



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

INVESTMENT HIGHLIGHTS

Mineral tenements over approximately 590km² of prospective Birimian G • Konkoutou 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

31 October 2018

September 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 Presidential Decree granting the permit to Makabingui Gold Operations SA (MGO) was signed by the President and is finalised.
- Bassari appointed a construction manager and senior mine geologist to work in conjunction with Bassari's existing workforce and construction and mining consultants.
- The Project Finance offered by the Coris Bank as per their Term Sheet was updated to a Formal Loan Agreement inclusive of Guarantee documents. Subsequent to the Quarter, lawyers for both Parties have since completed their review and incorporated agreed amendments, which have been approved by the Directors of MGO at their inaugural board meeting recently held.

• New Makabingui Gold

- The new find demonstrates the Makabingui gold system is still open.

• Konkoutou

- Bassari completed 5,000 metres of reverse circulation (RC) drilling at Konkoutou North.

• Corporate

- Bassari raised by a placement \$1.164 million of which \$864,000 was raised subsequent to the end of the quarter.

MAKABINGUI GOLD PROJECT

As announced on 11 October 2018, the signing of the Presidential decree granting the Makabingui tenement title to MGO, a 63% owned subsidiary of Bassari, was completed. The transfer was a requirement of the Coris International Bank (Coris) project funding package.

MGO has appointed an international construction manager who, together with Mincore, Bassari's mining engineering consultants and the existing workforce, will continue the pre-development phase of work at the plant site.

Bassari's pre-development works included:

- Completion of temporary repairs to Bassari's 500 mega litre dam in readiness for the wet season, leaving the planned upgrade works to be done in the dry season.
- Setting out of access roads to the Douta plant site to the layout design required for Makabingui ore processing operations.
- Infrastructure Repair Plan completed for all requirements for pre-construction works.
- Confirmation of the project development plan and timetable.

MGO has also employed a senior mine geologist to work with Mining Plus consultants and with the Bassari geology team to provide experienced mining geology capabilities for MGO.

New Makabingui Gold Zone discovery

An encouraging new gold zone discovered (ASX Announcement 10 September 2018) about 800 metres to the east of the Makabingui mineralised system of one million ounces at 2.6 g/t Au. The area had been discovered by artisanal miners.

Bassari's geologists sampled eight rock chip samples with one of the samples returning a high grade sample of 4.2 g/t Au (Figure 1).

This new find demonstrates that the entire Makabingui gold system is still open and appears to be swinging around the Sambarabougou granite in an easterly direction in continuation with the same Makabingui geological setting. Gold is seen where these new samples were taken, to be in similar shear structures at the contact of the meta-volcanics (gabbro), and meta-sediments in close proximity to the granite.

The exploration team proposes to demonstrate the potential of this previously unknown zone by conducting an induced polarisation (IP) survey over the 800 metre trend to provide better definition of the contact structures, and this would be followed up by drilling.

If the Bassari interpretation proves to be correct, it opens up the Makabingui deposit to being a much larger system and may contain more gold resources than currently defined.

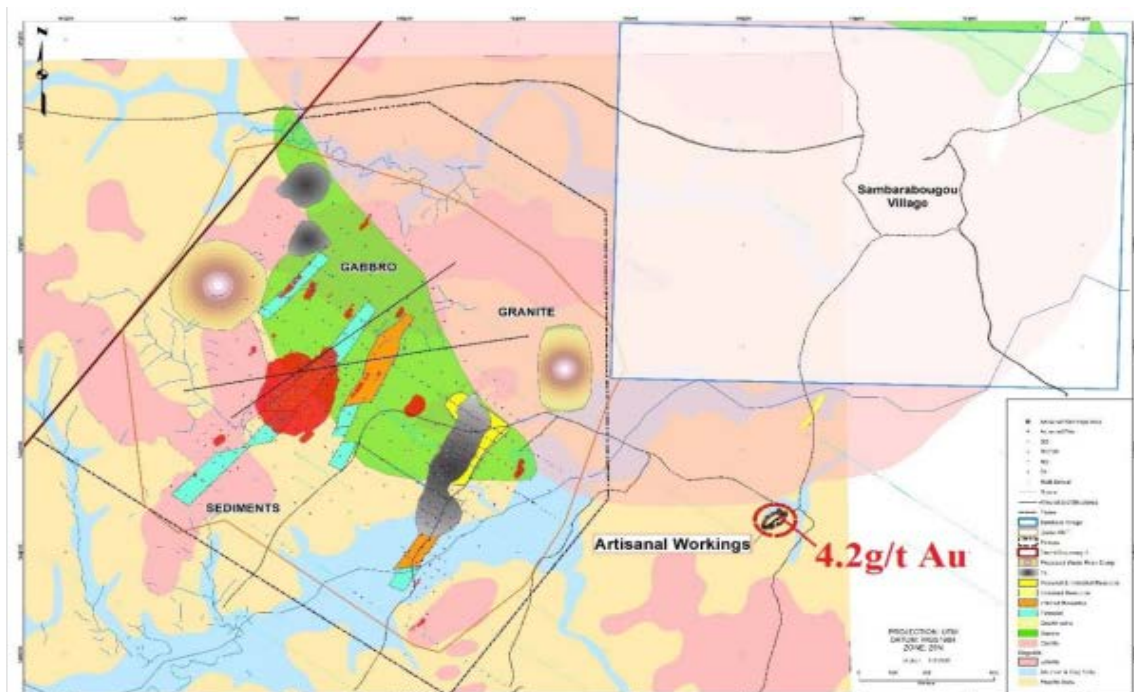


Figure 1. Makabingui gold deposit showing the new discovery area and encouraging rock chip result

Konkoutou North Shallow RC Drilling

This recently completed successful program further highlights the potential to delineate economic gold deposits within the Moura Permit. The 5,131m shallow 105 hole RC drilling program to a maximum depth of 50m (ASX Announcement 6 August 2018) confirmed the continuity and extension of the two main mineralised structures at the company's Konkoutou North gold project.

The drilling returned the following encouraging near surface gold intercepts:

- 3m @ 14.1 g/t Au from 0m (RCM205)
- 3m @ 14.0 g/t Au from 6m (RCM175)
- 3m @ 3.3 g/t Au from 12m (RCM128)
- 6m @ 1.9 g/t Au from 15m and 3m @ 3.3 g/t Au from 42m (RCM144)
- 6m @ 1.6 g/t Au from 0m (RCM139)
- 3m @ 2.9 g/t Au from 21m (RCM146)
- 6m @ 1.4 g/t Au from 18m (RCM148)
- 3m @ 1.3 g/t Au from 39m (RCM137)
- 3m @ 2.3 g/t Au from 24m (RCM199)
- 3m @ 1.8 g/t Au from 3m (RCM202)

The results confirm the strike continuity of the two main mineralised structures previously intersected by earlier RC drill holes and trenches (Figure 2). The western NNE mineralised structure (Zone 1) has been extended over 460m strike and the NNW mineralised structure (Zone 2) has been defined over 850m strike. These mineralised zones are characterised by oxidised quartz veins and veinlets in sheared sedimentary package intruded by mafic intrusive and felsic dykes.

Following up the success of this shallow drilling program we will now plan an RC drilling program to further delineate the potential of the Konkoutou deposit.

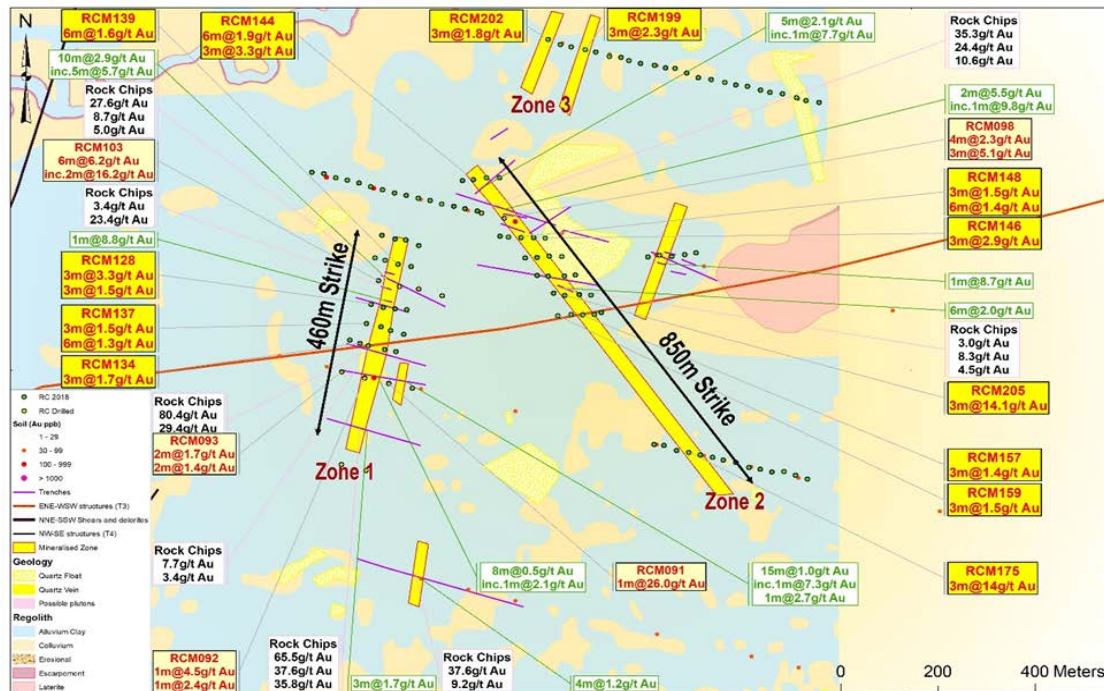


Figure 2. Konkouto North Prospect showing previous results and recent significant RC assays (yellow)

The Konkouto group of prospects are located 35 kilometres north east of the Makabingu Gold Project on the Moura tenement. Together, these prospects have the largest and strongest geochemical gold-in-soil anomaly on the Bassari leases of the order of 5km x 5km minimum highlighted in Figure 3 below.

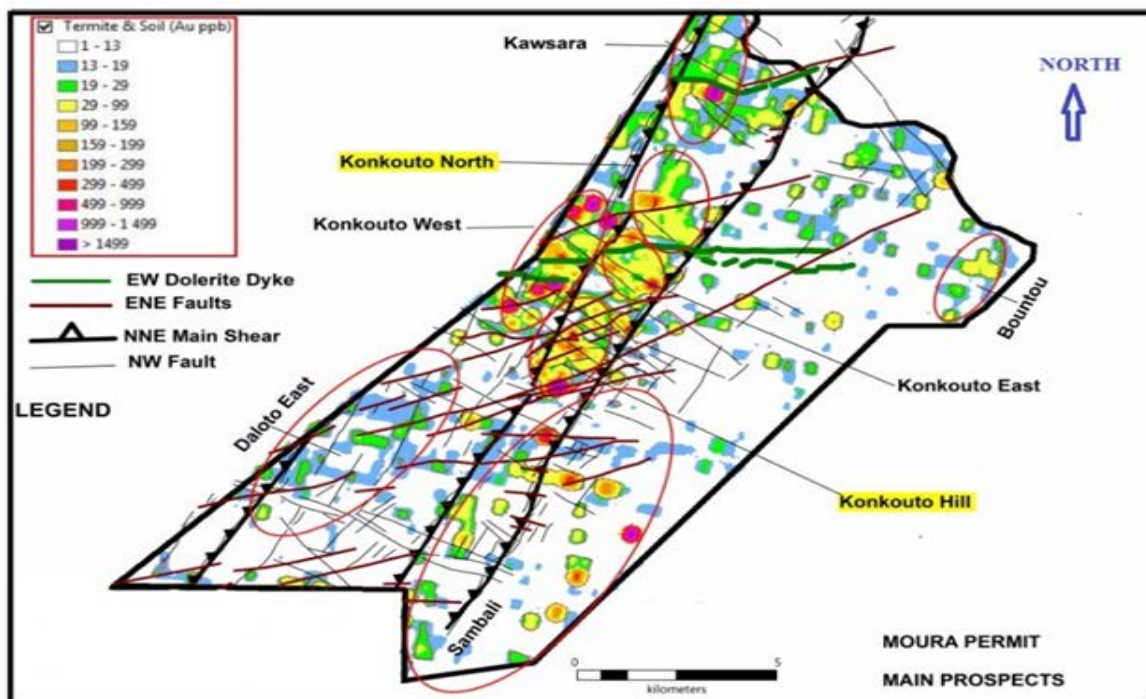


Figure 3. Moura Permit – Geochemical-in-soil survey results and Konkouto area prospects

CORPORATE

Placement

Bassari raised \$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. \$864,000 of the amount was raised subsequent to the end of the quarter.

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.

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")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(512)	(1,263)
(b) development		
(c) production		
(d) staff costs	(402)	(1,386)
(e) administration and corporate costs	(256)	(871)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	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	(1,169)	(3,512)

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 (6 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	300	2,851
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	0	(72)
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	300	2,774

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,238	1,091
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,169)	(3,512)
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)	300	2,774

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	1	9
4.6	Cash and cash equivalents at end of period	370	370

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	370	1,238
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)	370	1,238

Note: Subsequent to the end of the September quarter, the company raised a further \$864,000 and shares for the placement were allotted on 22 October 2018.

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	50
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	50
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.		

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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	250
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 September 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

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



Sign here:

Date: 31 October 2018

Print name:Ian Riley.....
 (Company secretary)

Notes

- 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.
- 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.
- 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.