



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  
 Market Capital            2,418,855,633  
 No of shareholders      2,310  
 Top 20                      36%

**CORPORATE INFORMATION**

**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**

**John Traicos**  
*Executive Chairman*  
**Modou Guene**  
*Director*  
**Malik Easah**  
*Director*  
**Conrad Karageorge**  
*Director*  
**Andrew Goode**  
*Director/Acting CEO*  
**Ian Riley**  
*Company Secretary/CFO*

**CONTACT US**

**Bassari Resources Limited** (ACN 123939042)

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30 July 2021

**JUNE 2021 QUARTERLY ACTIVITY REPORT**

Activities during the quarter focussed on efforts to secure the additional funding necessary to recommence the project.

**Bassari Resources Ltd (“Bassari”)**

**Corporate**

On 7 May 2021, a General Meeting of all Bassari shareholders was called and funded by certain shareholders, resulting in changes to the Bassari Board of Directors. Resolutions were passed removing Mr Alex Mackenzie as a director and appointing, Mr John Traicos, Mr Malik Easah and Mr Conrad Karageorge to join Mr Modou Guene to the Board.

In addition to the changes to the Bassari Board, following the quarter end the Company secured changes in early July 2021 to the board of directors of Makabingui Gold Operations SA (MGO) which resulted in the removal of Mr Alex Mackenzie and Mr Moussa Diba as directors and their replacement by Malik Easah and Andrew Goode.

**Makabingui Project Manager returns to Dakar**

Mr Andrew Goode, MGO Project Manager, returned to Senegal following the reconstitution of the Bassari Board to undertake an appraisal of the current status of the Makabingui Gold Project (the Project). Mr Goode has met with the MGO Director General, Mr Modou Guene, MGO’s legal advisor, MGO employees’ representatives, the MGO joint venture partner representative and the Project suppliers, to bring them up to date on the current plans for MGO to ready itself for a restart of activities to enable the Project to be ready for production. All meetings were productive and Andrew Goode and Modou Guene received cooperation and support from all parties.

On 4 June 2021, Andrew Goode was appointed as a director of Bassari and Acting CEO.

## **Funding**

Since the appointment of the new Directors, the Board and management secured a \$400,000 loan facility, secured over the assets of the Company, to meet urgent and essential funding requirements of the Company in the short term. The loan facility was subsequently increased by \$500,000 taking the total loan funds to \$900,000.

- Lender Oceanic Capital Pty Ltd
- Term On demand
- Interest rate 15% per annum
- Discount rate 12% per annum

The Company is working towards securing a more substantial funding package, which may be comprised of debt, equity or a mix of both, to ensure existing creditors (including Coris Bank International) are repaid to provide further working capital to progress the Project towards production.

## **Sambarabougou Exploitation Permit (Makabingui Gold Project)**

The Permit which was granted in July 2017 is due to expire in July 2022 and it is essential that the Permit be available and can be renewed for a further 5 years to facilitate investment to fund the Project as planned.

During the quarter, the Company and MGO worked to seek confirmations from the Department of Mines and the Government of Senegal that the Permit is in good standing and can be renewed by MGO for a further 5 years following its expiry in July 2022, subject to compliance with all permit terms and conditions. The Company is continuing discussions with the Department of Mines and the Government of Senegal.

## **Project Update**

During the quarter, the Company and MGO updated security at the Makabingui Gold Project with Gendarmes re-engaged by MGO and have met essential items of expenditure including contributions to the payment of arrear salaries due to workers.

Bassari together with MGO continues with the finalisation of the development schedule for the Project, to be implemented once sufficient funding is available.

## **Coris Bank**

The new Board and MGO continue to work with Coris Bank International (“Coris”) on a repayment solution for the existing US\$12.3m debt which is secured by a charge over the Sambarabougou Exploitation Permit and by a guarantee from the Company.

Coris commenced two proceedings in Senegal to enforce its security over the permit involving appraisal of the market value of the mining licence and business assets and for seizure and sale actions should the Coris’ debt remain unpaid. The Company understands it will take at least 2 to 3 months before this seizure and sale process of the Permit crystallises, involving various steps to be completed including receipt of all required valuations, Court validation of the proposed terms of sale, Court approval of the sale and consent from the Department of Mines and/or the Government of Senegal

to any transfer of the Permit. MGO were advised by Coris that if 80% of the outstanding debt was not repaid by 30 June 2021, Coris would continue enforcement proceedings. Given the status of the Permit and the importance of confirming the good standing of the permit before funding can be secured, MGO did not make any payment by 30 June 2021 and Coris accordingly continued with enforcement proceedings until a repayment solution can be agreed.

Without prior notice to the Company or MGO, Coris also served a summons on MGO for an additional proceeding seeking to execute the commissary pact and take possession of the Permit in an attempt to avoid the above seizure and sale process. MGO defended its position at the summary hearing held in Kedougou on 6 July 2021, with the hearing being deferred to 27 July 2021 and subsequently further postponed to 10 August 2021. The Company and MGO are continuing discussions with Coris and potential financiers to work towards a repayment solution with Coris. The Company and MGO have engaged advisers in Senegal to assist with the above matters, advise on MGO's legal rights and to defend MGO's position.

#### *About Bassari*

*Perth – based West African gold developer, Bassari Resources Limited (ASX:BSR), has a strategic portfolio of exploration and exploitation permits focused 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.*

John Traicos

**Director**

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**Company Secretary/CFO**

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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 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(29)	(29)
(c) production		
(d) staff costs	(470)	(470)
(e) administration and corporate costs	(187)	(217)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	0	(74)
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>(686)</b>	<b>(790)</b>

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 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>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
3.5	Proceeds from borrowings	803	812
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>803</b>	<b>812</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	(1,7737)	(1,737)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(686)	(790)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	803	812

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(64)	(5)
<b>(4.6)</b>	<b>Cash and cash equivalents at end of period</b>	<b>(1,720)</b>	<b>(1,720)</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	111	21
5.2	Call deposits		
5.3	Bank overdrafts	(1,831)	(1,794)
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>(1,720)</b>	<b>(1,773)</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>
NIL
NIL

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

**7. Financing facilities**

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	19,040	18,943
7.2		
7.3		
7.4	19,040	18,943

7.5 **Unused financing facilities available at quarter end** 97

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.

A\$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. Repayment of the total facility are being negotiated with Coris management.

A\$373,000 loan from ORA Bank, Senegal, bearing interest at 7.9% per annum and repayable in six months, with the loan secured by charge over property of a director.

A\$900,000 loan facility was secured during the quarter from Oceanic Capital Pty Ltd.

The Group is negotiating financing facilities in Australia and Senegal with due diligence being undertaken by potential funders.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(686)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(686)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	(1,720)
8.5 Unused finance facilities available at quarter end (Item 7.5)	97
8.6 Total available funding (Item 8.4 + Item 8.5)	(1,623)
8.7 <b>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 in the next quarter.

- 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 continuing to engage with potential financiers to raise the additional funds required for its ongoing operations, in addition to continuing discussions with Coris around a repayment solution. Discussions are ongoing and Bassari is hopeful additional debt and/or equity funding will be secured in the next quarter. 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 current negotiations with Coris Bank and potential financiers by management and directors are successful, directors believe that the group will have sufficient funding to continue its operations and meet 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: .30-07-2021.....



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 effect