



Bassari Resources Ltd
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18 February 2015

Kobe Li
ASX Compliance Pty Ltd
Level 4
Rialto North Tower
525 Collins Street
Melbourne Vic 3000

Dear Kobe

BASSARI RESOURCES LIMITED (“BSR”, “Bassari” or “Company”)

I refer to your letter dated 16 February 2015 regarding the Company’s Appendix 5B for the period ended 31 December 2014, released to ASX Limited (“ASX”) on 30 January 2015 (“the Appendix 5B”).

The Company provides the following response to the questions raised in your letter:

- 1 In the Company’s Quarterly Activity Report for the quarter ended 31 December 2014 it was confirmed that the Company has received a number of funding approaches confirming the ability to raise funds. The Company is well advanced in its assessment of and negotiations with funding parties, such as a capital placement or other form of funding, to ensure the Company will be able to fund its activities.
- 2 The Company is an exploration company in pre-development stage and expects that it will have negative operating cash flows in the future until commencing production from the Makabingui Gold Project. The Company is reliant on capital raising activities to fund its ongoing activities and with negotiations with funding parties well advanced, as stated in paragraph 1, may use its securities placement capacity under Listing Rule 7.1 and 7.1A to ensure sufficient funds are available, in order to continue its operations.
- 3 The Company is well advanced to complete a funding arrangement to continue to meet its business objectives and is presently assessing and negotiating with a number of parties who have made funding approaches.

- 4 The Company confirms that it is in compliance with the listing rules and in particular, Listing Rule 3.1.

- 5 With regard to Listing Rule 12.2, the Directors confirm that the Company is of a financial condition to warrant continued quotation of its securities and its continued listing.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Ian Riley', written in a cursive style.

Ian Riley
Company Secretary/Chief Financial Officer



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16 February 2015

Ian Riley
Company Secretary
/CFO
Bassari Resources Limited

By email

Dear Ian,

Bassari Resources Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 31 December 2014, released to ASX Limited ("ASX") on 30 January 2015 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$0
2. Net negative operating cash flows for the quarter of \$778,000
3. Cash at end of quarter of negative \$59,000
4. Estimated cash outflows for the next quarter of \$750,000

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future exploration, evaluation and administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous Disclosure: Listing Rules 3.1 – 3.1B".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by return email. It should not be sent to the Market Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **9.30am AEDT Thursday 19 February 2015**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me.

Yours sincerely,

[Sent electronically without signature]

Kobe Li
Senior Adviser, Listings Compliance (Melbourne)