



## 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	2,418,855,633
No of shareholders	2,312
Top 20	36%

### INVESTMENT HIGHLIGHTS

Mineral tenements over approximately 312km<sup>2</sup> 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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30 April 2020

## MARCH 2020 QUARTERLY ACTIVITY REPORT

This quarter proved to be extremely eventful following the effects of the Coronavirus pandemic on Senegal and the world economy. Accordingly, in this quarterly report we cover the following:

1. The government restrictions to limit the spread of Covid-19 in Senegal and how Bassari is coping with the virus and protecting our work force and operations in the Mining Area
2. Mining Contract appointment and work achieved by Junction Contract Mining
3. Construction work completed
4. Infill Grade Control Drilling Results

### 1. Makabingui mining and COVID-19

Like most countries across the globe, Senegal has implemented lock-down and movement restrictions on its population to contain the spread of COVID-19, the Coronavirus pandemic. This has involved restrictions on travel, movement of equipment, staff isolation and shipping.

The restrictions have necessitated a temporary delay in the mining start-up at the Makabingui Gold Operation, which was planned to commence in April.

There is an expectation that the most severe restrictions on movements will be eased soon and that mining can commence. Junction Contract Mining (“Junction”) the Australian mining contractor, have remained in Senegal and are ready to commence.

Over recent months in the lead up to mining, Junction have made significant progress in their mining preparatory work, including:

- Contract signed for the supply of the Caterpillar mining fleet, awaiting shipment
- Mobilisation agreements and logistics plan completed for the transport of the fleet from the port to the mining site
- Contract negotiated for the supply of the mine site, jaw crusher, cone crusher, screen plant and rock samples sent for testing
- Supply agreement negotiated for the supply of tipper and flat-bed trucks, service vehicles and crew buses
- Negotiated explosives supply and initiating equipment agreement
- Mine project administrator and crushing manager recruited plus other key mining appointment interviews being conducted
- Numerous other administrative activities in readiness for mining start

This work holds us in good stead for a mining start-up as soon as the restrictions are eased by the government.

The spread of COVID-19 within Senegal has been restricted to approximately 450 cases, with 6 deaths recorded. To date, no COVID-19 cases have been reported in the Makabingui mining area, the local villages Douta and Sambarabougou, or in the nearest major township of Kedougou.

Bassari has implemented COVID-19 preventative methods at its Makabingui mining camp, including hand washing, face masks, social distancing, supplying the Bassari medical clinic at Douta with protective equipment, setting up a quarantine area with an ambulance available if needed. In addition, temperature testing is carried out daily for all staff.

An area meeting was held on the subject, attended by various medical teams, the Sabodala sub prefect, the local Mayors, the village chiefs, the leaders of women and youth groups, representatives of various mining companies and the Sabodala Brigade Commander.

Bassari/MGO's Logistic Manager presented a video on our work. Our Manager further reported that Bassari carried out an awareness campaign in the villages of Douta and Sambarabougou with more planned. Those in attendance welcomed the strategy which makes it possible to reach the maximum of targets in the mining area. Such a strategy was recommended for other companies to do the same for their communities.

## **2. Mining Contract Appointment**

Junction of Australia were appointed as the contract miners to the Company's Makabingui Gold Project. Their planned contracted work was reported in our ASX release of 25 February 2020.

The Junction team arrived in Senegal in late February 2020, remaining in Senegal to this date and will remain in Senegal to ensure the mining plan is implemented to bring the mine into production as quickly and professionally as possible.

Junction completed the following work in preparation to the commencement of Mining.

- A sales agreement was signed with the local caterpillar dealer for the delivery of mining plant, excavators, trucks, drilling rigs etc.
- Negotiations completed with Mineex to supply bulk explosives
- Contract negotiated for the supply of the mine site, Jaw Crusher, Cone Crusher, Screen Plant
- Supply agreement negotiated for the supply of tipper and flat-bed trucks, service and crew buses
- Administrator and crushing manager recruited
- All tooling purchased
- Drill bit optimisation studies done including trials at a nearby basalt quarry
- Rock samples tested in Germany for crushed mantle and toggle specification testing and GET consumption rates
- Various start up options, budgets etc completed

### 3. Construction

- The two important ball mills were delivered to the mine site, together with agitators and spares
- In addition the rebar and cutting and bending machine was delivered to the mine site
- Other works completed in the quarter include:
  - o Plant rom pad and resheeting
  - o Sewerage plant installed
  - o All roadworks around the plant completed
  - o Plant security fence installed

### 4. Infill Grade Control Drilling Results

As reported in our ASX release dated 29 January 2020, partial assay results from the first pass pre-development grade control drilling (10 m x 10 m) of the high grading 7.5 g/t au, mineable pit 1 of 110000 oz were received.

Some of the best results were:

- 1 m at 14.2 g/t au from 19 m
- 1 m at 10.5 g/t au from 0 m
- 2 m at 9.7 g/t au from 10m
- 13 m at 2.5 g/t au from 0 m including 1 m @ 16.8 g/t au
- 1 m at 17.5 g/t au from 1 m
- 2 m at 5.2 g/t au from 1 m

The infill drilling program has been temporarily halted due to the contracted drilling company being sold during the quarter. The company ceased drilling while the sale agreement documents are finalised and signed. In addition, the blockage of transport from Senegal to Burkina Faso did not enable the final assays to be transported to the assay laboratory in Burkina Faso.

The infill drilling results from Pits 1 and 2 continue to confirm the high grade gold within the pits and also confirm the continuity of the mineralization.

## CORPORATE

### Share placements

During the quarter, the company raised \$650,000 before costs of the issues, 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 km<sup>2</sup> 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.*

*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.*

**For Further Information Contact:**

**Executive Chairman**

Mr Alex Mackenzie

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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

123939042

Quarter ended ("current quarter")

March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production		
(d) staff costs	(898)	(898)
(e) administration and corporate costs	(274)	(274)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,172)</b>	<b>(1,172)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(136)	(136)
(d) exploration & evaluation (if capitalised)	(568)	(568)
(e) investments		
(f) other non-current assets		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(704)</b>	<b>(704)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	650	650
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	(6)	(6)
3.5	Proceeds from borrowings	619	619
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,263</b>	<b>1,263</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	(716)	(716)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,172)	(1,172)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(704)	(704)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,263	1,263

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	7	7
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>(1,322)</b>	<b>(1,322)</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	270	755
5.2	Call deposits		
5.3	Bank overdrafts	(1,592)	(1,471)
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>(1,322)</b>	<b>(716)</b>

**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

<b>Current quarter \$A'000</b>
76

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

Payment to directors - Amounts paid to directors for fees due for services provided at commercial rates for the provision of services to the Group.

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	17,500,000	17,500,000
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>17,500,000</b>	<b>17,500,000</b>
<b>7.5 Unused financing facilities available at quarter end</b>		NIL
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	1,297
8.2 Capitalised exploration & evaluation (Item 2.1(d))	579
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	1,876
8.4 Cash and cash equivalents at quarter end (Item 4.6)	(1,322)
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	(1,322)
<b>8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	

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

- 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: Bassari group expects the current level of net operating cashflows to continue or reduce slightly for at least the next quarter, particularly with the impact of COVID-19.

- 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: Bassari group is presently taking steps to raise additional funds for its ongoing operations, in addition to formally requesting an increase of loan funds and rescheduling repayment dates for the current debt facility. Discussions are ongoing. The group has negotiated, but not yet received, further debt funding of FCFA 1 billion (A\$2.5 million) from its existing project debt financier. The group has also mandated a financier to raise up to A\$5 million and has a letter of commitment from an investor to invest US\$2 million, once the investor is able to return to his home country, UAE. COVID-19 is delaying the investors return from Senegal where due diligence was completed. Any additional funding will depend on a number of variables, including but not limited to, the success or otherwise of the matters referred to above. Directors will keep all options open in terms of the nature of the capital raisings or further debt facilities.

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: On the basis that A\$2.5 million will soon be available from the project lender and the investor commitment for US\$2 million (A\$3.125 million) is completed in the coming weeks, it is believed that the group will have sufficient funding for ongoing development works and working capital. Also, finalising the deferral of loan repayments on the current debt facility will assist the group in meeting its business objectives.

## 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: .30-04-2020.....

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.