



CORPORATE INFORMATION

Bassari Resources Limited is an Australian ASX-listed company focused on discovering and developing multimillion ounce gold deposits in the Birimian Gold Belt, Senegal, West Africa.

FAST FACTS

ASX Code	BSR
Issued Capital	1,181,136,981
No of shareholders	1,767
Top 20	43%

INVESTMENT HIGHLIGHTS

Mineral tenements over approximately 790km² of prospective Birimian Gold Belt, Senegal.

- Makabingui Gold Project Feasibility Study – Initial high grade open pit project of 1Mt at 5.7g/t for 171,000 oz production inventory, \$680/oz cash cost, US\$88m after tax cash flow in first three years, and expansion anticipated from underground and infill drilling of 8km Makabingui South zone.
- Makabingui Gold Project Mineral Resource (Prepared and disclosed under JORC Code 2004 and remains unchanged) **1 Moz in 11.9 Mt at 2.6 g/t gold (0.5 g/t cut-off)** :
 - Indicated: 336,000 oz in 2.6 Mt at 4.0g/t
 - Inferred: 669,000 oz in 9.3 Mt at 2.2g/t
- Makabingui Gold Project open pit JORC 2012 Probable Ore Reserve:
 - 158,000 oz in 0.86 Mt at 5.7 g/t
- Senegal, stable democracy since 1960.
- Well located tenements in a +60M ounce gold province hosting world class deposits.
- Multiple prospects identified along 80km of partially drilled mineralised strike.

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 January 2015

December 2014 Quarterly Activity Report

Gold developer Bassari Resources Limited (ASX:BSR) is pleased to report on activities at its gold projects in Senegal, West Africa.

Makabingui Gold Project

- **Environmental & Social Impact Assessment (ESIA) completed and lodged with Senegalese Government – Significant Milestone**
- **Production permit application previously lodged with Senegalese Government advancing**
- **Project financing alternatives being advanced**
- **Detailed design of processing plant upgrade - 90% complete**
- **Mining tender in final review stage**
- **Project development plan confirms first gold achievable in 2015**
- **More significant improvements with new waste rock dump design**

MAKABINGUI GOLD PROJECT

Processing Plant Upgrade

The strategy for the initial starter project is to leverage off the significant plant, infrastructure and previous operating experience in Senegal.

Mincore's team of highly experienced engineers and designers have made significant progress on the detailed design of the processing plant upgrade. The team has completed 90% of the civil, mechanical, piping and structural design. The processing plant layout has been locked in (refer Figure 1) along with the flow sheet (refer Figure 2) aimed at minimising pump flows and to follow the general process flow within a compact footprint. Integrating process design with engineering has resulted in process circuits being simplified maximising the efficient use of capital.

Supported by the Company's in-country development team, details have been checked and factored into the upgrade design to ensure the new plant integrates into the existing plant (refer Figure 3).

Together with Vanture International the team has delivered advanced procurement support for key processing equipment to ensure delivery of required specifications. Work to date has included:

- Preparation of procurement packages (datasheets, scopes of work, specifications and pricing schedules).
- Technical bid reviews.
- Preparation of civil, structural, mechanical, piping and electrical and instrumentation scopes of work packages.
- Quality Assurance / Expediting support.
- Vendor design reviews.

Key achievements delivered:

- Modular plant design to fit into standard sea containers.
- Steelwork to be pre-assembled in China as part of QA/QC process.
- Bolted leach tanks to be pre-assembled in China as part of QA/QC process, reducing on site construction time.
- Skid mounted 450Kw mills reducing concrete volumes.
- Integrated Chinese procurement.

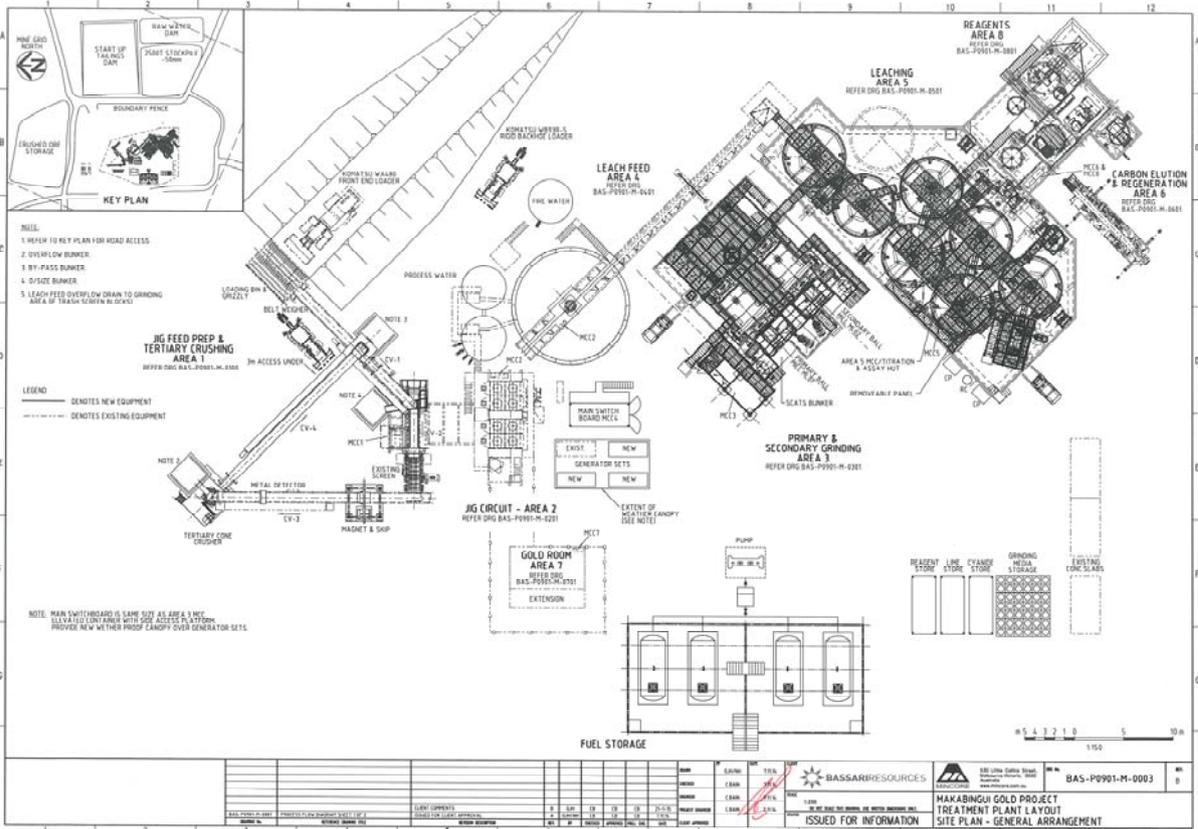


Figure 1 – Processing Plant Layout

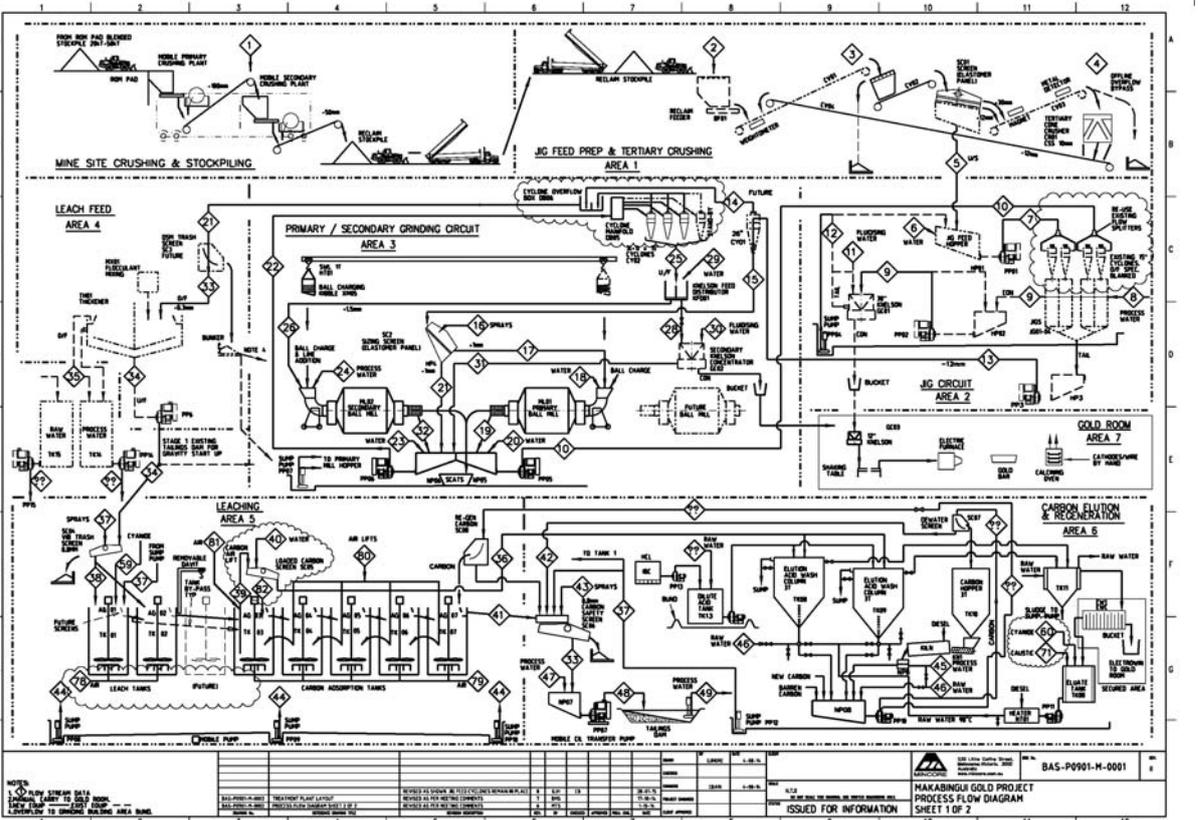


Figure 2 – Processing Flow Sheet



Figure 3 – Existing Gravity Plant

Mining Tender

Following the mining tender late last year the review process is now focused on the shortlisted companies with ongoing discussions in progress. Award of the contract is planned for Q1, 2015.

A new waste dump strategy, expected to deliver significant improvements and cost savings is being reviewed with the aim to incorporate the new designs into the scope of work. The new design has three separate waste dumps located closer to the pits being mined with a lower final height than the one larger waste dump assumed in the feasibility study (refer Figure 4).

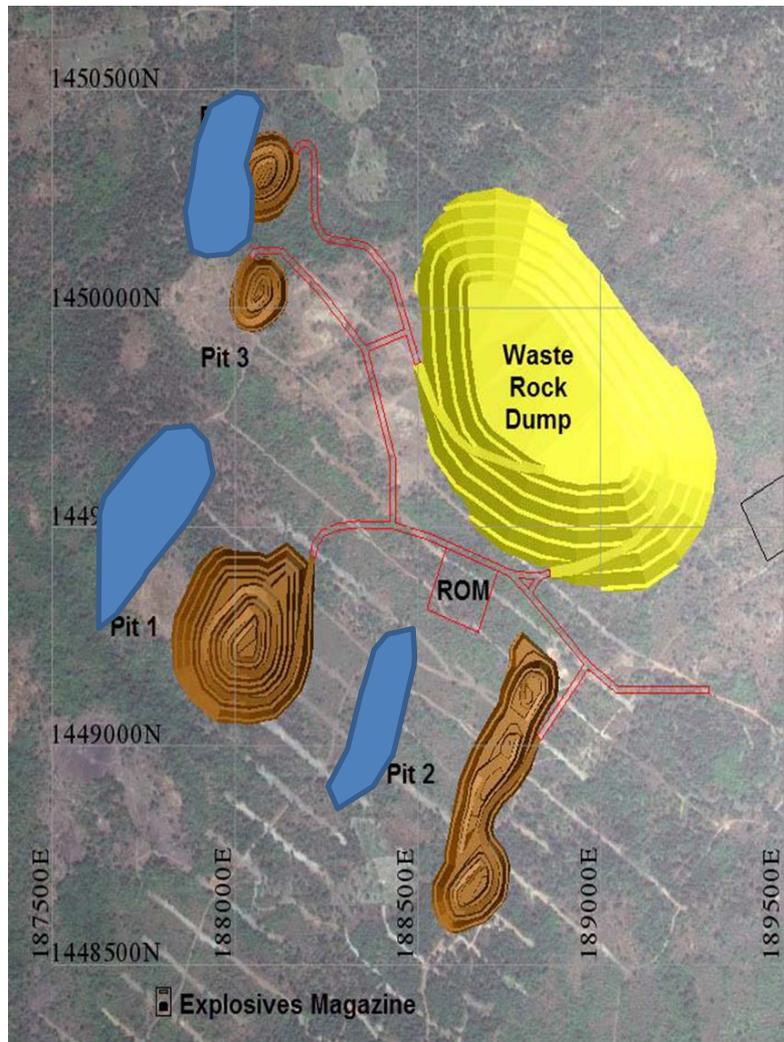


Figure 4 – New waste rock dumps shown in blue, feasibility study waste dump in gold

Environmental & Social Impact Assessment

The Environmental and Social Impact Assessment (ESIA) lodged with the Environmental Department of the Senegalese Government marks a significant milestone in the permitting process. The assessment process incorporates new requirements by the government related to mine rehabilitation, which extended the original timeline forecast late last year. Importantly the study has not identified a risk to the environment.

The next step in the process is a technical committee meeting to be held in the regional town of Kedougou by the Environmental Department under the supervision of the Department of Mines and Geology (DMG). The outcomes of this meeting will be incorporated into the assessment prior to a public meeting to be held in the region. We acknowledge and are encouraged by the support provided by the government departments involved throughout the assessment process.

Production Permit Agreement

The Ministry of Economy, Finance and Planning have provided the outcome of their assessment on the terms of the production permit agreement (mining concession) previously developed with the government. The production permit process has been run in parallel with the ESIA approval process. The company is encouraged by the outcome of their review, as there were no significant issues raised. Suggested amendments will be incorporated into the updated agreement, which along with the ESIA will be submitted to both the Director and Minister of the Mines & Geology Department for final review.

Improved Project Fundamentals

Since delivering the outstanding feasibility study results in June 2014 (refer ASX Release – 26 June 2014) a number of global economic factors have shown potential to deliver significant improvements to the project.

Global Oil Prices (Estimated reduction of ~US\$15M) - Global oil prices are down more than 50% from mid-2014 highs. As a result current fuel prices represent an estimated reduction of ~US\$15M compared to assumptions made in the feasibility study.

Gold Price (Estimated increase in gold revenue of ~US\$17M) – Feasibility gold price assumption was US\$1,200/oz with recent spot prices in the vicinity of US\$1,300/oz.

With the general downturn in the mining industry, access to experienced mining professionals both for the development and operations phase has improved significantly. Bassari has already secured a highly experienced team for the current design stage and is confident of sourcing experienced people through both the construction and transition to operations phase.

Experience with tendering of contracts and equipment indicates that the downturn of the mining industry has provided advantages to the project both in terms of potential cost reductions and reduced lead times for delivering equipment and material.

Feasibility Study Results

Makabingui Gold Project currently hosts a Mineral Resource (*Note 1*), which comprises 11.9 million tonnes averaging 2.6 g/t gold for a contained 1 million ounces of gold classified into the Indicated and Inferred Resource categories. The initial open pit mining phase focuses on the Indicated Resource based on a conventional gravity and Carbon in Leach (CIL) processing circuit. The Open Pit Feasibility Study for the initial mining phase delivered outstanding results:

Makabingui initial stage high grade Open Pit Project Feasibility Study summary at US\$1200/oz gold price:

○ Mined ounces	180,000 ounces
○ 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 (C1)	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

An Underground Scoping Study has been undertaken providing an assessment of the potential for an underground development phase for the Makabingui Gold Project within the one million ounce gold resource. Underground development would commence on Completion of Pit 1 mining operations and utilise existing infrastructure and 300ktpa processing plant factored into the Open Pit Feasibility Study for the development of four high grade open pits.

Makabingui High Grade Underground Scoping Study highlights at US\$1200/oz gold price:

○ Mined ounces	120,000 ounces (additional to open pits)
○ Average gold grade to the mill	>7.0 g/t gold
○ Mine life extension	~2.5 years
○ Estimated Revenue	US\$144M
○ Estimated OPEX	US\$56M
○ Estimated CAPEX	US\$35M
○ Processing recovery	95%
○ Cut-off-grade	3g/t gold

Note 1 :- Prepared and disclosed under the JORC Code 2004 and remains unchanged

Project Location

Bassari holds a 70% interest in each of three contiguous exploration permits; Sambarabougou, Moura and Bounsankoba, covering approximately 790 km² in a central location of the highly prospective Birimian Kenieba Inlier (refer Figure 4). The permits are located approximately 750 km 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 hosts several multi-million ounce gold deposits and extends into the bordering countries of Mali and Guinea (refer Figure 5).

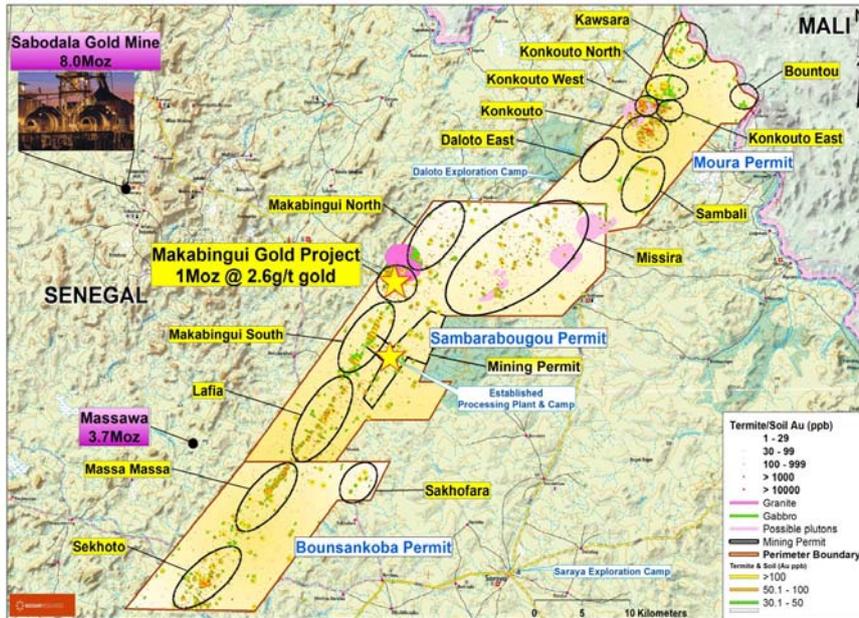


Figure 4 – Bassari’s Permits with Project & Prospect Locations

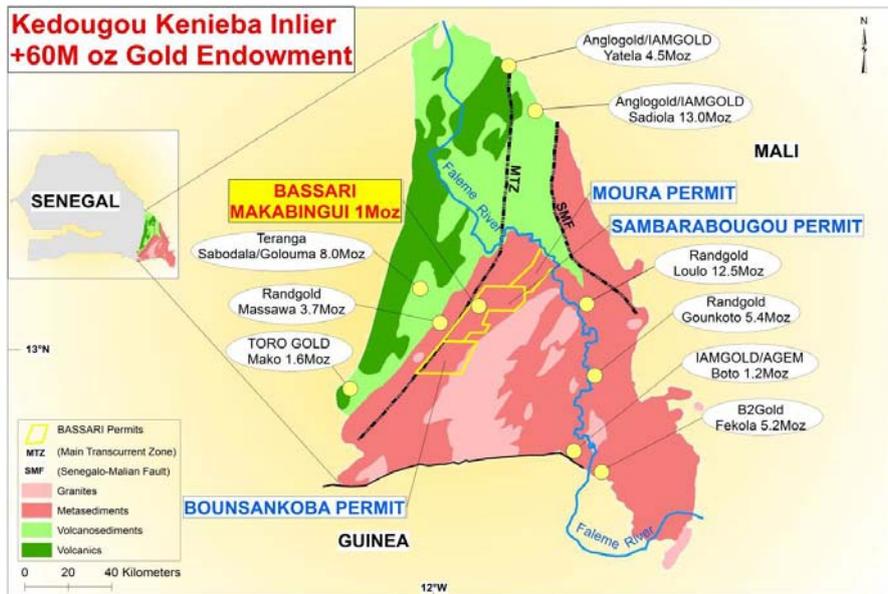


Figure 5 – Kedougou-Kenieba Inlier

CORPORATE

In November 2014 (refer ASX release 17 November 2014) the company announced \$1 million in additional funding for its flagship Makabingui Gold Project in Senegal, via the issue of Convertible Notes with a face value of 1.6 cents bearing interest at a rate of 8% annually and payable quarterly. The Convertible Notes to be issued to major shareholder BCM International (or their nominee) for conversion or repayment in 12 months. The company in discussion with BCM International has re-scheduled the timing for receipt of the balance of Tranches 2 and 3, \$600,000, to six monthly amounts of \$100,000 each.

Project Financing

A number of project financing options are being considered by the Company with due diligence processes running in parallel. The Board is focused on delivering a financing package which maximises value to shareholders within the current market conditions.

Key aspects of the project highlighted by potential financiers:

- High grade starter project reduces overall capital.
- Highly experienced development team in place.
- Detailed design of processing plant upgrade well advanced.
- Senegal is a stable country with government focused on economic growth through mining sector.
- Previous operating experience of gravity plant reduces project risk.
- Infrastructure and existing gravity plant in place reduces development timeline.
- Excellent access to site with major port facility in capital city of Dakar.
- Significant upside beyond starter project within existing resources and multiple prospects identified and ranked.

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 790 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:

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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 2014

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	(558) (220)	(2,716) (1,457)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		2
1.5 Interest and other costs of finance paid		(4)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(778)	(4,175)
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)		35
Net investing cash flows		35
1.13 Total operating and investing cash flows (carried forward)	(778)	(4,140)

+ 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)	(778)	(4,140)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	460	4,152
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	(9)	(74)
	Net financing cash flows	451	4,078
	Net increase (decrease) in cash held	(327)	(62)
1.20	Cash at beginning of quarter/year to date	270	0
1.21	Exchange rate adjustments to item 1.20	(2)	3
1.22	Cash at end of quarter	(59)	(59)

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	31
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	500
4.2 Development	
4.3 Production	
4.4 Administration	250
Total	750

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	(Australia) 6	(Australia) 249 (Senegal) 21
5.2 Deposits at call		
5.3 Bank overdraft	(Senegal) (65)	
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	(59) (See note below)	270

NOTE:

The company issued in full, Tranche 1 of a 3 part convertible note series raising \$350,000 in the December quarter. Subsequent to the end of the quarter, a further \$50,000 of the convertible note series has been issued. The company in discussion with BCM International has re-scheduled the timing for receipt of the balance of Tranches 2 and 3, \$600,000, to six monthly amounts of \$100,000 each.

The company also has the ability to place up to a further 150 million shares pursuant to Listing Rule 7.1 and 7.1A remaining capacity.

+ 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	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	1,181,136,981	1,181,136,981	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,475,000	5,475,000	

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>	21,875,000 Unlisted , convertible at 1.6 cents each within 12 months of completion, interest at 8% per annum payable quarterly	Not applicable		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	21,875,000	Not applicable		
7.7	Options <i>(description and conversion factor)</i>			<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 <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 give a true and fair view of the matters disclosed.



Sign here:
(Company Secretary)

Date: 30 January 2015

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

Project	Country	Area (sq km)	Licence type	Granted/renewed	BSR Group % interest
Sambarabougou	Senegal	400	Exploration Permit	13-09-2013	70% (a)
Moura	Senegal	184	Exploration Permit	28-02-2012	70% (a)
Bounsankoba	Senegal	208	Exploration Permit	13-06-2013	70% (a)
Douta (within Sambarabougou)	Senegal	30	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.