



CORPORATE INFORMATION

Bassari Resources Limited is an Australian ASX-listed company focused on discovering and developing multi-million ounce gold deposits in the Birimian Gold Belt, Senegal, West Africa.

FAST FACTS

ASX Code	BSR
Issued Capital	2,387,754,965
No of shareholders	2,310
Top 20	36%

INVESTMENT HIGHLIGHTS

Mineral tenements over approximately 312km² of prospective Birimian Gold Belt, Senegal.

- Makabingui Gold Project Feasibility Study – Initial high grade open pit project of 1Mt at 5.7g/t for 174,000 oz production inventory, \$678/oz cash cost, US\$90m pre Capex 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

Peter Spivey
Director

Ian Riley
Director & Company Secretary

CONTACT US

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31 January 2020

DECEMBER 2019 QUARTERLY ACTIVITY REPORT

The Directors are pleased to report on Makabingui Gold Operations' development works and corporate activities during the quarter ended 31 December 2019 and subsequent to the end of the quarter.

MAKABINGUI GOLD PROJECT

Grade control drilling - Pit 2 (see ASX announcements 3 and 9 December 2019)

- **Grade control drilling of Pit 2 completed with 228 holes drilled for 5,325 metres.**
- **The most significant gold intersections returned are:**
 - 8m at 5.2 g/t Au from 31m
 - 13m at 2.9 g/t Au from 0m
 - 6m at 6.1 g/t Au from 29m
 - 4m at 7.5 g/t Au from 16m
 - 13m at 2.2 g/t Au from 23m
 - 6m at 4.4 g/t Au from 23m
 - 11m at 2.3 g/t Au from 15m
 - 9 m at 8.6 g/t Au from 11 m
 - 7 m at 6.1 g/t Au from 9 m
 - 4 m at 8.1 g/t Au from 7 m
 - 9 m at 3.3 g/t Au from 12 m
- **Gold intersections above are between 0 metres and 31 metres from surface.**
- **Results show continuity of the mineralisation between the drilled sections and extending Pit 2 to the west, are open at depth and below the current pit design.**

The mineralised lodes are controlled by NNE shear faults defined by tectonic and hydrothermal breccia structures highlighted in the main geological contact between metagabbro and metagraywacke. These shear faults are cross-cut by NNW faults, which increases dilation and fracturing for localising gold mineralisation.



Pit 2 grade control drilling

Grade control drilling - Pit 1 (see ASX announcement 29 January 2020)

Subsequent to the end of the December quarter, the first batch of assays were received from the first pass pre-development grade control drilling (10m x 10m) of the high grading, 7.5 g/t Au mineable Pit 1 of 110,000 oz.

Major gold intersections from first stage close to surface drilling at Pit 1 are:

- 1m at 14.2g/t Au from 19m
- 2m at 4.7 g/t Au from 0m
- 2m at 4.6 g/t Au from 11m
- 2m at 2.9 g/t Au from 0m
- 1m at 10.5 g/t Au from 0m
- 2m at 9.7 g/t Au from 10m
- 1m at 10.2 g/t Au from 19m
- 1m at 25.5 g/t au from 19m
- 4m at 2.6 g/t Au from 2m
- 13m at 2.5g/t Au from 0m including 1m@16.8 g/t Au
- 1m at 17.5 g/t Au from 1m
- 2m at 5.2 g/t Au from 1m

Equipment purchases

Major equipment components of the processing plant have been constructed and items shipped to site, including Ball Mills x 2 and agitators, with other items nearing completion and shipment.



Ball Mill

Pre-production works

Numerous works have been undertaken and completed including upgrades to the medical clinic, extension of the mess facility, increasing the housing capacity at camp by the construction of new quarters and the workshop area upgrade has also been completed. These works at the camp and plant facility are in addition to the works carried out on haul roads, mine ROM pad and mine waste dump locations and security fencing of the mine area.



Haul road



ROM pad

Camp construction

Camp accommodation has been increased to accommodate 172 persons.



New accommodation block

CORPORATE

Project funding

Project finance loan funding of \$6.9 million was drawn during the quarter.

Share placements

During the quarter, the company raised \$ 1.01 million before costs of the issue, by placement to sophisticated investors, the funds raised being applied to working capital.

Subsequent to the end of the quarter, the company raised a further \$183,000 before costs of the issue, by placement to sophisticated investors, the funds raised being applied to working capital.

About Bassari

Melbourne – based West African gold developer Bassari Resources Limited (ASX:BSR) has a strategic portfolio of exploration and exploitation permits focussed on the Birimian Gold Belt in Senegal. The permits cover an area of 312 km2 with 60km of strike along the two adjoining permits. The permits are located within the Keneiba 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:

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Bassari Resources Limited

ABN

84123939042

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development	(1,290)	(5,398)
(c) production		
(d) staff costs	(677)	(2,533)
(e) administration and corporate costs	(195)	(835)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(202)	(665)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(2,364)	(9,431)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(1,160)	(6055)
(d) exploration & evaluation (if capitalised)		
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) 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	(1,160)	(6,055)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,007	1,264
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(14)	(21)
3.5	Proceeds from borrowings	6,924	17,530
3.6	Repayment of borrowings	(1,194)	(1,550)
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	6,723	17,223

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	(1,412)	86
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,364)	(9,431)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,160)	(6,055)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,723	17,223

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(15)	(51)
4.6	Cash and cash equivalents at end of period	1,772	1,772

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	3,231	314
5.2	Call deposits		
5.3	Bank overdrafts	(1,459)	(1,726)
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,772	(1,412)

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Director fees and payments made to directors for consulting services and to director related entities.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	17,073	17,073
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	17,073	17,073

7.5 **Unused financing facilities available at quarter end**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Project loan provided by Coris Bank International, for a period of 18 months, interest rate of 9% per annum, secured by a charge over the project assets. Additional funds of FCFA 1 billion (A\$2.45 million) have been agreed in principle by the lender, and not yet drawn upon.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	2,364
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	2,364
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,772
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,772
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.75

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: It is intended the company will finalise its agreement with Coris to increase loan funds and also for the company to undertake a capital raising within the next two quarters. The company has consistently been successful when raising capital and expect any raising to also be successful.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, on the basis of additional project loan funding and equity funding as noted in 2 above and that the project is expecting to produce production revenues in the next two quarters.

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.

Date: 31 January 2020

Authorised by: By the board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.