



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	2,301
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 in-fill 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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Makabingui Permit for Development Granted

The Directors are pleased to announce that the Exploitation Permit (Addendum No. 2 to the Mining Convention) for the Bassari/WATIC joint venture development of the Makabingui Gold Project has been approved and signed by the Minister of Mines. A Presidential Decree will now be issued to formalise the terms of the Addendum. The Exploitation Permit area includes the Makabingui one million ounce gold deposit plus the 8 kilometres of strike at Makabingui South. The permit incorporates the basis for proceeding to the operational phase of the Makabingui Gold Project located in eastern Senegal, a country which has one of the most stable democracies in Africa.

The key terms of the Exploitation Permit are as follows:

- The Exploitation Permit is granted for five (5) years renewable for one or more periods not exceeding five (5) years each, up to the exhaustion of the deposit. These terms recognise the long term potential of Makabingui and the right to transform the granted Exploitation Permit to a Mining Concession is preserved as additional reserves are discovered. A Mining Concession carries a seven (7) year tax free period and the right of concession renewal for one or more periods not exceeding twenty-five (25) years each, up to the point of exhausting the deposit;
- The formation of an exploitation (mining) company in which the Republic of Senegal will be issued a 10% non-contributory interest to be created for the project;
- Past Project exploration expenses incurred by Bassari and presented to and approved by Senegalese authorities will be classified as a contracted debt of the newly incorporated exploitation company and become repayable in accordance with the relevant articles of the Mining Convention which accord priority of repayment to Bassari of such debts over the declaration of dividends by the exploitation company going forward;
- The Exploitation Permit for the project, whilst attracting corporate tax, has been granted a number of tax exemptions for an initial period of 3 years, including:
 - Exemption from export tax production, which can be extended to seven (7) years in case of increased reserves during a five (5) year period;
 - Exemption from value added taxes, property and services;
 - Exemption for minimum basic tax;
 - Exemption from the basic tax payable by the employer;
 - Exemption from professional, built or not built, property taxes, except for buildings used for habitation; and
 - Exemption from rights and fees for the constitution of companies and the raising of capital.

- The project may freely export mined mineral substances, their concentrates and primary or other derivatives subject to complying with the formalities for the export of such substances;
- The project will pay a royalty to the Senegal government of five percent (5%) of gold sold quarterly;
- The project will invest US\$100,000 on social development in the region during the period of pre-development and thereafter, 0.5% of gold sales; and
- The project will contribute US\$150,000 annually for the training and development of Senegalese in the mining sector, mining promotion, logistical support and technical services of the Ministry of Mining.

In addition, there is no restriction on the transfer of dividends or repatriation of capital, or on investments financed with foreign currency.

Overview - Makabingui Gold Project

The Makabingui Gold Project currently hosts a Mineral Resource (Note 1), which comprises 11.9 million tonnes averaging 2.6 g/t gold for a contained 1 million ounces of gold classified into the Indicated and Inferred Resource categories. The first stage of development is the mining of high grade pits comprising 180,000 mined ounces of which 158,000 ounces are from Ore Reserves at an average grade of 5.7 g/t within the Makabingui gold resource of 1,005,000 ounces.

The initial stage development is an open pit mining phase which will be extended to mine deeper resources by open pit or underground methods and further open pits are expected to be developed within the tenements and along an eight (8) kilometre strike at Makabingui South (Figure 1).

The Makabingui Gold Project ore is free milling, accordingly ore treatment will be a low cost, conventional gravity and Carbon in Leach (CIL) processing circuit. The existing gravity plant at the Douta site is to be upgraded at low cost to include a CIL plant.

The Makabingui Open Pit Feasibility Study is presented on an entire project basis with Bassari (through its 100% owned local subsidiary, Bassari Resources Senegal (SARL)) holding 70% interest in the Sambarabougou Exploration Permit. The study found the project produced strong cash flows at the low end of industry operating costs. Additionally, exploration and mine life upside exists from within the Makabingui one million ounce gold resource and from the highly prospective area to the south, Makabingui South.

Note 1 - Prepared and disclosed under the JORC Code 2004 and remains unchanged

The Open Pit Feasibility Study (*ASX announcement 26 June 2014*) for the initial open pit mining phase delivered outstanding results at US\$1,200/oz gold price:

• <i>Mined ounces</i>	180,000 ounces
• <i>Production (recovered gold)</i>	171,000 ounces
• <i>Average annual gold production</i>	50,000 ounces
• <i>Average gold grade to the mill</i>	>5.6 g/t gold at 1.3g/t cut-off grade
• <i>High processing recovery</i>	95%
• <i>Processing rate</i>	300ktpa
• <i>Initial project mine life</i>	3.4 years
• <i>Cash Cost (C1)</i>	US\$683/oz
• <i>Low additional capital</i>	US\$12M
• <i>NPV (8% discount rate)</i>	US\$63M
• <i>IRR</i>	404%
• <i>Pre-capex free cashflow (after tax)</i>	US\$88M
• <i>Payback from production start</i>	<12 months

Notes:

- 180,000 mined ounces comprises 158,000 ounces from Ore Reserves and 22,000 from Inferred Resources within the pit designs
- Production (recovered gold) of 171,000 ounces includes gold from Inferred Resources within the pit designs.
- Since the completion of the Feasibility Study, the increase in gold price and substantial reductions in the cost of fuel have had a beneficial impact on pre-capex free cashflow.

Mine Layout

The initial development will mine high grade (>5.6g/t gold) open-cut pits, using existing infrastructure, equipment and a 300ktpa gravity processing plant. The high grade open-cut pits have been identified, designed, and material movement schedules completed within the 1M ounce gold resource.

The Senegal Government recognises the excellent potential to extend the resource base of the Makabingui Project. An underground scoping study has provided an assessment of the potential for mining the deeper resource from access declines within the pits to commence on completion of the initial phase of open-cut mining operations. The study assumed that the existing infrastructure and 300ktpa processing plant would be utilised, however a larger facility is expected as the project scope grows.

Finance

With the issuance of the permit and its favourable terms (duration and tax exemptions), Bassari can proceed to finalise project finance with a number of banks and financiers previously identified.

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:

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