



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	2,126,690,409
No of shareholders	2,335
Top 20	36%

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 174,000 oz production inventory, \$678/oz cash cost, US\$77m after tax and Capex 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

Director

Peter Spivey

Director

Ian Riley

Company Secretary/Chief Financial Officer

CONTACT US

Bassari Resources Limited (ACN 123939042)

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31 January 2018

December 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

- Geological teams reviewing the likely extensions to Makabingui deposit following up the infill/grade control drilling results
- Low cost techniques proposed to outline gold mineralisation adjacent to pits along major cross-structural corridor

• Corporate

- During the quarter Bassari raised \$0.15 million before costs from a placement
- Bassari announced Pro-rata Rights Issue and raises \$1.252 million before costs
- Subsequent partial placement of shortfall raises a further \$0.985 million before costs

MAKABINGUI GOLD PROJECT

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

At Makabingui, Bassari's geological teams continue geological work following the completion of the infill/grade control drilling program which highlighted the strong prospectivity to extend the main Makabingui deposit to the south and its surrounds.

A major NE/ENE cross-structural corridor associated with the Makabingui pit gold mineralisation also correlates with the Massawa deposit (4.4Moz Resource: RRS.L – 12/2016) and the Makosa prospect (1-2Moz Exploration Target: THX.V – 10/2017). Low cost techniques are proposed to test this structural corridor for additional deposits within the Exploitation Licence and for extensions of the gold mineralisation adjacent to Pits 1-4.

Progress was made during the quarter to advance the Coris loan term sheet to formal loan documentation and the constitution of the borrowing and mine development company, Makabingui Gold Operations SA, was completed by the legal Notary in December.

MAKABINGUI GOLD PROJECT (continued)

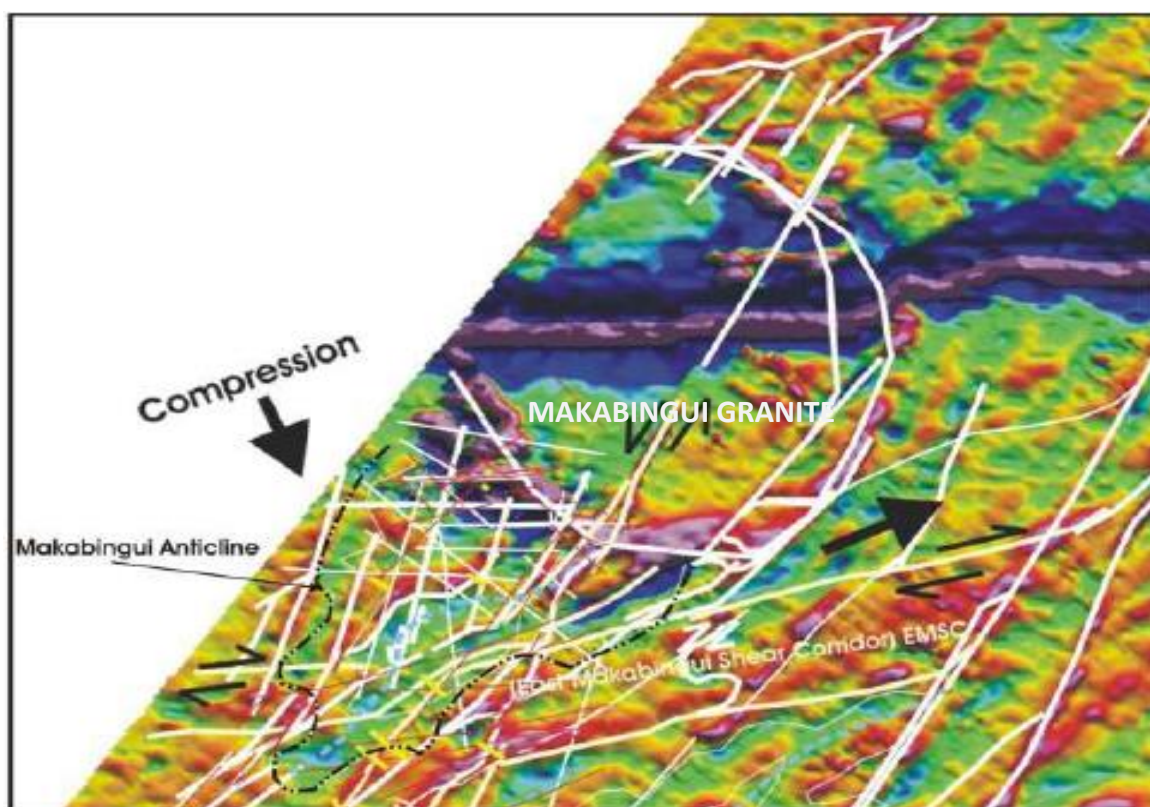
During the quarter, the company continued with the first phase of the Makabingui Gold Project development. Subsequent to the end of the quarter, a Makabingui project site visit was completed with international consultant company MiningPlus to progress mine development preparation.

At Makabingui, Bassari's geological teams continue geological work following the completion of the infill/grade control drilling program which highlighted the strong prospectivity to extend the main Makabingui deposit to the south and its surrounds.

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Previously interpreted as a local structural feature (East Makabingui Shear Corridor), this major NE/ENE cross-structural corridor may be the controlling dilational structure for the Makabingui pit area gold mineralisation, and acting as the more significant plumbing system for the gold-bearing fluids.

Low cost techniques are proposed to test this structural corridor for additional deposits within the Exploitation Licence and for extensions of the gold mineralisation adjacent to Pits 1-4.



Makabingui pit area interpreted shear zones

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Placement

A placement during the quarter at \$0.017 (1.7 cents) per ordinary share raised \$150,200 before costs to provide working capital and funds to further progress the development phase of the Makabingui project.

Pro-rata Rights Issue

A Prospectus was issued by Bassari Resources Limited on 27 November 2017 and a Supplementary Prospectus on 4 December 2017 to raise up to approximately \$4.251 million. The Prospectus also included an offer to prior placement participants to take up their entitlement to options.

Details of the Rights Issue Offer and Placement Option Offer are stated below:

Rights Issue Offer:

A non-renounceable pro rata rights issue of 1 new share (**New Share**) for every 8 shares held on the Record Date at an issue price of 1.7 cents (\$0.017) per New Share (the **Rights Issue**), with 1 free-attaching option (**New Option**) for each New Share issued, to raise up to approximately \$4.251 million before costs of the Rights Issue.

Each New Option will have an exercise price of 3.4 cents (\$0.034), expiring on 30 September 2019 and will, upon exercise, entitle the holder to one ordinary fully paid share in the Company.

The Rights Issue was not underwritten.

Placement Option Offer:

This Prospectus also contains an offer of 82,006,180 options with exercise price of 3.4 cents (\$0.034), expiry date of 30 September 2019 (**Placement Options**) and which, upon exercise, entitle the holder to one ordinary fully paid share in the Company (**Placement Option Offer**).

The Placement Option Offer is only made to and is only capable of acceptance by professional and sophisticated investors who participated in the placement of shares announced by the Company on 31 August 2017, 4 October 2017 and 27 November 2017 (the **Placement**).

Placement of Shortfall:

Subsequent to the end of the quarter, on 2 January 2018, the company announced the Rights Issue raised \$1.252 million and a shortfall of 176,421,615 ordinary shares was available for placement by directors at an issue price not less than \$0.017 (1.7 cents) per ordinary share, within 3 months of the closing date, 21 December 2017. To date, \$0.985 million of the shortfall has been placed.

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
Ph: +61 3 9614 0600

Company Secretary

Mr Ian Riley
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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, 01/05/13, 01/09/16

Name of entity

BASSARI RESOURCES LIMITED

ABN

84 123 939 042

Quarter ended ("current quarter")

31 December 2017

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	(589)	(2,329)
(b) development		
(c) production		
(d) staff costs	(305)	(1,598)
(e) administration and corporate costs	(164)	(849)
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	(1,058)	(4,773)
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 (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)	(12)	(12)
2.6 Net cash from / (used in) investing activities	(12)	(12)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1,521	5,029
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	(16)	(167)
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	1,505	4,862

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	658	1,044
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,058)	(4,773)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(12)	(12)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,505	4,862
4.5 Effect of movement in exchange rates on cash held	(2)	(30)
4.6 Cash and cash equivalents at end of period	1,091	1,091

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	1,091	658
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)	1,091	658

Subsequent to the end of the quarter, the company raised a further \$895,000 by placement of Rights Issue shortfall shares.

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	170
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	170
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 December 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 January 2018

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.