



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	1,821,805,586
No of shareholders	2,358
Top 20	36%

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

Philip Bruce

Non-Executive Director

Peter Spivey

Director

Ian Riley

Company Secretary/Chief Financial Officer

CONTACT US

Bassari Resources Limited (ACN 123939042)

Level 17, 500 Collins Street,
Melbourne, Victoria, 3000, Australia.

T: +61 3 9614 0600 F: +61 3 9614 0550

Email: admin@bassari.com.au

Website: www.BassariResources.com

31 January 2017

December 2016 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 – Permit Granted**
- **Moura Permit – Konkoutou Gold Project**
 - **Drilling completed, excellent results with new alteration zones at Konkoutou Hill and Konkoutou North**
- **Corporate**
 - **Placements subsequent to the end of the quarter raise \$0.7 million**

MAKABINGUI GOLD PROJECT – PERMIT GRANTED

On 30 November 2016, the Directors announced the Exploitation Permit (Addendum No. 2 to the Mining Convention) for the Bassari/WATIC joint venture development of the Makabingui Gold project was approved and signed by the Minister of Mines. A Presidential Decree will be issued to formalise the terms of the Addendum. The Exploitation Permit area includes the Makabingui one million ounce gold deposit plus the 8 kilometres of strike at Makabingui South. The permit incorporates the basis for proceeding to the operational phase of the Makabingui Gold Project located in eastern Senegal, a country that has one of the most stable democracies in Africa.

The key terms of the Exploitation Permit are as follows:

- The Exploitation Permit is granted for five (5) years renewable for one or more periods not exceeding five (5) years each, up to the exhaustion of the deposit. These terms recognise the long term potential of Makabingui and the right to transform the granted Exploitation Permit to a Mining Concession is preserved as additional reserves are discovered.

A Mining Concession carries a seven (7) year tax free period and the right of concession renewal for one or more periods not exceeding twenty-five (25) years each, up to the point of exhausting the deposit;

- The formation of an exploitation (mining) company in which the Republic of Senegal will be issued a 10% non-contributory interest to be created for the project;
- Past Project exploration expenses incurred by Bassari and presented to and approved by Senegalese authorities will be classified as a contracted debt of the newly incorporated exploitation company and become repayable in accordance with the relevant articles of the Mining Convention which accord priority of repayment to Bassari of such debts over the declaration of dividends by the exploitation company going forward;
- The Exploitation Permit for the project, whilst attracting corporate tax, has been granted a number of tax exemptions for an initial period of three (3) years, including:
 - From export tax production, which can be extended to seven (7) years in case of increased reserves during a five (5) year period;
 - From the value added taxes, property and services;
 - For minimum basic tax;
 - From the basic tax payable by the employer;
 - From professional, built or not built, property taxes, except for buildings used for habitation; and
 - From rights and fees for the constitution of companies and the raising of capital.
- The project may freely export mined mineral substances, their concentrates and primary or other derivatives subject to complying with the formalities for the export of such substances;
- The project will pay a royalty to the Senegal government of five (5%) percent of gold sold quarterly;
- The project will invest US\$100,000 on social development in the region during the period of pre-development and thereafter, 0.5% of gold sales; and
- The project will contribute US\$150,000 annually for the training and development of Senegalese in the mining sector, mining promotion, logistical support and technical services of the Ministry of Mining.

In addition, there is no restriction on the transfer of dividends or repatriation of capital, or on investments financed with foreign currency.

MAKABINGUI GOLD PROJECT DRILLING PROGRAM

Subsequent to the end of the quarter, the company has commenced a 4,025m RC infill and resource grade control drilling program on a 25m x 25m grid in Pits 1 and 2 of the Makabingui Gold deposit. The objective of the program is for grade control, and also to confirm and extend the mineralisation along the interpreted plunge of the high grade mineralised zones located on intersection of the main host structures with cross faults. 54 holes will be drilled in Pit 1 at an average depth of 56m and a further 21 holes in Pit 2 at an average depth of 48m.

KONKOUTOU DRILLING PROGRAM

The Konkoutou prospects, located 35 kilometres north of the Makabingui Gold Project on the Moura tenement, have the largest and strongest geochemical gold-in-soil anomaly on the Bassari leases (Figure 1). Continuity of the gold mineralised structures is confirmed at depth and along strike and excellent assay returns from the Reverse Circulation (RC) and Diamond (DD) drilling program at the Konkoutou Hill Gold Project have been received, some subsequent to the end of the quarter.

Gold intersections include:

- 21m at 3.5 g/t Au from 54m including 6m at 9.6 g/t Au (RCM077)
- 11m at 5.7 g/t Au from 21m including 1m at 44.2 g/t Au and 5m at 1.4 g/t Au (RCM084)
- 10m at 5.1 g/t Au from 96m including 4m at 9.3 g/t Au (RCM075)
- 5m at 4.9 g/t Au from 23m including 1m at 22.2 g/t Au and 4m at 2.0 g/t Au (RCM087)

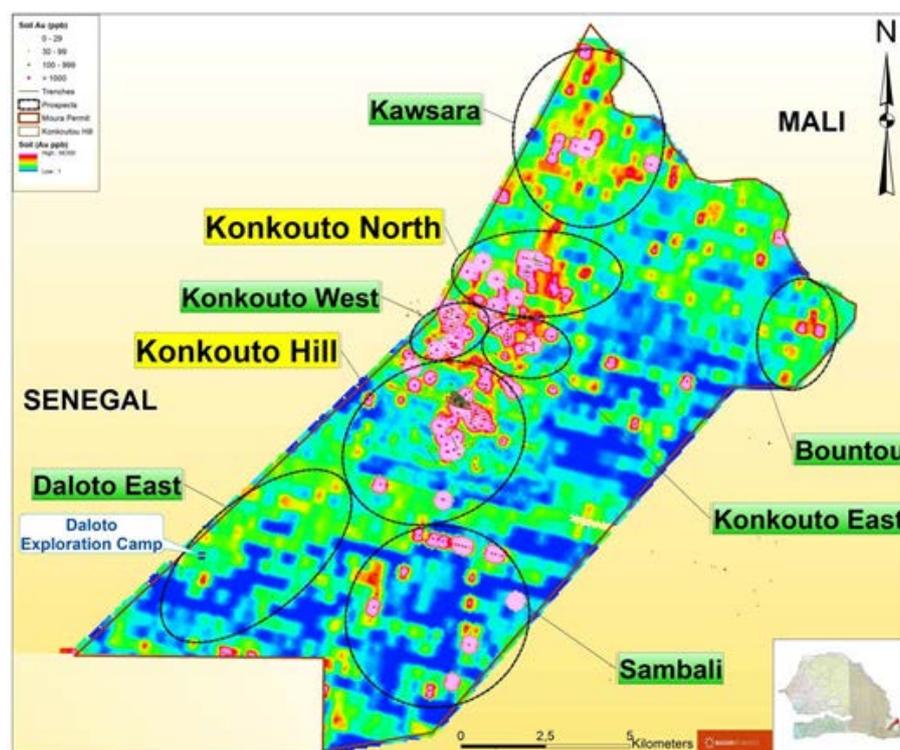


Figure 1 - Konkoutou Prospects Location

KONKOUTOU HILL RESOURCE DRILLING

The focus of the drilling program was to delineate resources at the Konkoutou Hill Gold Project over 450 metres strike length and down to approximately 100m below surface.

The latest results from the current RC and DD resource drilling at the Konkoutou Hill Gold Project (ASX announcements 28 November 2016, 25 January 2017) include the following down hole intersections (Figure 2):

- 21m at 3.5g/t Au from 54m including 6m at 9.6g/t Au (RCM077)
- 10m at 5.1g/t Au from 96m including 4m at 9.3g/t Au (RCM075)
- 15m at 1.1g/t Au from 46m (RCM078)
- 4m at 3.6g/t Au from 89m (RCM066)
- 4m at 3.5g/t Au from 76m (RCM069D)
- 3m at 4.2g/t Au from 24m (RCM076)
- 2m at 8.3g/t Au from 83m (RCM079D)
- 11m at 5.7g/t Au from 21m including 1m at 44.2g/t Au and 5m at 1.4g/t Au (RCM084)
- 5m at 4.9g/t Au from 23m including 1m at 22.2g/t Au and 4m at 2.0g/t Au (RCM087)
- 3m at 2.9g/t Au from 50m (RCM089)
- 2m at 2.5g/t Au from 64m and 2m at 1.9g/t Au from 74m (RCM083)

These results confirm the continuity between the drill lines of the high grade gold mineralised structures (Figure 1) together with the strong intersections (ASX announcements 12 January 2012, 7 May 2012, 8 April 2016 and 22 June 2016), which include :

- 27m at 1.7g/t Au including 2m at 10.5g/t (RCM060)
- 22m at 1.5g/t Au including 9m at 3.0g/t (RCM055)
- 9m at 2.2g/t Au (RCM061)
- 12m at 0.9g/t Au (RCM064)
- 9m at 11.5g/t Au including 3m at 33.9g/t Au from 161 metres (DDM003)
- 50m at 2.5g/t Au from 19m (RCM002)
- 20m at 3.0g/t Au from 32m (RCM012)
- 5m at 4.7g/t Au from 34m (RCM025)

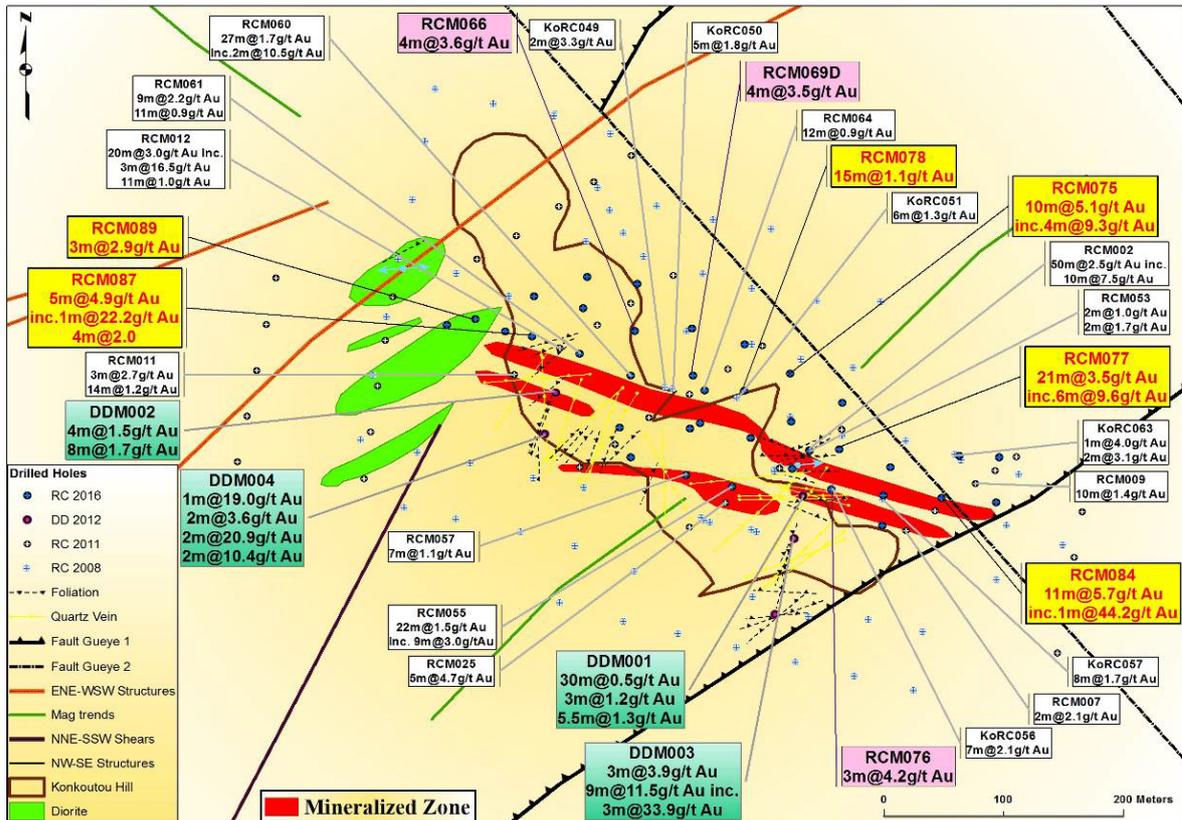


Figure 2 - Konkoutou Hill Gold Project with main Au intersections including new results

The completed drilling program of 2,922m included 2,424m of RC drilling and 498m of diamond drilling to delineate the resources at the Konkoutou Hill Gold Project in a grid of 40m x 40m. The objective of the program was to confirm the continuity of the high grade structures to a relatively shallow depth over a strike length of approximately 450m (Figure 2)

Twenty four RC holes (RCM066 to RCM089) totaling 2,424m were drilled in eleven lines. Most holes were drilled towards the south at a dip of -60° in order to intersect perpendicularly, the maximum structures controlling the gold mineralisation.

Seven RC holes were extended by diamond tails (RCM056D, RCM067D, RCM069D, RCM070D, RCM071D, RCM079D, and RCM082D) in order to intersect deeper mineralised structures interpreted as sub-vertical. A total of 498m of diamond drill core spread over these six holes was completed.

The lithology mapped in the diamond tails are mainly foliated greywacke and shale intersected by quartz veins and quartz veinlets. Locally, quartz feldspar porphyry fingers (1-2m width) have intruded the sedimentary unit.

Subsequent to the end of the quarter all assays have been received and are being compiled to be forwarded to international consultants for resource estimation.

KONKOUTOU AREA PROSPECTS

The Konkoutou group of prospects together have the largest and strongest geochemical gold-in-soil anomaly on the Bassari leases covering an area of 5km x 5km.

Structurally Konkoutou Hill is related to NW-SE thrust zones which are in a NE-SW-trending mineralised shear zone and the area includes many mineralised quartz veins. Gold bearing quartz veins occur as fracture filling in a sheared greywacke unit trending NW and dipping to the NE. The mineralised quartz veins have a general NNE-SSW to E-W direction. Quartz veins are sometimes parallel to cleavage and thrust plane and deformed into extensional shear bands (Figure 3).

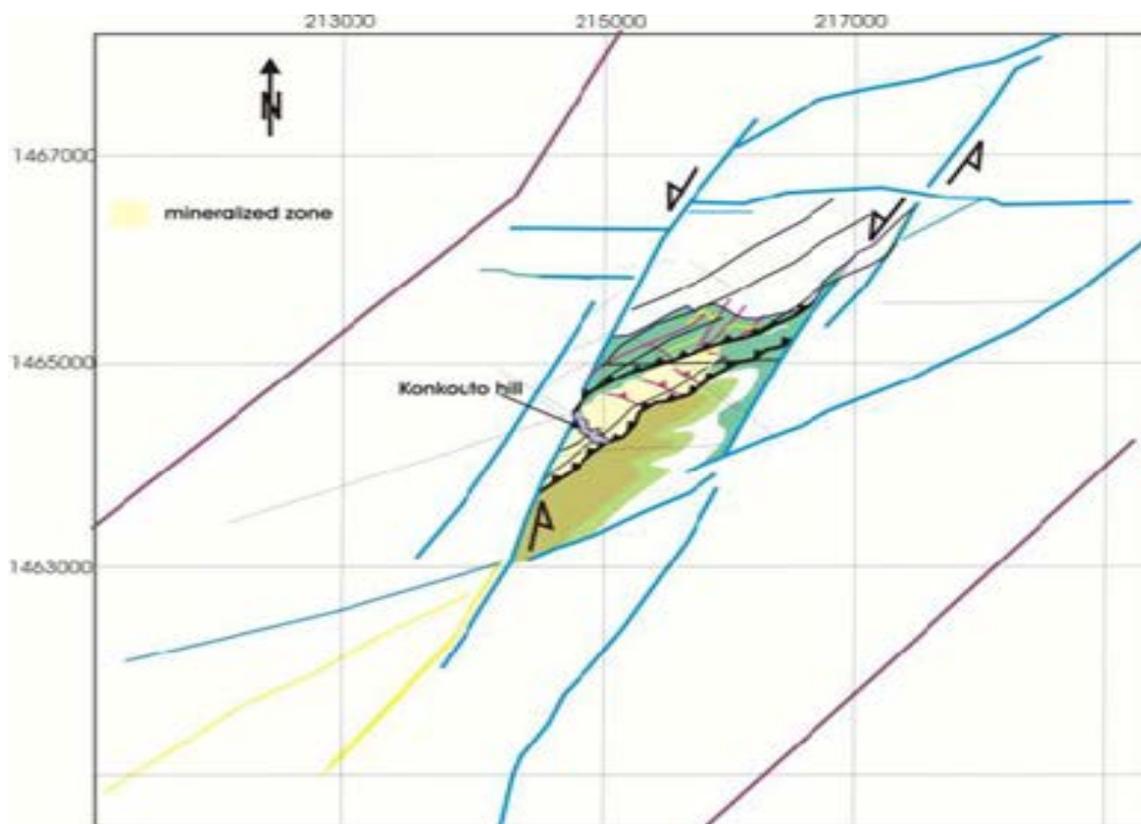


Figure 3 – Konkoutou Hill Structural setting

The Konkoutou Hill Gold Project itself is the most advanced of the eight identified prospects in the Moura Permit and is defined by strong, wide soil anomalies of 2km x 0.5km. The mineralised structures at Konkoutou Hill are part of a much larger zone of gold mineralisation occurring in a series of stacked structures.

Features of the Konkoutou Hill Gold Deposit are as follows:

- A regional NE/SW shear zone controls gold mineralisation
- The deposit is in a NW-trending, slightly NE-dipping gold structure extending over 450 metres strike length
- The deposit is open at depth and mineralisation only limited by the depth of drilling
- Gold is associated with quartz carbonate veins and veinlets with pyrite and arsenopyrite in a fractured and sheared sedimentary sequence
- Gold is also associated with narrow quartz feldspar porphyry zones with pyrite and arsenopyrite

- Metallurgical test work has indicated that the gold is free milling and a high overall processing gold recovery is expected.

At Konkoutou North, the maiden reverse circulation (RC) drilling program, comprising 16 holes for 1,179m and completed in November 2016, added to the earlier surface geochemical surveys and mapping which had returned excellent results in trenches, outcrop sampling and soils, which together with a coincident geophysical target, indicate a mineralised zone of about two kilometres strike (ASX announcement 27 January 2017). The wide-spaced drilling over one kilometer along the prospect has confirmed the strike and depth continuity of the high-grade mineralisation hosted by the Konkoutou North structures. The prospect is an area of 2.0km x 0.3km characterised by gold-in-soil anomalies, very encouraging RC drilling and trench intercepts, mapping and a coincident target in the High Resolution Airborne Magnetic and Radiometric Survey conducted in June 2012 by Xcalibur Airborne Geophysics.

Konkoutou North maiden RC drilling results include:

6m at 6.3g/t Au from 21m (RCM103)
 1m at 25.0 g/t Au from 48m (RCM092)
 4m at 2.3g/t from 29m and 3m at 5.1 g/t Au from 53m (RCM098)

The Konkoutou North earlier surface results include:

Trench mapping and sampling

15m at 1.0g/t Au
 5m at 2.1g/t Au
 2m at 5.5g/t Au

Quartz vein/let rock chip sampling

80.4g/t Au
 65.5g/t Au
 37.6g/t Au

CORPORATE

Placements subsequent to the end of the December quarter at \$0.03 (3.0 cents) per ordinary share raised approximately \$0.7 million before costs to provide working capital and funds to further progress the development phase of the Makabingui Gold Project including a reverse circulation (RC) infill and grade control drilling program in Pits 1 and 2 of the Makabingui Gold deposit.

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 80km 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 Person's Statement

The information in this announcement that relates to the Mineral Resources and Exploration Results has been reviewed and approved by Mr Moussa Diba who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Diba is the chief geologist of Bassari Resources Limited and has over 20 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 Diba 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:

Executive Chairman

Mr Alex Mackenzie
Ph: +61 3 9614 0600

Company Secretary

Mr Ian Riley
Ph: +61 3 9614 0600

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, 01/05/13, 01/09/16

Name of entity

BASSARI RESOURCES LIMITED

ABN

84 123 939 042

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(588)	(2,035)
(b) development		
(c) production		
(d) staff costs	(535)	(929)
(e) administration and corporate costs	(207)	(1,300)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	8
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,327)	(4256)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	0	0

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	0	5,098
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(35)	(65)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(35)	5,033

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,384	253
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,327)	(4,256)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		0
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(35)	5,033
4.5	Effect of movement in exchange rates on cash held	22	14
4.6	Cash and cash equivalents at end of period	1,044	1,044

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,044	2,384
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,044	2,384

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	41
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director fees and payments made to directors for consulting services to director and director related entities

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	41
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Amount paid to director related entities included in amount shown at item 6.1

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	N/A	N/A
8.2 Credit standby arrangements	N/A	N/A
8.3 Other (please specify)	N/A	N/A
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	400
9.2 Development	
9.3 Production	
9.4 Staff costs	400
9.5 Administration and corporate costs	200
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	1,000

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		NO CHANGE		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		NO CHANGE		

In accordance with ASX Listing Rule 5.3.3, Bassari Resources Limited provides its list of exploration and exploitation permits with its December 2016 quarterly activities report.

Project	Country	Area (sq km)	Licence type	Granted/ renewed	BSR Group % interest
Sambarabougou	Senegal	406	Exploration Permit	13-09-2013	70% (a)
Moura	Senegal	184	Exploration Permit	28-02-2015	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.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 31 January 2017

Print name: Ian Riley

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.