



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	1,147,841,258
No of shareholders	1,775
Top 20	46%

INVESTMENT HIGHLIGHTS

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

- Makabingui Gold Project Feasibility Study – 171,000 ounces, low cost, highly profitable, and significant free cash flows.
- 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.
- Multiple prospects identified along 80km strike within world class gold province.

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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30 July 2014

June 2014 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 June 2014 quarter.

Highlights

Makabingui Gold Project – Feasibility Study

- **Feasibility Study shows a low cost, highly profitable operation with significant free cash flows.**
- **Project Study summary at US\$1200/oz gold price:**

Production (recovered gold)	171,000 ounces
Average annual gold production	50,000 ounces
Average gold grade to the mill	>5.6 g/t gold
High processing recovery	95%
Processing rate	300ktpa
Initial project mine life	3.4 years
Cash Cost	US\$683/oz
Low additional capital	US\$12M
NPV (8% discount rate)	US\$63M
IRR	404%
Pre-capex free cash flow (after tax)	US\$88M
Payback from production start	<12 months

- **Highly experienced development team assembled**
- **Environmental and Social Impact Study (ESIS) in progress**
- **Makabingui Project Area – Major gold corridor with much larger potential**

Corporate

- **Capital Raisings:**
 - **\$1.0 million completed April at 0.9 cents (15.4% premium to 5 day VWAP)**
 - **\$1.1 million completed in July at 2 cents.**
 - **BCM International strong supporters in both raisings**
- **Rights Issue to raise up to \$4.6 million, by way of 1 for 5 non renounceable pro rata issue**

MAKABINGUI GOLD PROJECT – FEASIBILITY STUDY

Bassari released a Feasibility Study for the Makabingui Gold Project on 26 June 2014. The study is based on a 300ktpa hard rock operation initially from four high-grade open pits over a 3.4 year mine life. The project is technically and commercially feasible and can generate strong cash flows at the low end of industry operating costs.

Additionally, exploration and mine life upside exists from within the Makabingui one million ounce resource and from the prospective area to the south – “Makabingui South”.

Highlights

- **Feasibility Study shows a low cost, highly profitable operation with significant free cash flows.**
- **Project Study summary at US\$1200/oz gold price:**
 - **Production (recovered gold)** 171,000 ounces
 - **Average annual gold production** 50,000 ounces
 - **Average gold grade to the mill** >5.6 g/t gold
 - **High processing recovery** 95%
 - **Processing rate** 300ktpa
 - **Initial project mine life** 3.4 years
 - **Cash Cost** US\$683/oz
 - **Low additional capital** US\$12M
 - **NPV (8% discount rate)** US\$63M
 - **IRR** 404%
 - **Pre-capex free cash flow (after tax)** US\$88M
 - **Payback from production start** <12 months
- **Substantial, 100% owned existing infrastructure and previous operating experience in country enables production to be fast tracked**
- **Significant upside – Much larger potential from within the existing gold resource and extensive land package, containing 31 additional gold targets over 80km of strike**

The project’s initial mine life is 3.4 years, with strong potential to significantly increase the mine life given that mineralisation remains open along strike and at depth in the current resource area. There is also much larger resource growth potential close to the existing project area along strike at Makabingui South where previous drilling (RC & RAB) has returned significant gold intercepts. These intercepts, along with previous artisanal activity, highlight the opportunities for further infill drilling.

Australian Mine Design & Development (AMDAD) carried out the pit designs and developed the production schedules based on the Whittle open pit optimisation studies.

Major equipment costs were based on a combination of budget quotes, knowledge of similar projects and in-country experience from building the existing gravity plant.

Pre-production Capital Cost Estimate:

Processing Plant Upgrade	US\$5.5M
Mine Pre-development	US\$1.7M
Tailings Storage Facility (Year 1)	US\$0.5M
First Fill & Spares	US\$0.5M
Mine Establishment & Owner's Costs	US\$2.8M
Sub Total	<u>US\$11.0M</u>

Tailings Storage Facility (Year 2 onwards) US\$1.1M

Total Capital Cost Estimate **US\$12.1M**

Notes:

- Mine pre-development allows for four months of mining to build an adequate ROM stockpile prior to gold production
- Mine Establishment & Owner's Costs include mobilisation, mine infrastructure and project management costs

Capital and operating costs have been derived from first principles based on budget quotes and in-country labour rates where possible as well as consultant databases related to similar projects.

An indicative development timeframe to first gold production is 8 months with the critical path being the processing plant construction.

For full details of the Feasibility Study, refer to ASX Announcement dated 26 June 2014.

PROJECT LOCATION

Bassari holds a 70% interest in each of three contiguous exploration permits; Sambarabougou, Moura and Bounsankoba, covering approximately 850 km² in a central location of the highly prospective Birimian Kenieba Inlier (refer Figure 1). The permits are located approximately 750km east of Senegal's capital city of Dakar and about 70km north east of the town of Kedougou, and span 80km strike length of parts of a major crustal shear zone, the Main Transcurrent Shear Zone (MTZ), a well-defined gold mineralised structural corridor. The Kenieba Inlier is host to several multi-million ounce gold deposits and extends into the bordering countries of Mali and Guinea (refer Figure 2).

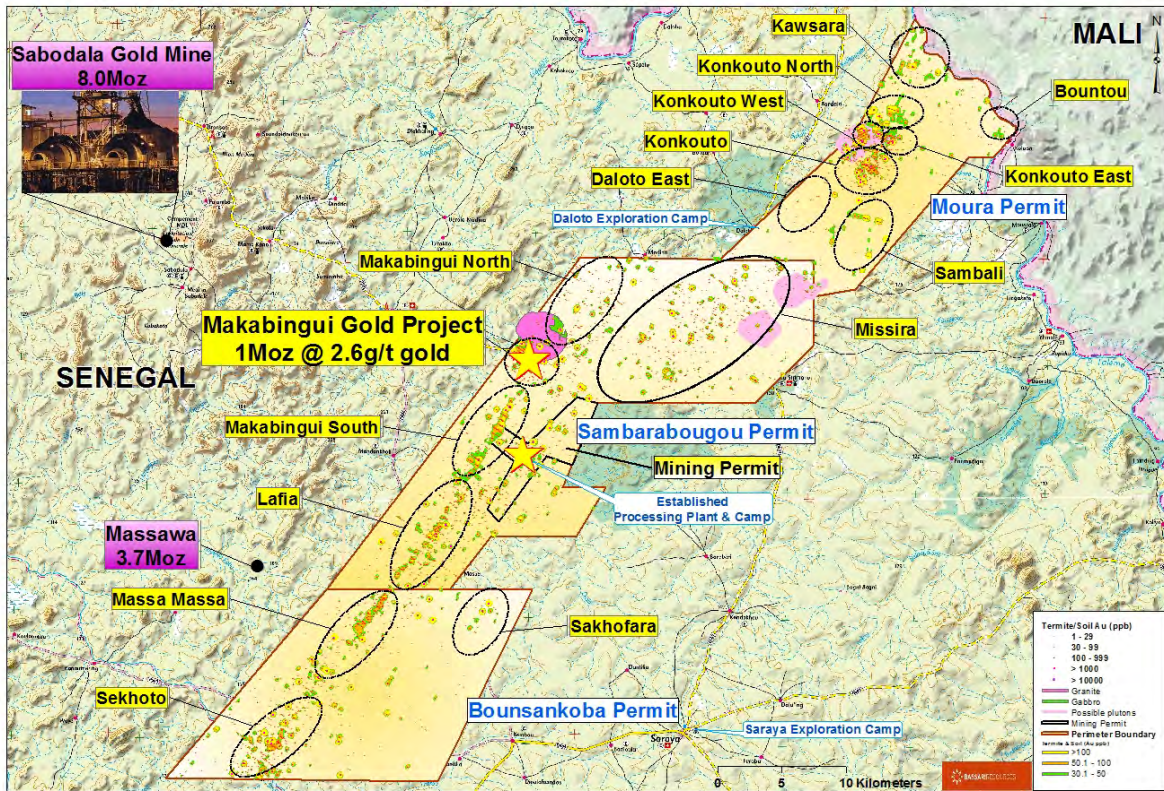


Figure 1 – Bassari’s Permits with Project & Prospect Locations

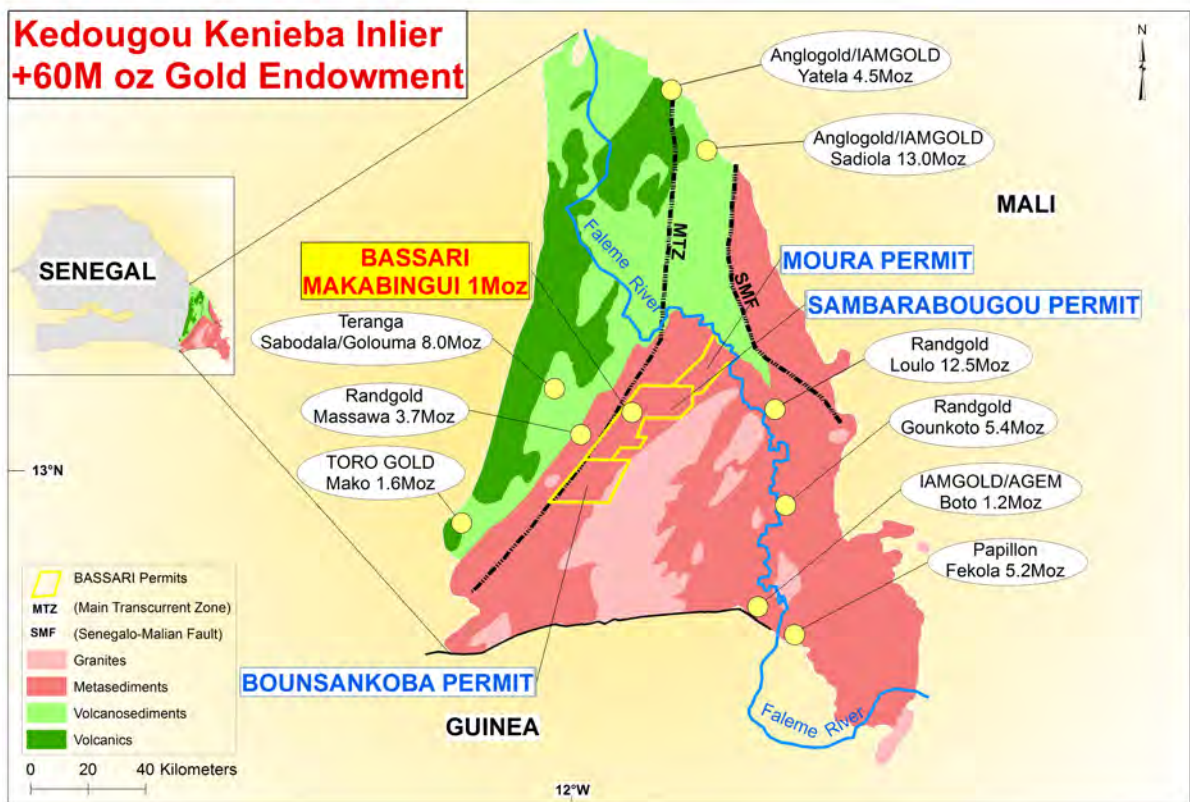


Figure 2 – Kedougou-Kenieba Inlier

Development Team Members

Following the outstanding results of the Makabingui Gold Project Feasibility Study the Company has moved quickly to secure experienced industry professionals to deliver the project (see ASX announcement 29 July 2014).

Mr Jozsef Patarica (Project Manager) – Mining / Processing / Operations

Mr Marcus Binks - Metallurgy / Processing / Commissioning

Mr Cameron Bain - Mechanical / Civil / Structural

Mr Ron Goodman - Metallurgy

Mr Anthony Holland – Electrical / Power Generation

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

Mr Ian Riley – Cost Control / Financial Reporting

In Country Team

Mr Moussa Diba – Geology

Mr El Hadji Baba Sow - Logistics

Mr Karim Fall - Engineering

Mr Modou Guene - Accounting

Environmental & Social Impact Study

Consultancy, Synergie Environment based in Dakar is currently undertaking the Environmental & Social Impact Study (ESIS) for the Makabingui Gold Project.

Leading the study team is Mr Amath Dior MBAYE who is a Director of Synergie and was part of the study team for the gravity operation where the existing gravity plant is located.

With previous operating experience in Senegal, Bassari has undertaken considerable community development initiatives in recognition and respect of the country's culture, values, and traditions.

Key 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 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.

The ESIS is an important step in the approval process to commence mining activities with the application to convert the Sambarabougou exploration permit to a mining production permit already lodged with the government in accordance with the Senegal Mining Code.

MAKABINGUI SOUTH: SIGNIFICANT WIDESPREAD GOLD MINERALISATION

Following the release of the Makabingui Gold Project Feasibility Study, Bassari is focused on unlocking much larger potential that it believes exists within close proximity to the Makabingui Gold Project and across its three contiguous permits. Makabingui South is defined by highly anomalous soil and termite mound gold anomalies and significant gold intercepts returned from previous wide spaced RAB & RC drilling (~400 metre spaced lines). Structural interpretation indicates the presence of a major mineralised gold corridor. As well as alluvial gold, artisans mined quartz lode hosted gold mineralisation in the weathered bedrock.

Recent artisanal activity within the Makabingui Project area south of the existing resource has identified potential for multiple new areas of mineralisation within a regional NE trending shear zone (Main Transcurrent Zone – MTZ) - Refer Figure 3.



Figure 3 – Makabingui & NE Trending Mineralised Zone

Within the overall prospect area south of Makabingui, Bassari has identified three priority infill drilling areas south of the existing gold resource MS1, MS2 and MS3 (refer Figure 4). Gold mineralisation is expected to occur within dilational sites that formed in local perturbations along the recognised cross-cut faults during structural reactivation.

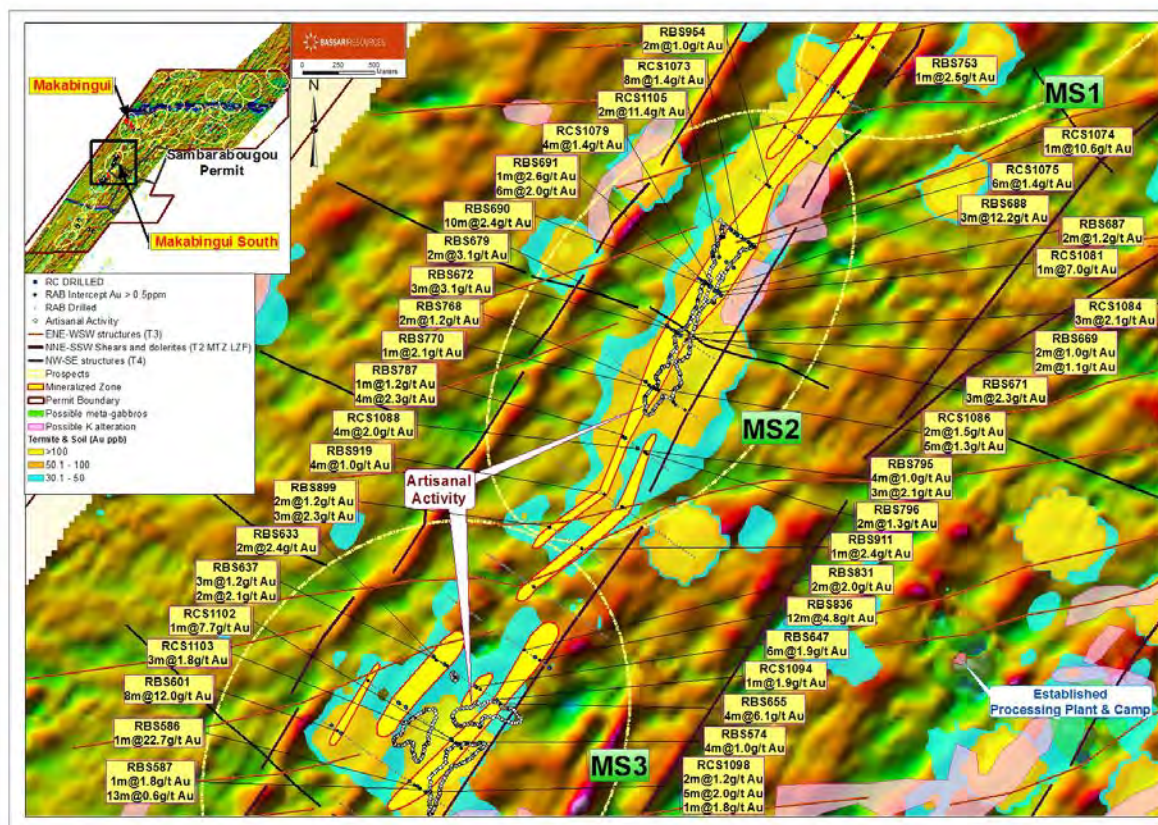


Figure 4 – Makabingui South Prospect

Corporate

Capital Raising

In April, Bassari completed an above-market \$1 million capital raising via a share placement with international mining contractor, BCM International Limited (BCM), as a cornerstone investor and a significant shareholder. The company issued 111.4 million fully paid ordinary shares at 0.9 cents each to raise approximately \$1 million.

Funds from the placement were used to finalise the Makabingui Feasibility Study as well as provide working capital.

In July, Bassari completed a \$1.1 million capital raising to sophisticated and institutional investors, including existing shareholders, at \$0.02 (2 cents) per new share.

BCM International Limited, a cornerstone Bassari shareholder, were strong supporters in the placement.

The Company also announced that it intends to raise up to \$4.6 million, before costs of the issue, by way of a 1 for 5 non renounceable pro rata rights issue (“Rights Issue”) to Bassari shareholders at an issue price of \$0.02 (2 cents) per share. A shortfall application facility will be made available under the Rights Issue. Funds raised by the Rights Issue and issue of shortfall shares will be applied to developing the Makabingui Gold Project and for working capital.

Annual General Meeting

All resolutions considered by shareholders at Bassari’s Annual General Meeting, held in Melbourne on 30 May 2014, were passed on a show of hands. The five resolutions were:

1. Approval of the Remuneration Report for the period ended 31 December 2013
2. Re-election of Director – Mr Alex Mackenzie
3. Ratification of prior issue of placement shares
4. Ratification of prior issue of placement shares to HEGL Investments Pty Ltd
5. Approval of placement facility.

About Bassari

Melbourne - based West African gold developer 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 +60M 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 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.

For Further Information Contact:**Managing Director/CEO**

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Glossary of Terms

AMDAD	<i>Australian Mine Design and Development</i>
ASX	<i>Australian Securities Exchange</i>
Au	<i>Chemical symbol for gold</i>
BSR	<i>Bassari Resources Limited</i>
CIL	<i>Carbon In Leach</i>
COG	<i>Cut-off grade</i>
C1	<i>The costs of mining, milling and concentrating, onsite administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of the by-product credits.</i>
DCF	<i>Discounted cash flow</i>
DD Drilling	<i>Diamond drilling</i>
ENE	<i>East North East</i>
FS	<i>Feasibility Study</i>
g/t	<i>grams per tonne</i>
GDP	<i>Gross Domestic Product</i>
IRR	<i>Internal rate of return</i>
JORC	<i>Joint Ore Reserves Committee</i>
JORC Code	<i>Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves</i>
k	<i>Thousand</i>
kg	<i>kilogram</i>
km²	<i>square kilometres</i>
km	<i>kilometres</i>
ktpa	<i>Thousand tonnes per annum</i>
kva	<i>kilovolt-ampere</i>
m	<i>metre</i>
M	<i>Million</i>
Mt	<i>Million tonnes</i>
Mtpa	<i>Million tonnes per annum</i>
mm	<i>millimetres</i>
MTZ	<i>Main Transcurrent Zone</i>
Moz	<i>Million ounces</i>
NE	<i>North East</i>
NPV	<i>Net Present Value</i>
NW	<i>North West</i>
NNE	<i>North North East</i>
NN	<i>Nearest neighbour – estimation method</i>
OK	<i>Ordinary Kriging – estimation method</i>
Oz	<i>Troy ounces (1 troy oz = 31.10348 grams)</i>
ppb	<i>parts per billion, e.g. 1000 ppb gold is 1 g/t gold</i>
ppm	<i>parts per million</i>
p80	<i>80% percentile</i>
RAB Drilling	<i>Rotary Air Blast drilling.</i>
RC Drilling	<i>Reverse Circulation drilling</i>
RL	<i>Reduced Level (Elevation in metres)</i>
ROM	<i>Run of mine (includes mining loss and dilution)</i>
SE	<i>South East</i>
SSW	<i>South South West</i>
tph	<i>tonnes per hour</i>
tpa	<i>tonnes per annum</i>
t/m³	<i>tonnes per cubic metre</i>
US\$	<i>United States dollars</i>
3D	<i>Three dimensional</i>
24/7	<i>24 hour operation, 7 days a week</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")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 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	(621)	(1,347)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid		(4)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
	(985)	(2,069)
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)	(985)	(2,069)

+ 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)	(985)	(2,069)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,003	2,198
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	(31)	(45)
	Net financing cash flows	972	2,153
	Net increase (decrease) in cash held	(13)	84
1.20	Cash at beginning of quarter/year to date	99	0
1.21	Exchange rate adjustments to item 1.20	3	5
1.22	Cash at end of quarter	89	89

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	81
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

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	600
4.2 Development	
4.3 Production	
4.4 Administration	250
Total	850

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	167 (Australia)	165
5.2 Deposits at call		
5.3 Bank overdraft	(78) (Senegal)	(66)
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	89 (See note below)	99

NOTE:

The company completed a capital raising of \$1.1 million subsequent to the end of the June quarter (ASX announcement 18 July 2014), and has announced its intention to raise up to \$4.6 million by way of a 1 for 5 Rights Issue to shareholders and is also in discussion with parties to secure additional near term and project pre-development funding.

+ 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				
7.2				
7.3	1,093,837,102	1,093,837,102		
7.4	111,424,405	111,424,405		
7.5				

+ 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 (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 30 July 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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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

In accordance with ASX Listing Rule 5.3.3, Bassari Resources Limited provides its list of exploration and exploitation permits with its March 2014 quarterly activities report.

Project	Country	Area (sq km)	Licence type	Granted/ renewed	BSR Group % interest
Sambarabougou	Senegal	183.2	Exploration Permit	13-09-2013	70% (a)
Moura	Senegal	400.1	Exploration Permit	28-02-2012	70% (a)
Bounsankoba	Senegal	267.7	Exploration Permit	05-08-2010	70% (a)
Douta (within Sambarabougou)	Senegal	30.0	Exploitation Permit	13-08-2010	63% (b)

- (a) Bassari's wholly owned Senegal subsidiary is in joint venture with a third party which holds the permit titles.
- (b) Bassari's subsidiary which holds the interest in this permit is owned 63% by the Bassari Group.

+ See chapter 19 for defined terms.