



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	1,485,614,774
No of shareholders	1,809
Top 20	36%

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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29 January 2016

December 2015 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

- **Significant progress made with the Senegal Government in finalising the terms and tenure for the Makabingui Production Permit**

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- **Placements during the quarter raise \$490,000**
- **\$58,000 raised subsequent to end of quarter**

Bassari's Executive Chairman Alex Mackenzie said: "During the quarter, productive negotiations were significantly advanced and continue with Government officials to convert the exploration permit to a long term production permit. In addition, discussions were opened with potential Capex financiers."

MAKABINGUI GOLD PROJECT – PRODUCTION PERMIT NEGOTIATIONS

The Senegalese Government and officials are working with the Company and Joint venture partner to finalise the tenure and terms for the Makabingui Gold Project production permit.

We continue to have strong support for the development of the project and we are grateful for the effort being made by the various Government departments during the negotiation process.

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.

An initial open pit mining phase 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 strike. The Makabingui Gold Project ore is free milling so ore treatment will be by a low cost, conventional gravity and Carbon in Leach (CIL) processing circuit.

The Open Pit Feasibility Study for the initial open pit mining phase delivered outstanding results:

Makabingui initial stage high grade Open Pit Project Feasibility Study summary at US\$1200/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
○ <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 cash flow (after tax)</i>	US\$88M
○ <i>Payback from production start</i>	<12 months

While the initial open pits may be extended, an Underground Study has provided an assessment of the potential for mining the deeper resource from access declines within the pits to commence on completion mining operations. The study assumed that the existing infrastructure and a 300ktpa processing plant would be utilised, however a larger facility is expected as the project scope grows.

Makabingui High Grade Underground Study at US\$1200/oz gold price:

○ <i>Mined ounces</i>	120,000 ounces (additional to open pits)
○ <i>Average gold grade to the mill</i>	>7.0 g/t gold
○ <i>Mine life extension</i>	~2.5 years
○ <i>Estimated Revenue</i>	US\$144M
○ <i>Estimated OPEX</i>	US\$56M
○ <i>Estimated CAPEX</i>	US\$35M
○ <i>Processing recovery</i>	95%
○ <i>Cut-off-grade</i>	3g/t gold

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

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A series of placements at \$0.01 (one cent) per ordinary share during the December quarter raised \$490,000 before costs to provide working capital and funds to further progress the development phase of the Makabingui Gold Project.

Since the end of the quarter the company has raised by placement, a further \$58,000 at \$0.01 (1 cent) each ordinary share.

The funding for Makabingui Gold Project development and working capital is under negotiation.

PROJECT LOCATION

Bassari holds a 70% interest in each of three contiguous exploration permits; Sambarabougou, Moura and Bounsankoba, covering approximately 790km² in a central location of the highly prospective Birimian Kenieba Inlier (refer Figure 1). The permits are located approximately 750km east of Senegal's capital city of Dakar and about 70km north-east of the town of Kedougou, and span 80km strike length of parts of a major crustal shear zone, the Main Transcurrent Shear Zone (MTZ), a well-defined gold mineralised structural corridor. The Kenieba Inlier hosts several multi-million ounce gold deposits and extends into the bordering countries of Mali and Guinea (refer Figure 2).

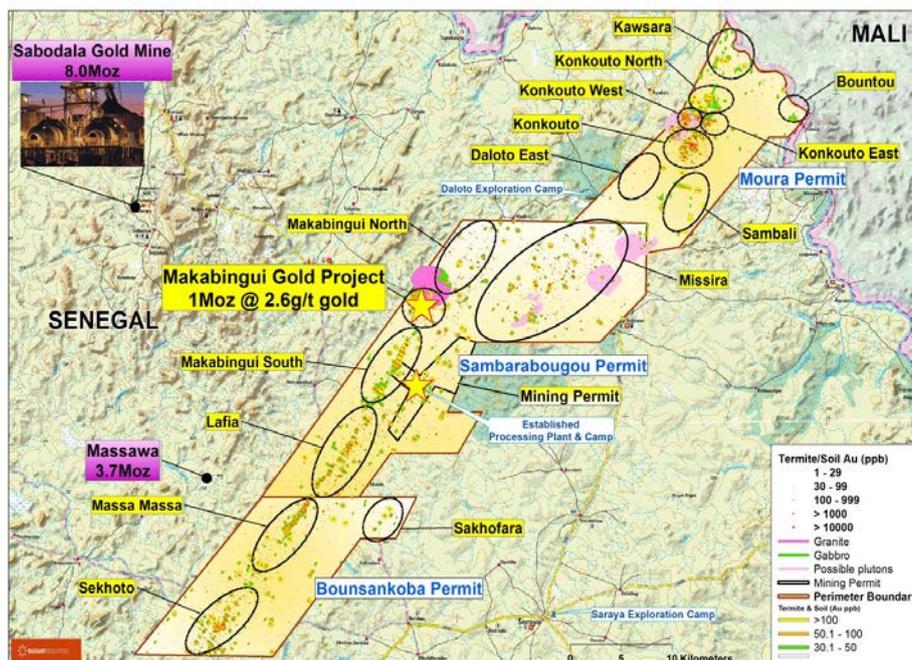


Figure 1 - Bassari's Permits in eastern Senegal with Project & Prospect Locations

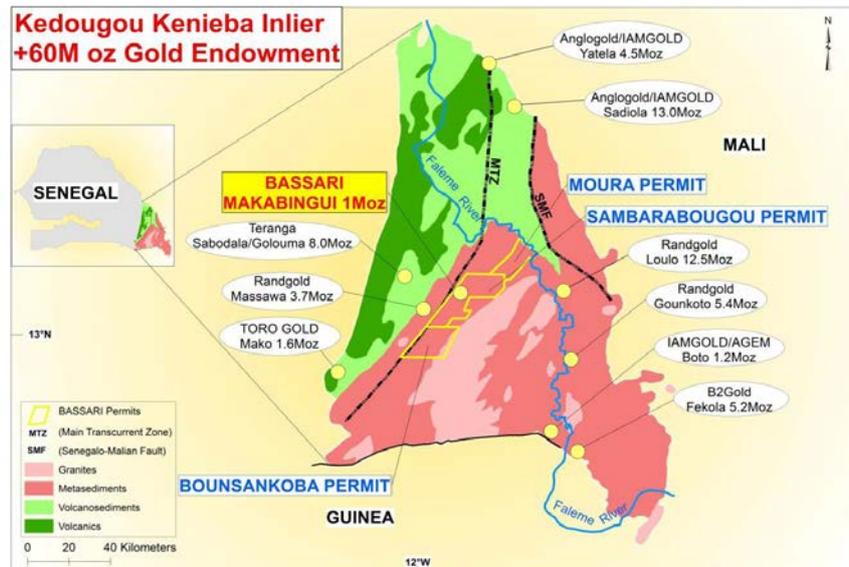


Figure 2 – Prime Location in the Highly Prospective Kedougou-Kenieba Inlier

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
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, 01/05/2013

Name of entity

BASSARI RESOURCES LIMITED

ABN

84 123 939 042

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(201) (297)	(1,450) (1,209)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	1	4
Net Operating Cash Flows	(497)	(2,655)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	o	6
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	o	6
1.13 Total operating and investing cash flows (carried forward)	(497)	(2,649)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(497)	(2,649)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. (See Note below)	490	3,008
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	0	43
1.17	Repayment of borrowings	(17)	(86)
1.18	Dividends paid		
1.19	Other (provide details if material) Costs of capital raising		
	Net financing cash flows	473	2,965
	Net increase (decrease) in cash held	(24)	316
1.20	Cash at beginning of quarter/year to date	274	(59)
1.21	Exchange rate adjustments to item 1.20	3	(4)
1.22	Cash at end of quarter	253	253

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	61
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Salaries and payments made for consulting services to directors and director related entities

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	
4.3 Production	
4.4 Administration	250
Total	500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	(Australia)253	(Australia)344
5.2 Deposits at call		
5.3 Bank overdraft	(Senegal) (0)	(Senegal) (70)
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	253 (See note below)	31

NOTE:

Subsequent to the end of the quarter, the company raised a further \$55,000 before costs, by way of placement pursuant to Listing Rule 7.1 capacity for directors to place funds.

The company in previous discussion with BCM International Limited, re-scheduled the timing for receipt of the balance of convertible notes due, \$300,000, to monthly amounts of \$100,000 each.

The company also has the ability to place up to a further 314 million shares pursuant to Listing Rules 7.1 and 7.1A remaining capacity.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities			
	<i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	1,479,839,774	1,479,839,774	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	62,838,800	62,838,800	

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>	43,750,000 Unlisted , convertible at 1.6 cents each within 12 months of completion, interest at 8% per annum payable quarterly	Not applicable		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Not applicable	Not applicable		
7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company Secretary)

Date: 29 January 2016

Print name: Ian Riley

+ See chapter 19 for defined terms.

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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In accordance with ASX Listing Rule 5.3.3, Bassari Resources Limited provides its list of exploration and exploitation permits with its December 2015 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.