



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	1,991,583,613
No of shareholders	2,351
Top 20	38%

INVESTMENT HIGHLIGHTS

Mineral tenements over approximately 590km² 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)

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31 October 2017

September 2017 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

- **Bankable Feasibility Study upgrade completed**
- **Project infrastructure, mining and plant construction optimisation completed**
- **Grade control infill drilling completed with exceptional results returned**

• Corporate

- **During the quarter Bassari raised \$1.13 million before costs**
- **Subsequent to the end of the quarter a further \$119,000 was raised**

MAKABINGUI GOLD PROJECT

During the quarter, the company continued with the first phase of the Makabingui Gold Project development.

Completion of Bankable Feasibility Study (BFS)

Completion of the BFS for the Project in August 2017 by Australian mining consultants, Mincore, is based on a 300,000 tonne per annum hard rock operation from JORC Reserves in four high-grade open pits, having an initial mine life of 3.4 years. The BFS prepared by Mincore included:

- Updated feasibility study inclusive of current operating costs;
- Complete review of all equipment costs with suppliers to estimate current capital cost;
- Detailed production implementation plan including all staffing requirements.

The updated estimate has confirmed the profitable high-grade production within the one-million-ounce gold resource.

Bassari released the original Feasibility Study results in June 2014.

Mincore's Project Study summary

	Description	Unit	Result
LOM Results			
	Gold production	Ounces	174,375
	Revenue	USD M	209
	Operating cost	USD M	120
	Capital Cost (project capital only)	USD M	13
	Net cash	USD M	77
Financial Results			
	NPV @ 8% real	USD M	62
	IRR	%	189
	Operating margin	%	43
	Cash production cost	US\$/oz	678

Feasibility Study Parameters

- Processing rate 300,000 tonnes per annum
- Life of mine grade (1.3g/t cut off) - 5.66 g/t
- Metallurgical Recovery 97%
- LOM C1 cost of US\$678/ounce sold
 - Average Mining Cost US\$2.82/tonne (inclusive of haulage to plant)
 - Average Processing Cost US\$27.80/tonne
 - General & Administration US\$10.60/tonne
- Gold price US\$1,200 per ounce (current gold price US\$1,280)

The updated Makabingui Gold Project Bankable Feasibility Study (BFS) demonstrates a technically and commercially feasible, low cost, highly profitable operation with significant free cash flows for the life of the mine. A detailed review of capital estimates was completed for this review and the Bassari Board approved the commencement of Pre-Construction activities during the quarter, with camp upgrades and improvements to access and haul roads.

Makabingui Grade control infill drilling, first phase completed

A total of 5,211m of reverse circulation (RC) was completed (4,070m in Pit 1 and 1,141m in Pit 2) at Makabingui Gold Deposit during this first phase of the grade control RC drilling within Pits 1 and 2. The pre-development grade control in-fill drilling was completed on a 25m x 25m grid.

Assay results

The final **1,935** samples from the RC program were sent to Actlabs in Burkina Faso for gold analysis and have returned excellent results. These results are in addition to the results reported from earlier assayed samples (ASX announcement 9 August 2017).

Assay results received from the expanded infill/grade control drilling confirm and reinforce the high grade gold within Pit 1 and Pit 2 and confirm that the deposit extends along strike and at depth beyond the original pit boundaries.

The best gold intersections are:

Makabingui Pit 1

- 4m at 22.9g/t Au from 47m including 1m at 76.5g/t (RCS592)
- 2m at 9.9g/t Au from 5m and 2m at 31.8g/t Au from 70m (RCS587)
- 3m at 14.4g/t Au from 91m (RCS593)
- 3m at 9.8g/t Au from 99m (RCS590)
- 3m at 7.4g/t Au from 59m (RCS589)
- 3m at 3.6g/t Au from 14m (RCS591)
- 5m at 2.2g/t Au from 63m (RCS585)

Makabingui Pit 2

- 4m at 23.0g/t Au from 69m including 1m at 88.8g/t Au (RCS613)
- 5m at 7.6g/t Au from 7m (RCS602)
- 7m at 5.9g/t Au from 35m including 2m at 18.8g/t Au (RCS600)
- 6m at 3.7g/t Au from 60m (RCS610)
- 5m at 2.4g/t Au from 25m (RCS608)
- 5m at 2.1g/t Au from 3m (RCS594)
- 8m at 1.1g/t Au from 1m and 2m at 3.7g/t Au from 19m (RCS595)
- 5m at 2.1g/t Au from 12m and 15m at 1.0g/t Au from 24m (RCS596)
- 6m at 1.9g/t Au from 17m (RCS605)

Figures 1 and 2 show the location of the drill lines and the best gold intercepts returned at Pit 1 and Pit 2 respectively.

The drilling has confirmed the continuity of the lodes on strike and at depth (Figures 1 and 2). Based on these results Pit 1 will be extended in size beyond its original boundary to the north and Pit 2 will extend beyond its original boundary to the south.

The mineralised lodes at Makabingui are controlled by north-south striking shear faults defined by tectonic and hydrothermal breccia structures, particularly in the main geological contact between metagabbro and metagreywacke. These shear faults are cross-cut by NNW faults, which increases dilation and fracturing for localising gold mineralisation.

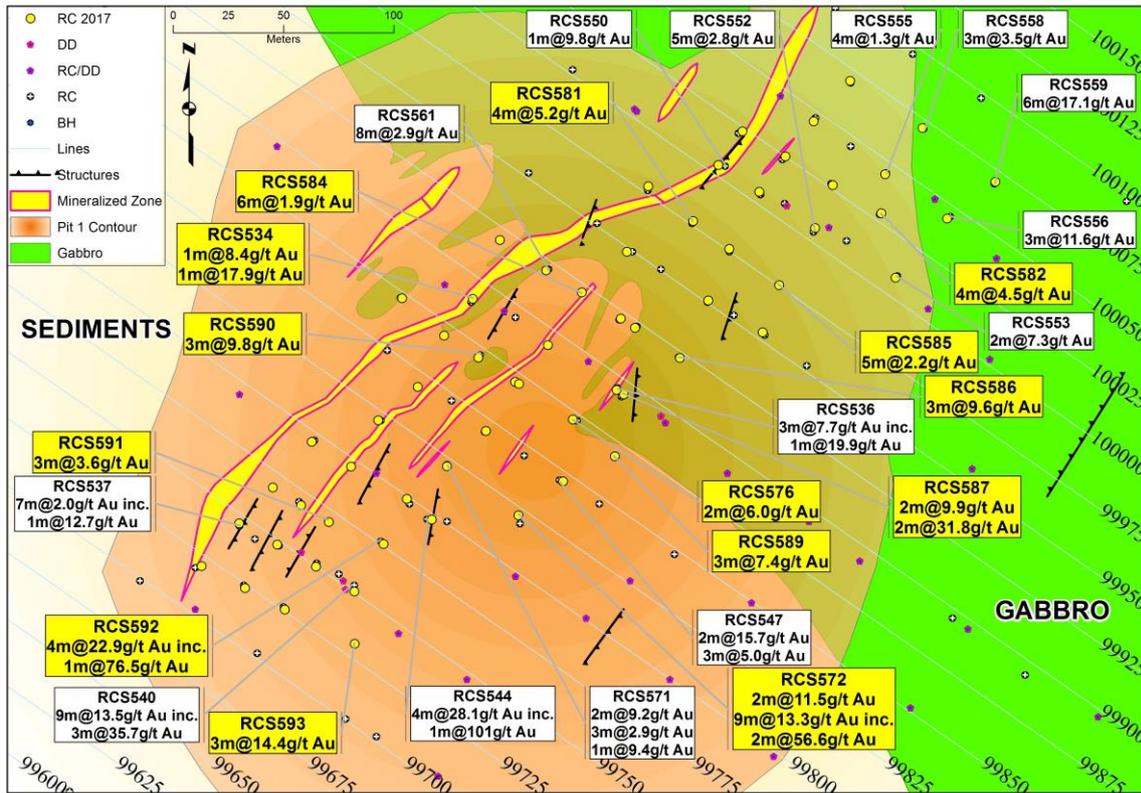


Figure 1 - Makabingui Pit 1 location map showing drill lines and best new gold intercepts (yellow)

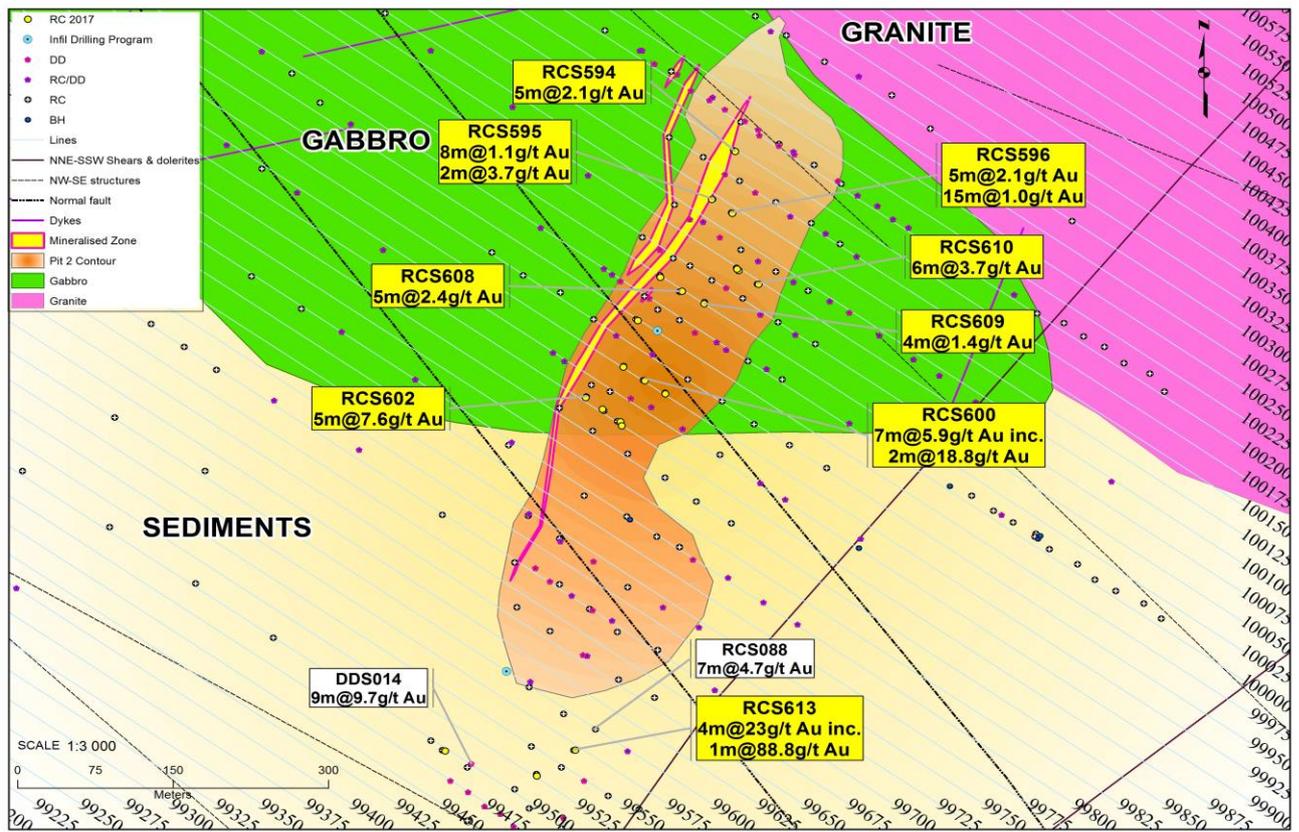


Figure 2 - Makabingui Pit 2 location map showing drill lines and best new gold intercepts (yellow)

A detailed mine design will now be undertaken following the completion of the RC infill and resource grade control drilling program of the Makabingui Gold Deposit.

CORPORATE

Fund Raising

Placements during the September quarter at \$0.017 (1.7 cents) per ordinary share raised approximately \$1.125 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, upgrading the earlier feasibility study and progressing the project infrastructure, mining and processing plant optimisation. Subsequent to the end of the quarter, a further \$119,000 was raised, also at \$0.017 (1.7 cents) per ordinary share.

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 Statements

This release may include forward-looking statements. Forward-looking statements include, are not necessarily limited to, statements concerning Bassari Resources Limited planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although BSR believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward looking statements. BSR confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.

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
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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")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(389)	(1,740)
(b) development		
(c) production		
(d) staff costs	(393)	(1,293)
(e) administration and corporate costs	(179)	(685)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	3
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	(961)	(3,715)

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		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	1,125	3,508
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	(15)	(151)
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	1,110	3,357

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	509	1,044
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(961)	(3,715)
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)	1,110	3,357
4.5 Effect of movement in exchange rates on cash held	0	(28)
4.6 Cash and cash equivalents at end of period	658	658

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	658	509
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)	658	509

Subsequent to the end of the quarter, the company raised a further \$119,000 which was included in the total of shares allotted on 4 October 2017, 54,466,471 ordinary shares (Appendix 3B – 4/10/2017).

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	56
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	56
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	300
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	900

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 September 2017 quarterly activities report.

Project	Country	Area (sq km)	Licence type	Granted/ renewed	BSR Group % interest
Sambarabougou	Senegal	278	Exploration Permit	13-09-2013	70% (a)
Moura	Senegal	184	Exploration Permit	28-02-2015	70% (a)
Makabingui (within Sambarabougou)	Senegal	128	Exploitation Permit	28-11-2016	70% (b)

- (a) Bassari's wholly owned Senegal subsidiary is in joint venture with a third party which holds the permit titles.
- (b) Bassari's joint venture partner holds the permit prior to transferring the permit to an incorporated exploitation company of which Bassari will hold a minimum 63% interest.

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 October 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.