

Bassari standing out in West Africa

As the gold price slumps, Bassari Resources Ltd finds itself in prime position to talk about financing its high-grade Makabingui gold project in Senegal.

Bassari managing director Jozsef Patarica told **Gold Mining Journal** the company had numerous project financing options to consider.

"We are quite advanced down the funding path. We make a healthy margin at \$US1,200/oz or less, so I think our project in particular stands out compared to anyone else [in West Africa]," Patarica said.

"We are advancing discussions with a few banks that we are talking to and there are some due diligence processes under way there. There are some mine services contracting groups who are not just interested in the mining side of it, they are interested in assisting in funding and being a lot more involved in the project. There is a lot of capital parked up around the place so they are getting quite different and unique in the ways they are getting involved in projects as well. We have got a couple of those that we are looking at.

"The best thing that we can do is get a funding package in place that gives maximum upside for shareholders. Anything that is non-dilutive is really the key for us."

Bassari has given potential project financiers a few things to mull over of late, with the company revealing a maiden ore reserve at Makabingui in its latest market announcement before **Gold Mining Journal** went to print.

The conversion of indicated resources to reserves is for the initial stage of the project – a high-grade open-pit development estimated to cost \$US12 million (including pre-production) to build.



Bassari expects to complete permitting and an EIS at the Makabingui project in Senegal soon

The maiden open-pit gold reserve is 860,000t @ 5.7 g/t for 158,000oz.

"We are looking at being in production in the middle of next year, so with the free cash flow we will be generating from that we will look at reinvesting into drilling towards the back half of next year. Permitting and EIS [statements] are expected out in quarter four this year, it is not holding anything up. It is straightforward and we have had really positive feedback on the EIS," Patarica said.



Jozsef Patarica

"We have got 850 there and we are pretty advanced with a lot of our other prospects, we know where the gold is, it is just a matter in some cases of doing some infill drilling."

Resources at the Makabingui gold project are 11.9mt @ 2.6 g/t for 1 moz gold comprising 336,000oz @ 4 g/t (indicated) and 669,000oz @ 2.2 g/t (inferred).

A feasibility study into an open-pit scenario costing \$US12 million (including pre-production) has indicated 300,000 tpa @ 5.6 g/t gold for 50,000 ozpa production over three-and-a-half years is viable from Pit 1 and 2.

Bassari aims to follow up the initial open-pit mining phase with an underground operation from Pit 1.

A scoping study into the underground was released this year with results pointing to production of 120,000oz @ 7 g/t gold in addition to open pit production of 180,000oz.

Patarica said both the open-pit and underground studies had attracted considerable interest from a number of funding sources and the company was looking to fast track work towards devel-

opment.

With good progress being made in detailing the design of the processing facility upgrade and engaging a mine services contractor for start-up, Bassari raised over \$550,000 via a rights issue to advance further works.

It has been difficult for West African gold juniors to access money in the current market, however with a high-grade gold project nearing production, Bassari is in a better position than most.

"The key is grade and we have plenty of it. These days to get something profitable you really have to focus on grade and keep the capital low," Patarica said.

"Our project is 5.6 g/t [gold] and the underground scoping study at 7 g/t, but by having grade you can keep the throughput lower so you are reducing capital and operating costs and the like. I think everybody is reviewing their mine plan and looking at increasing their cut-off grades and focusing on where the high grade in their deposits is to make some money."

– Mark Andrews