



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 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

Modou Guene

Executive Director

Ian Riley

Director & Company Secretary

CONTACT US

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31 July 2020

JUNE 2020 QUARTERLY ACTIVITY REPORT

The quarter proved to produce significant challenges following the effects of continuing lockdowns, a result of COVID-19 pandemic in Senegal, Australia and across the world economy.

Makabingui mining and COVID-19

In addition to the mining work carried out by Junction, Bassari implemented COVID-19 preventative methods at its Makabingui mining camp, including hand washing, face masks, avoiding close personnel contact ('social distancing'), making the Bassari medical clinic at Douta available 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.

This program has been successful as to date, no COVID-19 cases have been reported in the Makabingui mining area and local villages Douta and Sambarabougou.

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

Junction Contract Mining made significant progress in their mining preparatory work and working with the Makabingui Gold Operation SA team.

Bassari Resources Ltd ("Bassari") ASX suspension from trading

Bassari was suspended from trading by ASX on 1 April 2020 when it was unable to lodge its 2019 annual financial report by 31 March 2020. This report was lodged with ASX on 24 April 2020 and subsequently, ASX raised a number of queries on the annual financial report which were responded to by management on 4 May 2020. Both the ASX query letter and managements response were made available on the ASX platform.

Bassari remains in suspension until two Matters raised in ASX query letter are remedied, and they are:

- Correct the Bassari Resources Senegal SARL negative equity matter raised initially by auditors in Senegal and reported as a qualification of Bassari' financial report; and
- Satisfy ASX that Bassari's financial position warrants continued listing on ASX.

Bassari AGM held as a virtual meeting

The planned Annual General Meeting of Bassari to be held as a physical meeting was changed to a virtual meeting and all shareholders were informed on 13 July 2020. The meeting was successfully held as a Zoom and audio meeting. Proxy voting was strongly in favour of all resolutions. Results of the meeting will be available late Friday 31 July 2020 or Monday 3 August 2020.

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:

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")

June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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		
(c) production		
(d) staff costs	(384)	(1,282)
(e) administration and corporate costs	(62)	(336)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(145)	(145)
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	(591)	(1,763)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		(136)
(d) exploration & evaluation (if capitalised)	(218)	(786)
(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 (6 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	(218)	(922)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		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	(9)	(15)
3.5	Proceeds from borrowings	639	1,258
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)		
3.10	Net cash from / (used in) financing activities	630	1,893

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	(1,322)	(716)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(591)	(1,763)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(218)	(922)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	630	1,893

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	8	15
4.6	Cash and cash equivalents at end of period	(1,493)	(1,493)

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	152	270
5.2	Call deposits		
5.3	Bank overdrafts	(1,645)	(1,592)
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	(1,493)	(1,322)

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
48

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.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	18,140	18,140
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	18,140	18,140
7.5 Unused financing facilities available at quarter end		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.	
	<p>\$17.5 million loan from Coris International Bank, Senegal, secured by charge over MGO exploitation permit, bearing interest at the rate of 9% per annum. Terms of repayment being renegotiated.</p> <p>\$373,000 loan from ORA Bank, Senegal, with the loan secured by charge over property of a director.</p> <p>A further \$267,000 loan funds made available by a director, non-interest bearing and unsecured.</p> <p>The Group has also mandated an international financier to raise up to US\$30 million with a African financial group who are conducting their due diligence of the Group's gold projects. In addition a Dubai investor has indicated an investment of up to US\$2 million.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	591
8.2 Capitalised exploration & evaluation (Item 2.1(d))	218
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	809
8.4 Cash and cash equivalents at quarter end (Item 4.6)	(1,493)
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	(1,493)
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	

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 for at least the next quarter, particularly with the ongoing impact of COVID-19 on activities in Senegal.

- 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:

The group negotiated loan funds during the quarter raising an additional \$640,000 funding its Senegal operations.

Bassari group is continues to take 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 US\$30 million and has a letter of commitment from an investor to invest US\$2 million, once the investor is able to return from Senegal to his home country. COVID-19 has delayed 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 become available from the project lender and the investor commitment for US\$2 million (A\$3.125 million) is completed in the quarter, 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.

In accordance with ASX Listing Rule 5.3.3, Bassari Resources Limited provides its list of exploration and exploitation permits with its June 2020 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.

Date: 31-07-2020

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.