



CORPORATE INFORMATION

31 January 2019

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	2,287,293,060
No of shareholders	2,348
Top 20	38%

INVESTMENT HIGHLIGHTS

Mineral tenements over approximately 590km² of prospective Birimian G • Konkoutouold 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 60km 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

December 2018 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

- The Makabingui project funding approved and signed by Coris Bank International (Coris), 31 December 2018.
- Presidential Decree for Makabingui Gold project was signed and the Makabingui Gold Exploitation title transferred to Makabingui Gold Operation SA (MGO), a subsidiary of Bassari Resources Limited.
- Development works continued during the quarter under the guidance of Mincore and Bassari technical teams.

• New Makabingui Gold Prospect

- Rock chip samples collected during the quarter (ASX announcement 23 November 2018) at Makabingui East were assayed with encouraging results, including 7.4 g/t Au, 6.7 g/t Au and 3.5 g/t Au. The new find demonstrates the Makabingui gold system is still open.
- A drilling program is planned to follow up the new zone of mineralisation given the close proximity to the proposed open pit development.

• Corporate

- Bassari raised \$864,000 to complete a placement undertaken in the September quarter, raising in total \$1.164 million.

Makabingui Gold Project

The signing of the Presidential decree granting the title to MGO, a 63% owned subsidiary of Bassari, enabled the Exploitation title for the Project to be transferred to MGO, a requirement of the Coris funding package. The funding package was approved and signed by Coris and MGO officers on 31 December 2018.

The key terms of the project finance are as follows:

Amount:	7 billion FCFA (approx \$AUS17.3 million)
Interest:	9%
Duration:	18 months
Security:	MGO's gold assets and equipment plus a guarantee from Bassari Resources Limited.

The drawdown schedule has been agreed to by Coris and draw-downs will enable MGO to be reimbursed for the pre-development work that commenced five (5) months ago with the appointment of a project construction manager supported by our engineering consultants Mincore of Australia. Further draw-down of funds will be for the order of key mining production facility equipment, including crushers, ball mills and electricals.

Bassari's pre-development works included:

- Completion of temporary repairs to Bassari's 500 mega litre dam. Further work will be required to increase the dam capacity during the dry season.
- Cleared and raised levels for the proposed laboratory area and for the plant area
- Maintenance completed on camp accommodation, gendarme post and mobile equipment.
- Orders placed for Datamine software for geological modelling, grade estimation and open pit design scheduling.
- Operating personnel appointments have commenced.

New Makabingui Gold Zone discovery

The objective of the additional rock chip sampling was to confirm the discovery of a new gold zone, located 800 metres to the east of the Makabingui mineralised system of one million ounces at 2.4 g/t Au.

The assays (Table 1) have confirmed the high-grade sample of 4.2 g/t Au reported in the ASX release of 10 September 2018.

These results highlight the continuity of a strong mineralised system in structures parallel to the existing Makabingui lodes with similarities in terms of gold grades, geological and structural settings. The high-grade gold mineralisation is related to strong shear structures at the contact of the meta-gabbro and meta sediments in close proximity to the granite (Figure 1).

In addition to the planned induced polarisation (IP), an RC drilling program is proposed to follow-up this new zone to delineate additional resources.

Makabingui is considered a much larger system and probably will contain more gold resources than currently defined.

Table 1: Makabingui East Prospect – Additional Rock Chip Results

Sample-Id	Easterly	Northerly	Au g/t
Wgs84 zone 29N	Wgs84 zone 29N		
SR5270	190057	1448708	0.244
SR5271	190065	1448713	0.079
SR5272	190065	1448713	3.46
SR5273	190047	1448724	0.186
SR5274	190077	1448747	0.257
SR5275	190074	1448743	0.034
SR5276	190048	1448691	7.43
SR5277	190047	1448697	0.121
SR5278	190088	1448753	6.73
SR5279	190091	1448769	0.29

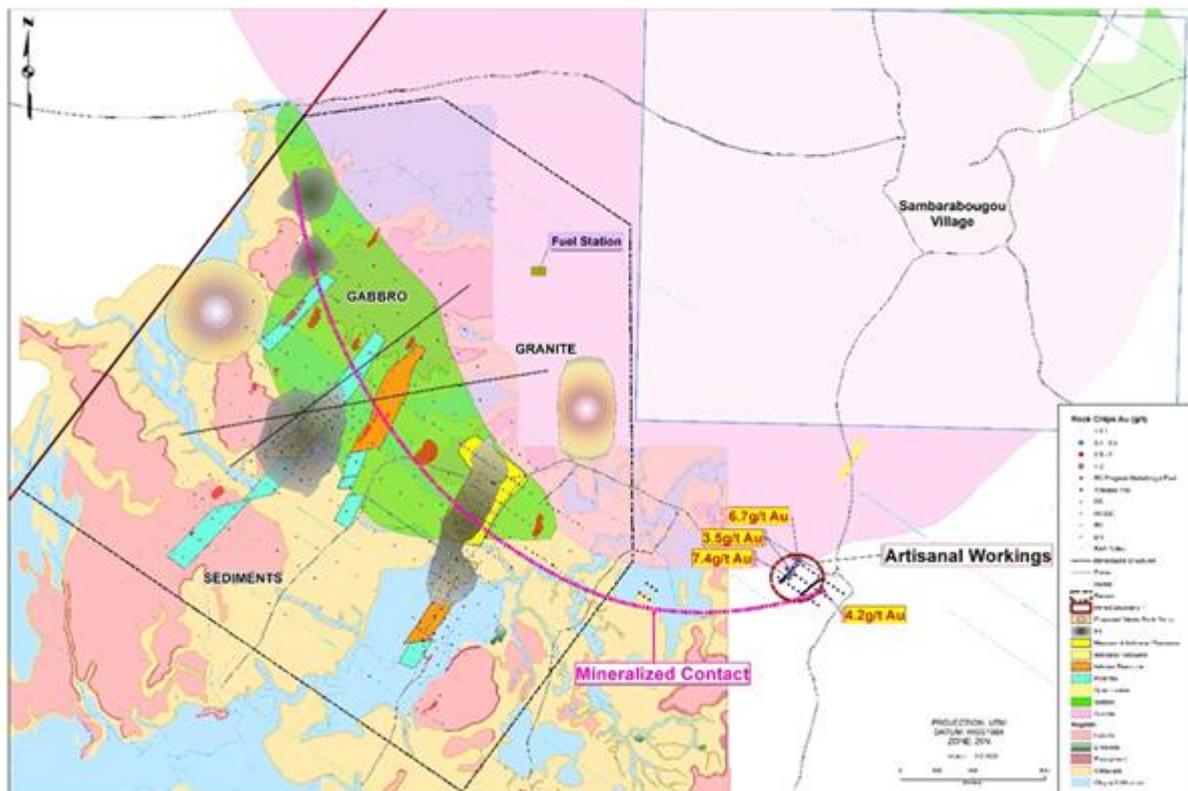


Figure 1: Makabingui Gold Deposit showing the area of artisanal mining and recent rock chip results

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Placement

Bassari raised \$864,000 during the quarter, the final stage of a capital raising which commenced in the September quarter raising a total of \$1.164 million by a placement of 58.175 million shares at 2 cents for each ordinary share. Shares were allotted on 22 October 2018.

About Bassari

Melbourne - based West African gold developer Bassari Resources Limited (ASX:BSR) has a strategic portfolio of exploitation and exploration permits focused on the Birimian Gold Belt in Senegal. The permits cover an area of 590 km² with 80km of strike along the 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

123 939 042

Quarter ended ("current quarter")

31 December 2018

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	(501)	(1,764)
(b) development		
(c) production		
(d) staff costs	(369)	(1,755)
(e) administration and corporate costs	(202)	(1,073)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	9
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	(1,071)	(4,583)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	0	(10)
(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	0	18
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	0	8

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	789	3,647
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	(12)	(84)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	0	(5)
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	777	3,551

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	370	1,091
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,071)	(4,583)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	8
4.4	Net cash from / (used in) financing activities (item 3.10 above)	777	3,551

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	10	19
4.6	Cash and cash equivalents at end of period	86	86

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	86	370
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)	86	370

Note: On 31 December 2018 Bassari's subsidiary company, Makabingui Gold Operation SA signed a loan agreement for the development of the Makabingui Gold Project in the amount of FCFA7 billion (approximately AUD17.327 million). See ASX announcement 3 January 2019.

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		

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	17,327	Nil
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.		

On 31 December 2018, the company signed a project funding loan agreement with Coris Bank International, for a loan to fund the Makabingui Gold project. The funding package is for the amount requested by Makabingui Gold Operation SA to fund the CAPEX for the development and production of the Makabingui Gold project. The loan amount is FCFA 7 billion which approximates AU\$17.327 million. No draw downs on this loan facility had been made at the end of the quarter.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	500
9.2	Development	
9.3	Production	
9.4	Staff costs	350
9.5	Administration and corporate costs	200
9.6	Other (provide details if material)	
9.7	Total estimated cash outflows	1,050

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 2018 quarterly activities report.

Project	Country	Area (sq km)	Licence type	Granted/renewed	BSR Group % interest
Moura	Senegal	184	Exploration Permit	28-02-2015	70% (a)
Makabingui	Senegal	128	Exploitation Permit	28-11-2016	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 63% owned subsidiary, Makabingui Gold Operation SA holds the permit.

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:

Date: 31 January 2019

Print name: Ian Riley
Company Secretary

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.