completed as part of the 2011 resource expansion program were extended.

Artisanal activity established along the Lafia gold trend south of the Makabingui gold resource, south western extensions of the existing resource and very encouraging RAB and RC drill results at Makabingui South along a strike length of approximately 8 km have identified potential for new lodges within the significant NNE trending shear zone (Figure 4), and further highlight the prospectivity of the Company's permits. Trenching and a detailed structural review are planned to assist in the development of detailed drilling programs in these areas.

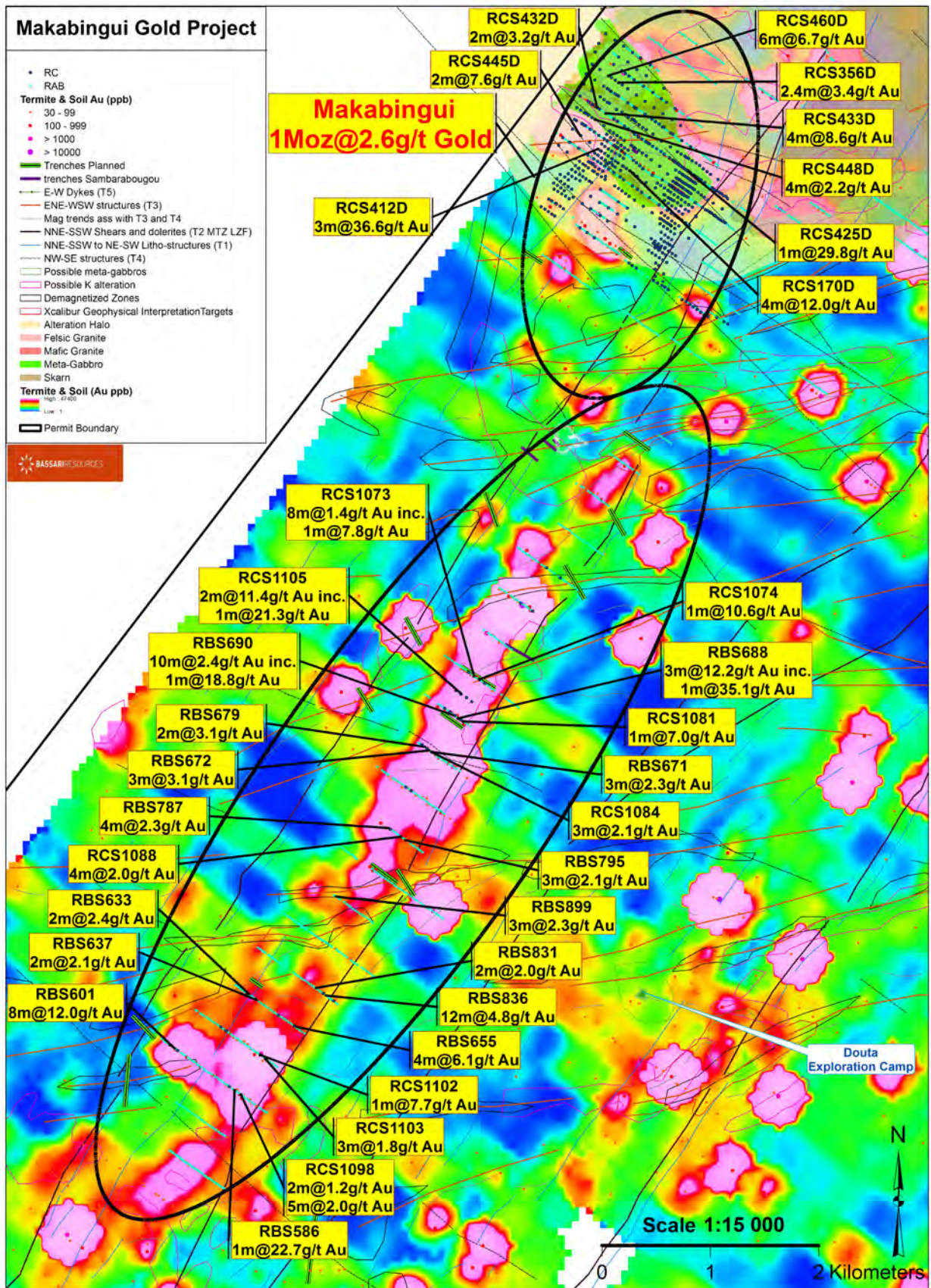


Figure 4 – Makabingui Project Area – Sambarabougou Permit

Moura Permit (Bassari 70%)

The most northern of Bassari's three contiguous permits, Moura contains the Konkouto Prospect, Kawsara, Bountou, and Sambali Prospects (Figure 5).

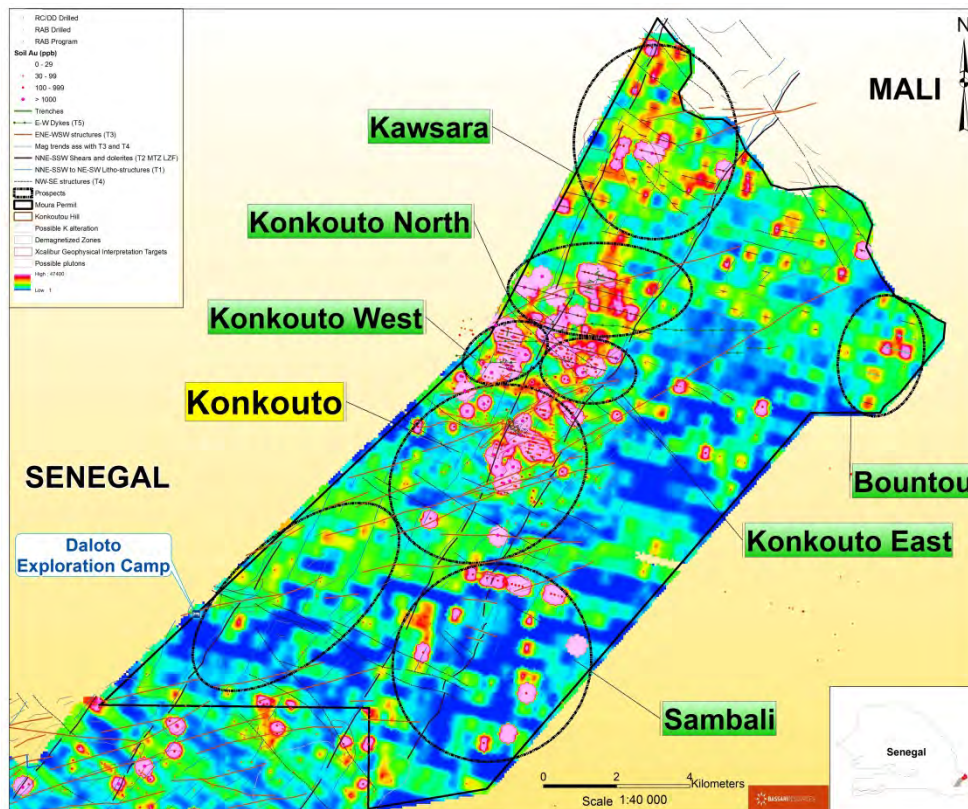


Figure 5 – Moura Permit – Prospect Location Map

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 6). These are characterised by different textures from fine to coarse grained associated with muscovite, biotite and carbonate. This facies appears to be the main host of the gold mineralisation.

An independent geological assessment has modelled the mineralised veins as part of a ladder vein array typically developed under the control of a major thrust fault.

Trenching along strike of the mineralised zone and a detailed structural review by Dr L Wright are planned for the March 2013 quarter.

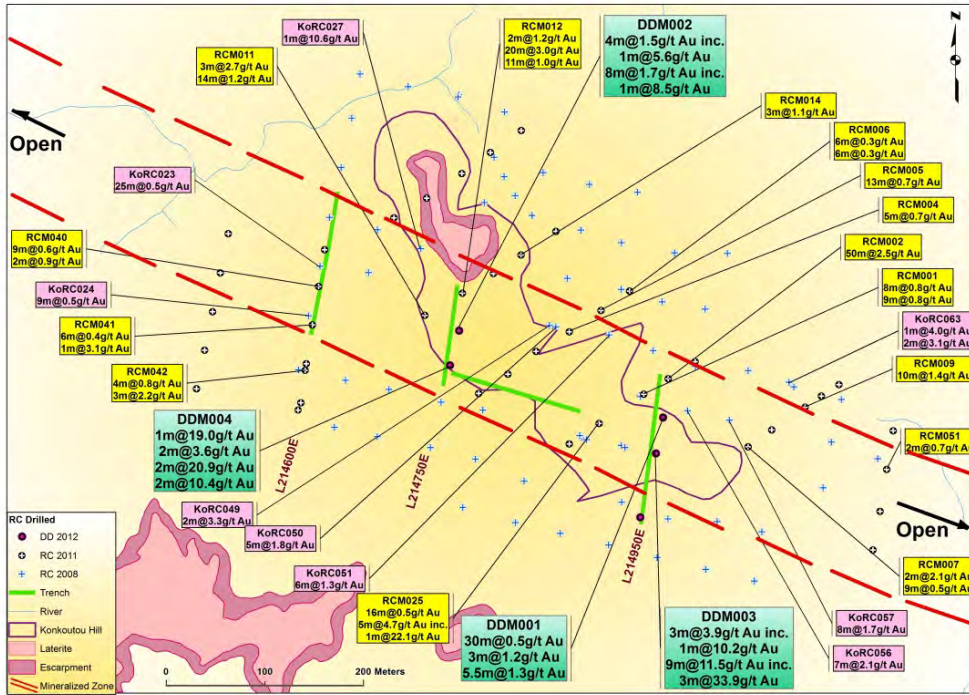


Figure 6 – Konkouto Prospect Plan

Bounsankoba Permit (Bassari 70%)

Bounsankoba the most southern of Bassari's three contiguous permits contains the Sekhoto, Massa Massa and Sakhofara Prospects (Figure 7).

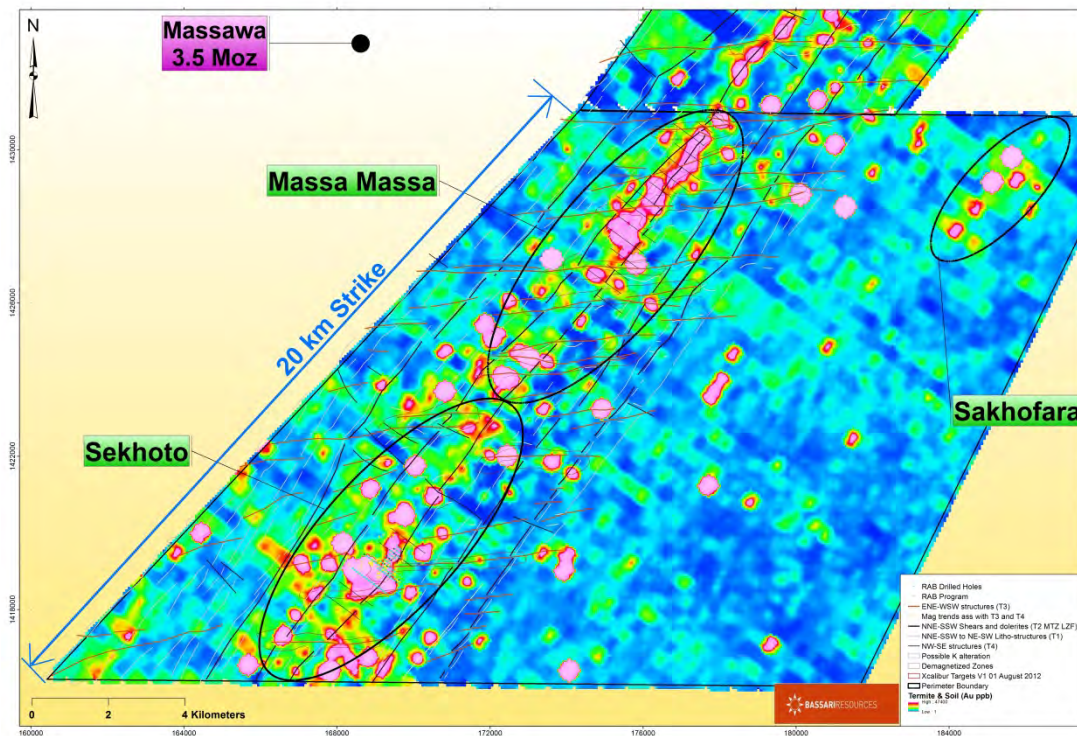


Figure 7 – Bounsankoba Permit, Prospect Plan

The results of a regional termite sampling program on a 400 metre by 50 metre grid through the eastern corridor of the permit were assessed along with the interpretation of the detailed aeromagnetic survey. The Sekhoto Prospect (Figure 8) has been identified as a priority drill target for 2013. The prospect is defined by coherent termite anomalies and RAB intercepts over a strike of 1.5 kilometres. High-grade mineralisation related to quartz veining along a NNE trend has been defined by a combination of rock chip sampling, trenching and RAB drilling. The prospect is located within the Lafia Shear Zone, which is a major regional structure trending NNE and cross cut by NE to ENE structures. There is potential for secondary structures to localise significant gold mineralisation.

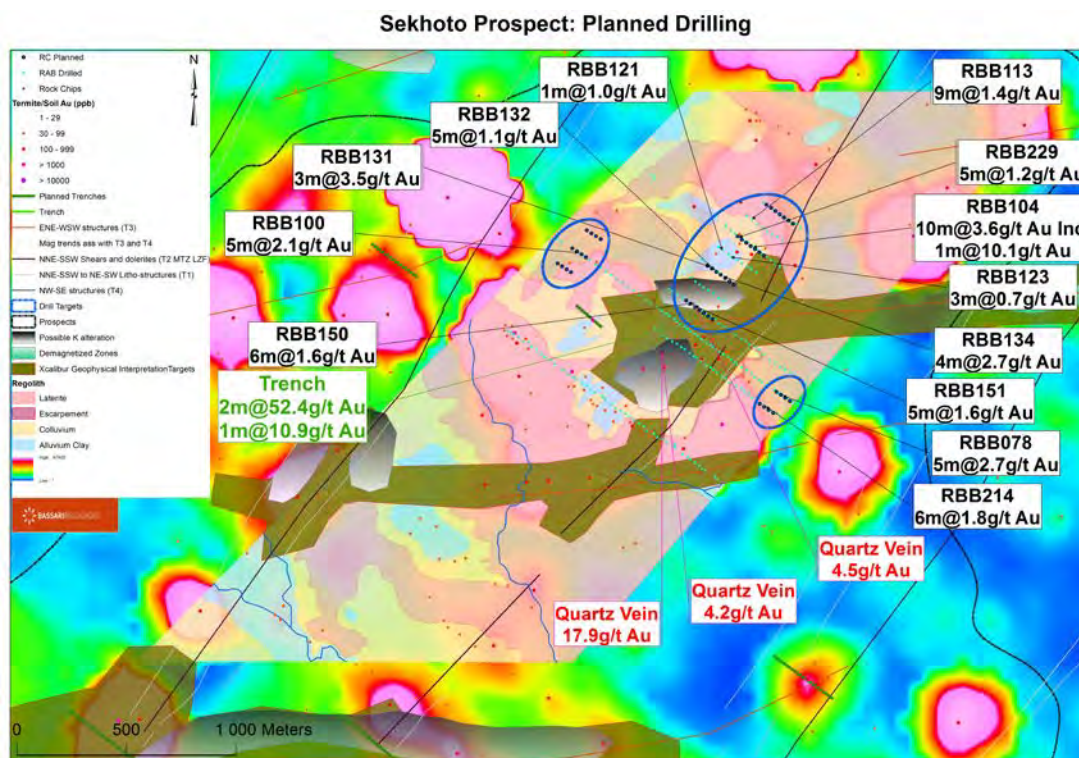


Figure 8 – Sekhoto Prospect Plan

Corporate

Conferences

Bassari Resources Limited presented at the following conferences during the quarter:

- 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 Mines & Money Hong Kong Conference 18-22 March 2013. The Company is pleased to invite shareholders and investors to visit its booth at the conference.

The presentations delivered at the conferences will be available on www.bassari.com.au

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 Kedougou Kenieba Inlier which is a +55M 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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