



CORPORATE INFORMATION

31 October 2019

Bassari Resources Limited is an Australian ASXlisted 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	2,347,221,633
No of shareholders	2,328
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

Bassari Resources Limited (ACN 123939042) Suite 1204, 530 Little Collins Street, Melbourne, Victoria, 3000, Australia. T: +61 3 9629 9925 Email: <u>admin@bassari.com.au</u> Website: www.BassariResources.com SEPTEMBER 2019 QUARTERLY ACTIVITY REPORT

The Directors are pleased to report on Makabingui Gold Operations' development works and corporate activities during the quarter ended 30 September 2019 and subsequent to the end of the quarter.

MAKABINGUI GOLD PROJECT

Significant progress has been made to bring the Makabingui Gold Project into production. Activities include:

Project funding

Further drawdowns of the project finance loan during the quarter, \$2.74 million have allowed for additional equipment purchases to be completed, ready for shipment. Total funds drawn down to 30 September approximate \$10.7 million.

Equipment purchases

Major equipment components of the processing plant have been constructed and await shipment to site with other items nearing completion.

Grade control drilling

The drill arrived at site and has commenced drilling, initially on a 10x10 metre pattern which will reduce to a 10x5 metre pattern for a proper evaluation to be made of the pits 1 and 2 gold reserves.

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.

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Share placements

During the quarter, the company raised \$257,000 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 \$602,000 before costs of the issue, by placement to sophisticated investors, the funds raised being applied to working capital.

Option expiry

A total of 304,270,018, 3.4 cent Bassari BSROB listed options expired unexercised on 30 September 2019.

Change of Address

The company moved office on 15 July 2019, and from this date the office address and principal place of business is:

Suite 1204 Level 12, 530 Little Collins Street Melbourne Vic 3000 Telephone: +61 3 9629 9925

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:

Mr Alex Mackenzie, Executive Chairman T: +61 3 9629 9925 Mr Ian Riley, Company Secretary/Director T: +61 3 9629 9925

+Rule 5.5

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, 01/05/13, 01/09/16

Name of entity

BASSARI RESOURCES LIMITED

ABN

123 939 042

Quarter ended ("current quarter")

30 September 2019

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development	(1,363)	(4,108)
	(c) production		
	(d) staff costs	(781)	(1,856)
	(e) administration and corporate costs	(200)	(640)
1.3	Dividends received (see note 3)		
1.4	Interest received	0	0
1.5	Interest and other costs of finance paid	(452)	(463)
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(2,796)	(7,067)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(2,070)	(4,895)
	(b) tenements (see item 10)		
	(c) investments		

+ See chapter 19 for defined terms

1 September 2016

Ар	pendix 5B
Mining exploration entity and oil and gas exploration entity quarter	erly report

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) 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	(2,070)	(4,895)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	257	257
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(7)	(7)
3.5	Proceeds from borrowings	3,009	10,606
3.6	Repayment of borrowings	(356)	(356)
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	2,903	10,500

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	520	86
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,796)	(7,067)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,070)	(4,895)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,903	10,500

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	31	(36)
4.6	Cash and cash equivalents at end of period	(1,412)	(1,412)

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	314	84
5.2	Call deposits		
5.3	Bank overdrafts	(1,726)	436
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	(1,412)	520

Notes: On 31 December 2018 Bassari's subsidiary company, Makabingui Gold Operation SA signed a loan agreement (ASX announcement 3-01-2019) for the development of the Makabingui Gold Project in the amount of FCFA7 billion (approximately \$17.3 million). Approximately \$2.74 million of that loan was drawn down in the guarter with the balance of \$6.9 million yet to be drawn.

Cash and cash equivalents at 30-09-2019 includes \$1.345 million of funds, held by Coris Bank International in an account set aside pursuant to the bank loan agreement as partial security for repayments that will become due.

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	75
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in	

items 6.1 and 6.2

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

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	75
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
73	Include below any explanation percessary to understand the transaction	ns included in

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Amount paid to director related entities included in amount shown at item 6.1

8.	Financing facilities available Add notes as necessary for an understanding of the position	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	17,284	10,284
8.2	Credit standby arrangements	N/A	N/A
8.3	Other (please specify)	N/A	N/A
		-	

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

On 31 December 2018, the company signed a project funding loan agreement with Coris Bank International (refer ASX announcement 3-01-2019), for a loan to fund the Makabingui Gold project. The funding package is for the amount requested by Makabingui Gold Operation SA to fund the CAPEX for the development and pre-production costs of the Makabingui Gold project. The loan amount is FCFA 7 billion which approximates \$17.3 million. FCFA 1.1 billion, approximating \$2.7 million was drawn down in the quarter for a total drawdown to 30 September 2019 of FCFA 4.2 billion, with a loan balance of FCFA 2.8 billion, approximating \$6.9 million, available to be drawn down for further project funding.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	
9.2	Development	1,500
9.3	Production	
9.4	Staff costs	750
9.5	Administration and corporate costs	200
9.6	Other (provide details if material) – Assets in construction	1,500
9.7	Total estimated cash outflows	3,950

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

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		NO CHANGE		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		NO CHANGE		

In accordance with ASX Listing Rule 5.3.3, Bassari Resources Limited provides its list of exploration and exploitation permits with its September 2019 quarterly activities report.

Project	Country	Area (sq km)	Licence type	Granted/ renewed	BSR Group % interest
Moura	Senegal	184	Exploration Permit	28-02-2015	70% (a)
Makabingui	Senegal	128	Exploitation Permit	28-11-2016	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 63% owned subsidiary, Makabingui Gold Operation SA holds the permit.

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.

Sign here:

Date: 31 October 2019

Print name:

Ian Riley (Company secretary)

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2. If this quarterly 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 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.