



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	1,798,725,582
No of shareholders	2,246
Top 20	35%

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

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31 October 2016

September 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 Update**
 - Significant progress made
- **Moura Permit – Konkoutou Gold Project**
 - Early drilling, extremely encouraging results with new alteration zones and visible gold
- **Corporate**
 - Placements during the quarter raise \$1.97 million
 - Share Purchase Plan (SPP) closed raising \$1.54 million

MAKABINGUI GOLD PROJECT – PERMIT UPDATE

During the quarter the Ministry of Finance completed a detailed review of the Makabingui permit terms as required by the Senegal Mining Code. The review by the Finance Ministry took almost 3 months and the observations made were only recently received. The review resulted in the Ministry of Finance recommending some changes to the permit terms previously agreed to by the Minister of Mining and the mining department.

These changes have been agreed to and have been incorporated in a final permit draft (Addendum 2) forwarded to the Minister of Mines prior to the formal signing by the Minister. The clearance by the Ministry of Finance was the final step in the permit process and the Addendum will be forwarded by the mining department to the Minister of Mines for signing.

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).

Previous exploration drilling has been focused on Konkoutou Hill. The current program is a Reverse Circulation (RC) and Diamond Drilling (DD) resource definition at Konkoutou Hill.

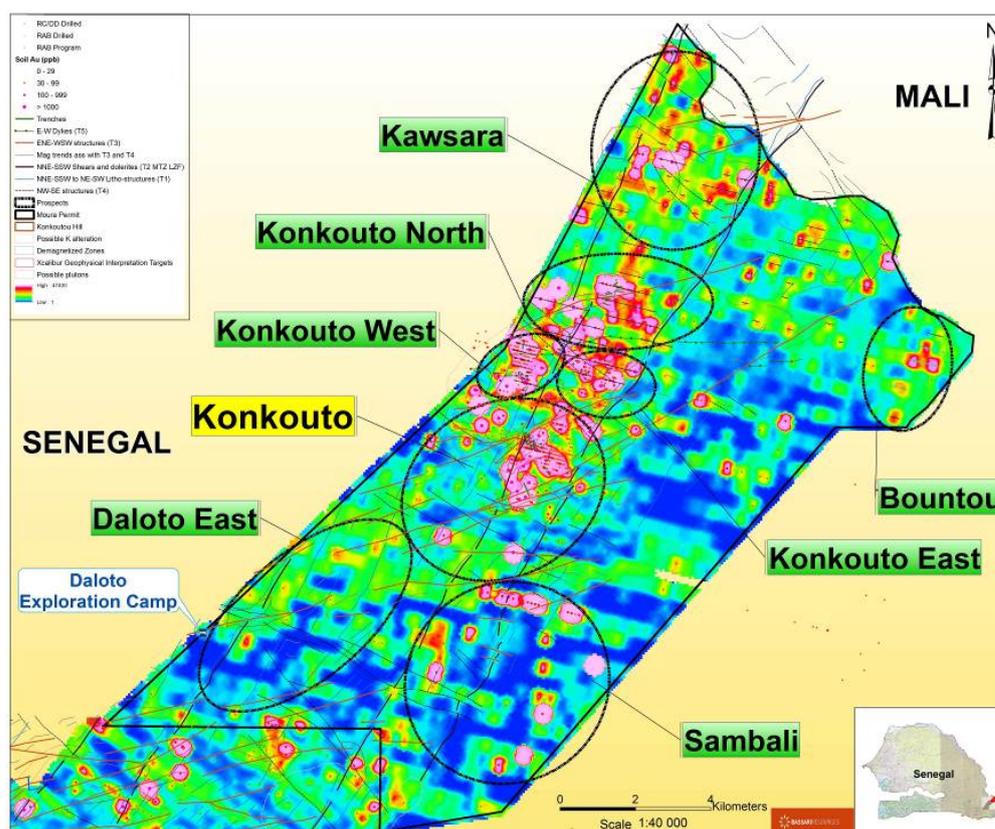


Figure 1 - Konkoutou Prospects Location

KONKOUTOU HILL RESOURCE DRILLING

As previously reported drilling indicates that the mineralised structures at Konkoutou (Figure 2) are part of a much larger zone of gold mineralisation occurring in a series of stacked structures.

Previous drilling as reported in ASX announcements of 12 January 2012, 7 May 2012, 8 April 2016 and 22 June 2016, has outlined mineralisation at Konkoutou Hill over 450 metres strike length, including some outstanding intersections:

- 9 metres at 11.5g/t (including 3 metres @ 33.9g/t from 161 metres)
- 50 metres @ 2.5g/t from 19 meters
- 20 metres @ 3.0g/t from 32 metres
- 5 metres @ 4.7g/t from 34 metres

The current resource definition program will comprise 33 holes, with 2,400 metres of RC and 600 metres of DD, which commenced in October 2016.



Figure 3 – Konkoutou Hill, visible gold at 67m, hole RCM077

KONKOUTOU NORTH RC DRILLING

Surface geochemical surveys and mapping of the initial Konkoutou North prospect have returned excellent results in trenches, outcrop sampling and soils (Figure 4), which together with a coincident geophysical target, indicate a mineralised zone of about two kilometres strike.

The Konkoutou North prospect is the second most advanced prospect on the Moura Permit. It is an area of 2.0km x 0.3km that is characterised by gold-in-soil anomalies, very encouraging trench intercepts, mapping and a coincident target in the High Resolution Airborne Magnetic and Radiometric Survey conducted in June 2012 by Xcalibur Airborne Geophysics.

The Konkoutou North surface results to date include:

Trench mapping and sampling

15m @ 1.0g/t gold

5m @ 2.1g/t gold

2m @ 5.5g/t gold

Quartz vein/let rock chip sampling

80.4g/t gold

65.5g/t gold

37.6g/t gold

An initial 13 holes totalling 1,000m RC drilling program is planned to follow up the excellent trench results, following the completion of drilling at Konkoutou Hill.

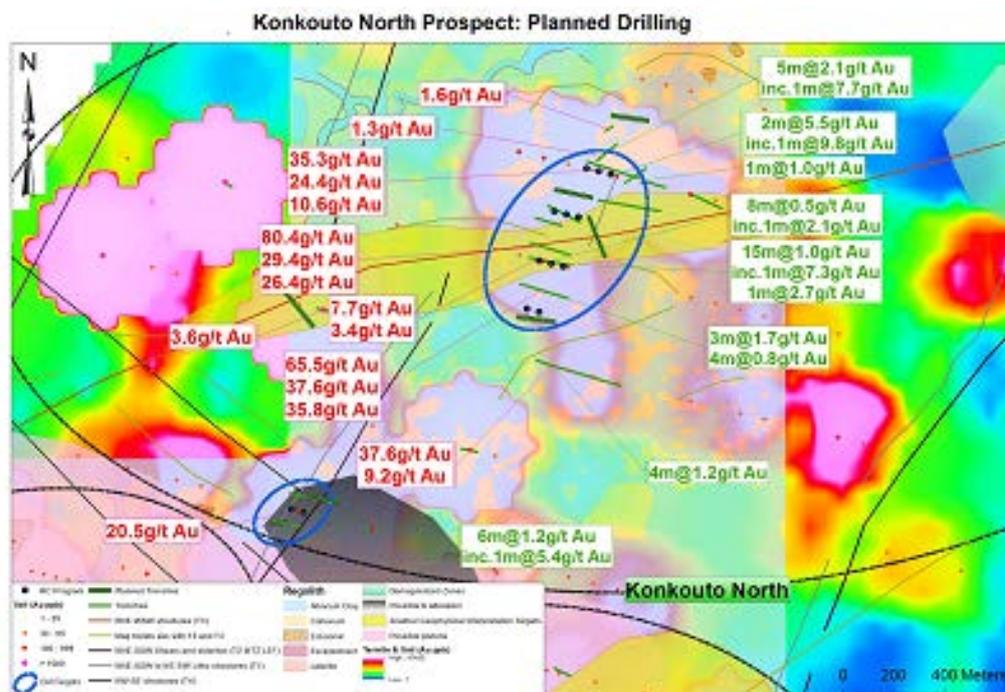


Figure 4 - Konkoutou North showing trench results, outcrop chip assays and planned RC holes

HIGH METALLURGICAL RECOVERIES AT KONKOUTOU

Composite samples were made from two mineralised intervals from RC drillholes conducted at Konkoutou Hill in May 2016. These composites were submitted to SGS South Africa for preliminary metallurgical test work. Both composite samples were tested by gravity separation followed by bottle roll leaching of the gravity tails.

Table 1 - Metallurgical Test work Results

Sample ID	% Au gravity Recovery	Leach Recovery gravity tails % Au	% Overall Recovery Au
Bassari 001	63.0	65.0	87.0
Bassari 002	73.6	87.2	96.6

Both samples confirmed the high overall gold recovery and presence of free milling gold, recoverable by a gravity circuit in any future processing plant.

CORPORATE

Placements at \$0.022 (2.2 cents) per ordinary share during the September quarter raised \$1.965 million before costs to provide working capital and funds to further progress the development phase of the Makabingui Gold Project.

A Share Purchase Plan (SPP) announced (ASX release 27 July 2016) raised a further \$1.54 million. The offering of the SPP to eligible shareholders entitled those shareholders, to apply for a parcel of shares ranging from \$2,000 to \$15,000 without incurring brokerage or transaction costs. The issue price of shares was \$0.022 (2.2 cents) per share, the same as the placements referred to above.

The funds raised provide working capital, funding to further progress the development phase of the Makabingui Gold Project and for further drilling at the Konkoutou Gold Project, at both the Konkoutou Hill and Konkoutou North prospects on the Moura permit.

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
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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")

30 September 2016

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	(469)	(1,447)
(b) development		
(c) production		
(d) staff costs	(394)	(394)
(e) administration and corporate costs	(491)	(1,093)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	5
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	(1,352)	(2,929)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
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		
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	3,502	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	(5)	(30)
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	3,497	5,068

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	245	253
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,352)	(2,929)
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)	3,497	5,068
4.5	Effect of movement in exchange rates on cash held	(6)	(8)
4.6	Cash and cash equivalents at end of period	2,384	2,384

5.	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	2,384	245
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)	2,384	245

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	152
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	118
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	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.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	550
9.2	Development	
9.3	Production	
9.4	Staff costs	260
9.5	Administration and corporate costs	300
9.6	Other (provide details if material)	
9.7	Total estimated cash outflows	1,110

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 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 October 2016

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.